

## SIXTH AMENDMENT TO LEASE AGREEMENT

This Sixth Amendment to Lease Agreement (“Amendment”) is by and between Mark Twain Health Care District, a political subdivision of the State of California (“Landlord”) and Mark Twain Medical Center, a California nonprofit public benefit corporation formerly known as Mark Twain St. Joseph’s Healthcare Corporation (“Tenant”), and is effective as of \_\_\_\_\_, 2014 (the “Effective Date”). Landlord and Tenant are jointly referred to herein as “the Parties” and may each individually be referred to as a “Party.”

### RECITALS

A. Landlord and Tenant (under its former name of Mark Twain St. Joseph’s Healthcare Corporation) are parties to a Lease Agreement dated as of December 31, 1989, wherein Landlord leases to Tenant and Tenant leases from Landlord certain real and personal property used by Tenant in the operation of an acute care hospital facility (“Hospital”) located at 768 Mountain Road, San Andreas, California (along with a First Amendment to Lease Agreement dated March 16, 1990; Second Amendment to Lease Agreement dated April 19, 1994; Third Amendment to Lease Agreement dated May 1, 1996; Fourth Amendment to Lease Agreement dated July 1, 2000; and Fifth Amendment to Lease Agreement dated September 16, 2004). As amended, the Lease Agreement is referred to herein as the “Lease.”

B. The Parties desire to resolve certain ambiguities in the Lease related to utilities payments made by the Landlord and unamortized costs for substantial Hospital improvements made by the Tenant, including the construction of a new Hospital wing, and to make certain other amendments. In furtherance of resolving the ambiguities, the Parties have agreed to forgive such claims incurred from the commencement of the Lease term through the Effective Date, and have agreed on certain other clarifying amendments to the Lease, as set forth below.

C. Prior to its approval of this Amendment, the Board of Directors of Landlord considered the lease amendments discussed herein at two properly noticed, public meetings held on \_\_\_\_\_ and \_\_\_\_\_.

D. The Board of Directors of Landlord has determined that it is in the best interest of Landlord and the community served by Mark Twain Health Care District to amend the Lease as set forth herein.

### AGREEMENT

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. Defined Terms. All capitalized terms used in this Amendment but not expressly defined in this Amendment shall have the meanings ascribed to them in the Lease. All references in the Lease to “Lease” shall hereafter constitute a reference to the Lease, as amended by this Amendment.

2. Lease. Section 1.1 of the Lease is amended to provide that the Leased Premises shall also include the Other Premises and Additional Premises (as defined in Section 3 of this Amendment), solely as it relates to Sections 3.6, 4.4, and 4.5 of the Lease.

3. Utilities. Section 3.6 of the Lease is amended to read as follows:

3.6 Utilities.

(a) Landlord shall have the obligation to pay for the following specific utilities (“Utilities”) used at the Leased Premises, including the “Other Premises” (as defined below) and the “Additional Premises” (as defined below), during the term of this Lease: electricity, natural gas, water/sewer, telephone, and waste removal (exclusive of hazardous or medical waste), and including the payment of any utility users tax levied on the foregoing.

(b) For the purposes of this Lease:

(i) The “Other Premises” are the sites noted on Schedule 1 attached hereto. The Other Premises are properties which are either owned by Landlord or which Landlord has leased from third persons, and which Other Premises have been leased by Landlord to Tenant. The Parties shall revise Schedule 1 as further Other Premises may be added, which revisions to Schedule 1 must be approved in writing by both Parties.

(ii) The “Additional Premises” shall mean any other medical and health care related clinics or other facilities related to Tenant’s operation of the Hospital, which properties are operated, owned or leased by Tenant in Calaveras County and included on Schedule 2 attached hereto. The Parties shall revise Schedule 2 as further Additional Premises may be added, which revisions to Schedule 2 must be approved in writing by both Parties. The Additional Premises are properties that are neither owned nor leased by Landlord.

(c) Landlord shall have no obligation to pay any other utilities at the Leased Premises (including the Other Premises and the Additional Premises) except for the Utilities, as delineated above. In the event Landlord decides that, in its reasonable judgment, it is in the best interests of the Landlord to shift the obligation to Tenant to pay some portion or all of the Utilities, it may do so, on not less than ninety (90) days’ prior written notice to Tenant. Such notice shall specify which of the Utilities Landlord will require Tenant to pay (“Tenant Utilities”). Commencing ninety (90) days following such written notice from Landlord to Tenant, Tenant shall reimburse to Landlord as additional rent the payments for the Tenant Utilities previously made by Landlord for the Tenant Utilities services arising on or after the expiration of the ninety (90)-day period. Landlord shall invoice Tenant for the Tenant Utilities payments, which invoice shall be payable within thirty (30) days of receipt and shall include reasonable evidence of payment by Landlord to the various Utility providers. If, after

Landlord notifies Tenant that it will require Tenant to be responsible for the Tenant Utilities, Landlord decides in its reasonable judgment that it will again be responsible for payment of all or any portion of the Tenant Utilities, then Landlord shall so notify Tenant and Landlord's responsibility to pay such Tenant Utilities shall be reinstated as of the date of Landlord's notice.

(d) Notwithstanding any other provision of this Lease to the contrary, Landlord shall not be obligated to pay Utilities in any given year that exceed seventy (70%) of the total property tax revenue received by Landlord in that year. Landlord shall give notice to Tenant in accordance with Section 3.6(c) if it will not pay for some portion or all of the Utilities.

4. Alterations, Additions and Improvements. Section 4.4(b) of the Lease is amended to read as follows:

4.4(b): Alterations, Additions and Improvements.

(i) Upon termination or expiration of this Lease, and in accordance with the payment schedule set forth below in subparagraph 4.4(b)(ii), Landlord shall pay to Tenant an amount equal to the unamortized book value (calculated in accordance with generally accepted accounting principles ("GAAP")) at the time of such termination of all alterations, additions, or improvements to the Leased Premises, including the Other Premises and the Additional Premises, placed in service by Tenant on or after July 1, 2013, in accordance with this Section 4.4, minus the sum of all prior offsets applied by Tenant against the prepayment of rent as provided in Section 3.2 of this Lease and minus the unpaid balance of any Tenant Utilities that have not been paid to Landlord as additional rent.

No amounts are due either Party for alterations, additions or improvements placed in service prior to July 1, 2013, or for the expenses associated with Utilities arising prior to the Effective Date of the Sixth Amendment to Lease Agreement. The Parties acknowledge that the value of such alterations, additions or improvements is off-set by the value of the Utilities arising prior to the Effective Date, which Utilities have been paid by Landlord. Additionally, the Parties acknowledge that there is no retransfer obligation of Tenant under Section 17.3 of the Lease as the fair market value of the assets transferred by Landlord pursuant to Section 17.1 at the commencement of the Lease did not exceed the then present value of the liabilities assumed by Tenant.

(ii) Twenty (20%) of the amount to be paid pursuant to subparagraph 4.4(b)(i) shall be paid by Landlord within one hundred and eighty (180) days after the termination or expiration of this Lease. Each year thereafter for four (4) years on the annual anniversary of the one hundred and eightieth (180<sup>th</sup>) day after the termination or expiration of this Lease, another twenty (20%) of the amount to be paid pursuant to subparagraph

4.4(b)(i) shall be paid by Landlord. Provided, however, that Landlord may, without penalty prepay any amount owing. And further provided, that the amount due shall accrue interest at the Wall Street Journal Prime rate plus one (1%) percent adjusted monthly. And further provided, that should Tenant seek to dissolve following termination or expiration of the Lease and Tenant determines that the provisions of this subsection (ii) permitting payment over time may become a constraining factor in the wind-up of Tenant's affairs, then the Landlord shall use its best efforts to obtain alternative financing to enable Landlord to pay the outstanding balance in full so as to permit Tenant to timely wind-up its affairs and dissolve.

5. Other Premises and Additional Premises. Section 4.6 ("Other Premises and Additional Premises") is added to read as follows:

4.6 Other Premises and Additional Premises. Upon termination or expiration of this Lease, Landlord will (i) with respect to the Other Premises, terminate all rights of possession of Tenant under any leases or subleases and, if the Other Premises is leased from a third party to Landlord, Landlord will be solely responsible for the obligations as "tenant" under each such lease as of the date of termination or expiration of this Lease; (ii) with respect to the Additional Premises, if leased from a third party to Tenant, Tenant shall assign and Landlord shall assume each such lease and all obligations as "tenant" under each such lease as of the date of termination or expiration of this Lease. The parties will cooperate to obtain any landlord consents to such assignment and assumption as of the date of termination or expiration of this Lease. Tenant's rights to remove its furniture, equipment and trade fixtures from the Other Premises and the Additional Premises shall be governed by Section 4.5 of the Lease.

6. No Assignment or Sublease. Section 54.7 ("~~No Assignment, Subletting, Merger, Consolidation or Dissolution~~ or ~~Sublease~~") is amended~~added~~ to read as follows:

54.7 No Assignment or Sublease. Landlord has entered into this Lease with Tenant in light of the particular local character of Tenant. Tenant shall not assign this Lease or sublease the Leased Premises, or dissolve, merge into or consolidate with any third party, without the prior written consent of Landlord, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Tenant may sublease individual offices or medical suites in the Other Premises or Additional Premises to medical or healthcare providers.

7. Management Agreement. Section 4.78 ("Management Agreement") is added to read as follows:

4.78 Management Agreement. Notwithstanding the provisions of Section 54.7, Tenant may, with Landlord's prior written consent, which consent shall not be unreasonably withheld, enter into a management agreement for the day-to-day operations of the Hospital with a nonprofit public benefit corporation that

operates hospital systems. Tenant shall provide copies of any such management agreement or amendments thereto to Landlord. Tenant shall cause the counterparty to any such management agreement to comply with the terms of this Lease, to the extent any of the terms of this Lease are applicable to such counterparty. Landlord consents to Tenant's management agreement with Dignity Health.

8. No Discrimination. Section 5.9 ("No Discrimination") is amended to read as follows:

5.9 No Discrimination. Tenant shall not restrict or discriminate in the treatment of patients on or the admissions of patients to the Leased Premises, including the Other Premises or the Additional Premises, on the basis of race, religion, gender, age, color, national origin, sexual orientation or other legally protected status.

9. Compensation for Tenant Services and Performance Standards. Exhibit "D" of the Lease ("Compensation for Tenant Services") is hereby deleted and Section 5.11 ("Performance Standards") is amended to read as follows:

5.11 Performance Standards. Tenant shall use its commercially reasonable best efforts to accomplish the following performance objectives:

(a) Attain and maintain a 50% market share of patients from Calaveras County requiring an overnight hospital stay.

(b) Attain and maintain the following economic performance ratios:

(i) Current ratio or liquidity ratio (the ratio of current assets to current liabilities) of 2 to 1.

(ii) Net income available for debt service ratio of 1.25.

(c) Maintain hospital facilities and systems to meet all applicable codes, laws, regulations and standards for a ~~Critical Access Hospital (as designated by the Centers for Medicare and Medicaid Services ("CMS")) and a general acute care hospital, comply with all applicable standards for operation of a Critical Access Hospital promulgated by CMS,~~ maintain accreditation from The Joint Commission, and maintain licensure in California as a general acute care hospital.

(d) To the extent economically feasible, ~~m~~Maintain the ~~existing~~ services ~~that were~~ in place as of the Effective Date of the Sixth Amendment and establish and successfully operate new hospital programs and services that are generally available within a general acute care hospital ~~Critical Access Hospital and that are economically feasible.~~

(e) Utilize and enhance local provider resources to the fullest extent practicable in developing Tenant's health care delivery system, provided, however, that Tenant may augment and supplement such local resources with resources from Dignity Health when such resources are not readily available

locally or when Tenant determines that such resources should be augmented or supplemented by other resources.

Tenant shall quarterly (on or about March 31, June 30, September 30, and December 31 of each year) provide to Landlord reports in substantially the form set forth on Schedule 5.11 attached hereto ~~to Landlord~~, and such other reports as are agreed between Landlord and Tenant, containing information for the applicable ~~in writing on the status of each such performance standard during the prior~~ quarter to the extent such information is reasonably available to Tenant.

10. Additional Tenant Services. Section 5.12 of the Lease (“Additional Tenant Services”) is amended to read as follows:

5.12 Tenant Administrative Services. Tenant shall provide the following facilities and services to Landlord:

(a) Tenant currently provides Landlord furnished office space, including all utilities, consisting of approximately one hundred (100) square feet located at the Hospital. Tenant shall continue to do so, provided that after Tenant takes occupancy of any newly constructed clinic, Tenant shall provide Landlord with office space, including all utilities, of not less than two hundred (200) contiguous square feet at no additional cost to be located at the Hospital.

(b) Tenant currently provides, and shall continue to provide, Landlord with meeting space (including furnishings and audio visual equipment, technical support for computer or audio visual equipment, seating and room set up and breakdown) for the public meetings of Landlord’s Board of Directors at no cost to Landlord. Such meeting space shall be located at the Hospital and provide space capable of seating not less than fifty (50) persons. The space shall comply with any requirements of the Ralph M. Brown Act (Government Code Sections 5490 *et seq.*) or its successor statute for use as a public agency meeting location (the “Brown Act requirements”). Landlord shall each year provide to Tenant a schedule of its regular Board meetings for the coming year, and shall advise Tenant as far in advance as practical in the event that special Board meetings are scheduled. Provided, however, that any changes to the meeting space required as a consequence of changes to the Brown Act requirements adopted after January 1, 2014 shall be at the expense of Landlord.

(c) Tenant shall permit Landlord to post agendas and public notices relating to the public meetings of Landlord, and such other notices as reasonably requested by Landlord, on publicly accessible bulletin boards at Hospital and the Additional Premises that are designated for such use by Tenant. Tenant shall include meeting notices relating to Landlord’s public meetings on any outdoor reader board or message signs at the Hospital. Subject to Tenant’s approval, such approval not to be unreasonably withheld, Tenant shall also include hospital, healthcare or medical related public service announcements on such signs at Landlord’s request.

(d) Administrative services (including but not limited to accounting or executive secretarial services) may be provided by Tenant to Landlord by separate agreement with any costs as may be set forth in such separate agreement.

(e) Assistance in the preparation of, and when requested by Landlord preparation of, all governmental reports required to be filed in connection with the operation of the Hospital.

11. Dispute Resolution. Section 19.4 of the Lease is amended to read as follows:

19.4 Dispute Resolution.

(a) Mediation followed by Arbitration. The Parties agree that any and all disputes, claims or controversies arising out of or relating to this Lease shall be submitted to JAMS, or its successor, for mediation, and if the matter is not resolved through mediation, then it shall be submitted to JAMS, or its successor, for final and binding arbitration pursuant to the clause set forth in subparagraph 19.4(a)4 below.

1. Either Party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested.

2. The Parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The Parties agree that they will participate in the mediation in good faith and that they will share equally in its costs.

3. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

4. Either Party may initiate arbitration with respect to the matters submitted to mediation by filing a written demand for arbitration ("Arbitration Notice") at any time following the initial mediation session or at any time following 45 days from the date of filing the written request for mediation, whichever occurs first ("Earliest Initiation Date"). The mediation may continue after the commencement of arbitration if the Parties so desire.

5. At no time prior to the Earliest Initiation Date shall either Party initiate an arbitration or litigation related to this Lease except to pursue a

provisional remedy that is authorized by law or by JAMS Rules or by agreement of the parties as set forth in subparagraph 19.4(b) below. However, this limitation is inapplicable to a Party if the other Party refuses to comply with the requirements of subparagraph 19.4(a)2 above.

6. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled from the date of the request for mediation until 15 days after the Earliest Initiation Date. The Parties will take such action, if any, required to effectuate such tolling.

7. The arbitration shall be conducted in Sacramento County and in accordance with the commercial arbitration rules and procedures of JAMS to the extent such rules and procedures are not inconsistent with the provisions set forth in this Section. In the event of a conflict between any rules and/or procedures of JAMS and the rules and/or procedures set forth in this Section, the rules and/or procedures set forth in this Section shall govern.

8. The arbitration shall be conducted before a single impartial retired judge who is a member of the JAMS panel of arbitrators covering Sacramento County (the "JAMS Panel"). The Parties shall use their good faith efforts to agree upon a mutually acceptable arbitrator within thirty (30) days after delivery of the Arbitration Notice. If the Parties are unable to agree upon a mutually acceptable arbitrator within such time period, then each Party shall select one arbitrator from the JAMS Panel, and such arbitrators shall select a single impartial retired judge from the JAMS Panel to serve as arbitrator of the Dispute.

9. The Parties shall have the rights of discovery as provided for in Part 4 of the California Code of Civil Procedure (the "CCP"), and the provisions of Section 1283.05 of the CCP are incorporated by reference into this Lease. In the event that Section 1283.05 is amended in a manner that limits or reduces the discovery rights contained in such Section as of the Effective Date, said amendment shall not be deemed to apply to this Lease unless the Parties agree in writing that the same shall apply. In the event that Section 1283.05 is repealed, the provisions of Section 1283.05 shall nevertheless continue to apply, and the Parties shall have the discovery rights as provided therein as of the Effective Date.

10. The arbitration hearing shall commence no later than six (6) months after the appointment of the arbitrator. The law of the State of California ("State") shall be applied by the arbitrator to the resolution of the Dispute, and the Evidence Code of the State shall apply to all testimony and documents submitted to the arbitrator.

11. As soon as reasonably practicable, but not later than thirty (30) days after the arbitration hearing is completed, the arbitrator shall arrive at



a final decision, which shall be reduced to writing, signed by the arbitrator and mailed to each of the Parties and their respective legal counsel. The award of the arbitrator shall be final and binding upon the Parties without appeal or review except as permitted by the Arbitration Act of the State. Any Party may apply to a court of competent jurisdiction for entry and enforcement of judgment based on the arbitration award.

12. The cost and expense of JAMS and the arbitrator, including any costs and expenses incurred by the arbitrator in connection with the arbitration, and the costs and expenses of a Party, including attorneys' fees and costs and the fees and costs of experts and consultants, incurred in connection with the arbitration shall be awarded by the arbitrator in accordance with Section 19.4(c).

(b) Other Remedies. Notwithstanding any other provision of this Section 19.4, the Parties shall each have the right to file with a court of competent jurisdiction an application for temporary or preliminary injunctive relief, writ of attachment, unlawful detainer, writ of possession, temporary protective order, or appointment of a receiver if the arbitration award to which the applicant may be entitled may be rendered ineffectual in the absence of such relief or if there is no other adequate remedy. This application shall not waive a Party's mediation or arbitration rights under this Lease.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'DISPUTE RESOLUTION' 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 OF 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 'DISPUTE RESOLUTION' 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 'DISPUTE RESOLUTION' PROVISION TO NEUTRAL ARBITRATION.

\_\_\_\_\_  
Landlord

\_\_\_\_\_  
Tenant

(c) Attorneys Fees. Subject to Section 19.4(a) – (b) above, if either Party brings an action or proceeding arising out of or relating to this Lease, the non-prevailing party shall pay to the prevailing Party reasonable attorneys' fees and costs incurred in such action. Any judgment or order entered shall contain a provision providing for the recovery of attorneys' fees and costs incurred in enforcing such judgment. The prevailing party shall be the party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction or the arbitrator), whether or not the action or proceeding proceeds to final judgment or award.

(d) Survival. This Section 19.4 shall survive the expiration or termination of this Lease.

12. Notices. Section 19.5 of the Lease is amended to read as follows:

19.5 Notices. All notices or communications required or permitted under this Lease shall be given in writing and shall be delivered to the Party to whom notice is to be given either (a) by personal delivery (in which cases such notice shall be deemed given on the date of delivery), (b) by next business day courier service (e.g., Federal Express, UPS or other similar service) (in which case such notice shall be deemed given on the business day following date of deposit with the courier service), or (c) by United States mail, first class, postage prepaid, registered or certified, return receipt requested (in which case such notice shall be deemed given on the third (3rd) day following the date of deposit with the United States Postal Service). In each case, notice shall be delivered or sent to the address noted below, or to such other address as provided by a Party to the other party, from time to time, pursuant to this Section.

Landlord Address:

MARK TWAIN HEALTH CARE  
DISTRICT  
P.O. Box 668  
768 Mountain Ranch Road  
San Andreas, CA 95249

Tenant Address:

Board of Trustees  
MARK TWAIN MEDICAL CENTER  
768 Mountain Ranch Road  
San Andreas, CA 95249  
Attn: Chairperson

and

MARK TWAIN MEDICAL CENTER  
768 Mountain Ranch Road  
San Andreas, CA 95249  
Attn: President and CEO

With copy to:

Michael F. Dean  
Mark Twain Health Care District  
General Counsel  
Meyers Nave

With copies to:

Dignity Health  
3400 Data Drive  
Rancho Cordova, CA 95670  
Attn: Corporate Real Estate

555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

and

Dignity Health  
3400 Data Drive  
Rancho Cordova, CA 95670  
Attn: Legal Department

13. Articles of Incorporation. The Parties acknowledge that, as of the Effective Date, the Articles of Incorporation of Tenant provide for a payment to Landlord upon the dissolution of Tenant (the “Dissolution Distribution”) as follows:

“Upon the dissolution or winding up of the corporation, fifty percent (50%) of its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to Dignity Health, a California nonprofit public benefit corporation organized and operated exclusively for charitable purposes, and fifty percent (50%) shall be distributed to the Mark Twain Health Care District or a nonprofit fund, foundation or corporation selected by the Board of Directors of the Mark Twain Health Care District that is organized and operated exclusively for charitable purposes and that qualifies as an exempt organization under Section 501(c)(3) of the Code and under Section 214 of the California Revenue and Taxation Code.”

The Parties agree that with respect to this Dissolution Distribution provision of Tenant’s Articles of Incorporation, during the term of the Lease, or any extension or holding over period thereof, Tenant shall not amend said Dissolution Distribution provision without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

14. Anticipated Dissolution Distribution. The Parties acknowledge that one of Tenant’s primary purposes is to provide health care services to the Calaveras County community through the Hospital. It is anticipated that if the Lease terminates or expires, Tenant’s Board of Trustees may determine that it should no longer continue in existence since it may no longer be able to provide hospital services and may elect to dissolve. The Parties further acknowledge that should a termination or expiration of the Lease occur, Landlord may operate the Hospital directly so that it could ensure hospital services continue to be available to the Calaveras County community and may need additional operating capital. Therefore, if the Parties at any time mutually agree that the Lease is going to terminate or expire at a date not more than nine (9) months subsequent to such mutual agreement, Tenant shall provide to Landlord a good faith estimate of the anticipated Dissolution Distribution within thirty (30) days, and within thirty (30) days of the end of each subsequent calendar quarter until Tenant’s anticipated dissolution occurs. Subsequent to receipt of such good faith estimate(s), if Landlord is operating the Hospital directly or anticipates that it will operate the Hospital directly upon expiration or termination of the Lease, Landlord may make a written request(s) of Tenant to make interim payment(s) on the anticipated Dissolution Distribution (the “interim payment(s)”). Within forty-five (45) days of receiving such request(s), Tenant shall make the requested interim payment(s) to District and the amount of Landlord’s Dissolution Distribution (upon any dissolution of

Tenant) shall thereafter be adjusted to account for such early distribution. Notwithstanding such, the sum of all such interim payment(s) shall not exceed any of the following three limitations:

- (i) Fifty percent (50%) of the most recent good faith estimate of the Landlord's share of the Dissolution Distribution provided to Landlord pursuant to this section,
- (ii) Twenty-five percent (25%) of Tenant's cash and marketable securities assets (for calculation purposes, any prior interim payments shall be added-back), and
- (iii) An amount that would reduce Tenant's cash and marketable securities balance to less than sixty (60) days of a good-faith estimate of Tenant's annual operating expenses.

If Tenant does not subsequently dissolve within one year after any termination or expiration of the Lease, Tenant may require Landlord to repay to Tenant the full amount of any interim payment(s) upon thirty (30) days notice.

15. Bylaws. The Parties acknowledge that, as of the Effective Date, the Bylaws of Tenant provide for representation of members of the Calaveras County community on the Board of Trustees of Tenant ("Public Representation") as follows:

"(b) two (2) trustees shall be selected and appointed by the [Mark Twain Health Care] District and shall be residents of Calaveras County; (c) one (1) trustee, who shall be a resident of Calaveras County, shall be selected and appointed by the two (2) trustees selected by the District;"

The Parties agree that during the term of the Lease, or any extension or holding over period thereof, Tenant shall not amend the aforementioned portion of its Bylaws providing for Public Representation or otherwise change its Bylaws in a way that would dilute that Public Representation (such as providing for an increase the number of trustees on its Board of Trustees) without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. Landlord shall comply with these provisions of the Bylaws of Tenant.

16. Signage and Hospital Name. The Parties recognize that the Landlord has an interest in the name by which the Hospital is known and the manner in which it is presented to the public by signs on the Leased Premises. During the term of the Lease, Tenant shall not change either the name of the Hospital or the design of the signage on the Leased Premises in such a way that a reasonable person might think the name of the Hospital has changed without the prior consent of Landlord, such consent not to be unreasonably withheld.

17. Noncompete Clause. Section 11.3 of the Lease ("Noncompete Clause") is amended to read as follows:

11.3 Noncompete Clause. Landlord agrees that, during the term of this Agreement, no entity that is affiliated with Landlord shall, directly or indirectly, participate or engage in any health care or health care related program, transaction or activity in Calaveras County that competes with Tenant, unless mandated or required by other governmental entities and the prior written approval of Tenant is

first obtained. Tenant shall not amend Section 11 of the Amended Management Agreement between Tenant and Dignity Health without the consent of Landlord ~~the District~~, which consent shall not be unreasonably withheld, conditioned or delayed. ~~The Parties agree that, during the term of this Agreement, neither Party, nor any entity affiliated with a Party or providing hospital management services to a Party, shall, directly or indirectly, participate or engage in any health care or health care related programs, transaction or activity in Calaveras County that competes with the other Party, unless mandated or required by other governmental entities and the prior written approval of the other Party is obtained, which consent shall not be unreasonably withheld.~~

18. Conflict. If any conflict exists between the terms and provision of the Lease and the terms and provisions of this Amendment, the terms and provisions of this Amendment shall govern and control.

19. Effect of Amendment. The Lease, as amended by this Amendment, shall remain in full force and effect and is ratified by Landlord and Tenant.

20. Counterparts. This Amendment may be executed in two (2) or more counterparts, each of which shall be deemed an original (including copies sent to a Party by facsimile or other electronic transmission) as against the Party signing such counterpart, but which together shall constitute one and the same instrument. This Amendment shall not become effective until executed by Landlord and Tenant, and approved by Dignity Health.

**IN WITNESS WHEREOF**, Landlord and Tenant have caused this Amendment to be executed as set forth below, and effective as of the Effective Date.

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

**MARK TWAIN MEDICAL CENTER**, a  
California nonprofit public benefit corporation

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

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

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

Attest:

\_\_\_\_\_  
District Secretary

Approved as to form :

\_\_\_\_\_  
General Counsel

APPROVAL OF DIGNITY HEALTH

Pursuant to Article V of the Second Amended and Restated Bylaws of Tenant, as well as any agreement between Tenant and Dignity Health, including but not limited to the Amended Management Agreement, Dignity Health hereby approves the foregoing Sixth Amendment to Lease Agreement.

DIGNITY HEALTH

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

Schedule 1

**“OTHER PREMISES”**

NAME

ADDRESS

FMC - San Andreas

704 Mountain Ranch Road, Suite 103  
San Andreas, CA 95249

Specialty Care Center-  
Cancer Center

700 Mountain Ranch Road, Suite B  
San Andreas, CA 95249

Specialty Care Center -  
San Andreas

704 Mountain Ranch Road, Suite 102  
San Andreas, CA 95249

**SCHEDULE 2**

**“Additional Premises”**

FMC - Angels Camp	222 S. Main Street Angels Camp, CA 95222
FMC - Arnold	2182 Hwy 4, Suite A-100 Arnold, CA 95223
FMC - Copperopolis	3505 Spangler Lane, Suite 400 Copperopolis, CA 95228
FMC - Valley Springs	1919 Vista Del Lago Drive, Suites 9A, 9B and 10 Valley Springs, CA 95252
Specialty Care Center – Angels Camp	585 Stanislaus Street, Suite A Angels Camp, CA 95222
Medical Office Building Space for Specialty Time-Share Subleases	700 Mountain Ranch Road, Suite C San Andreas, CA 95249

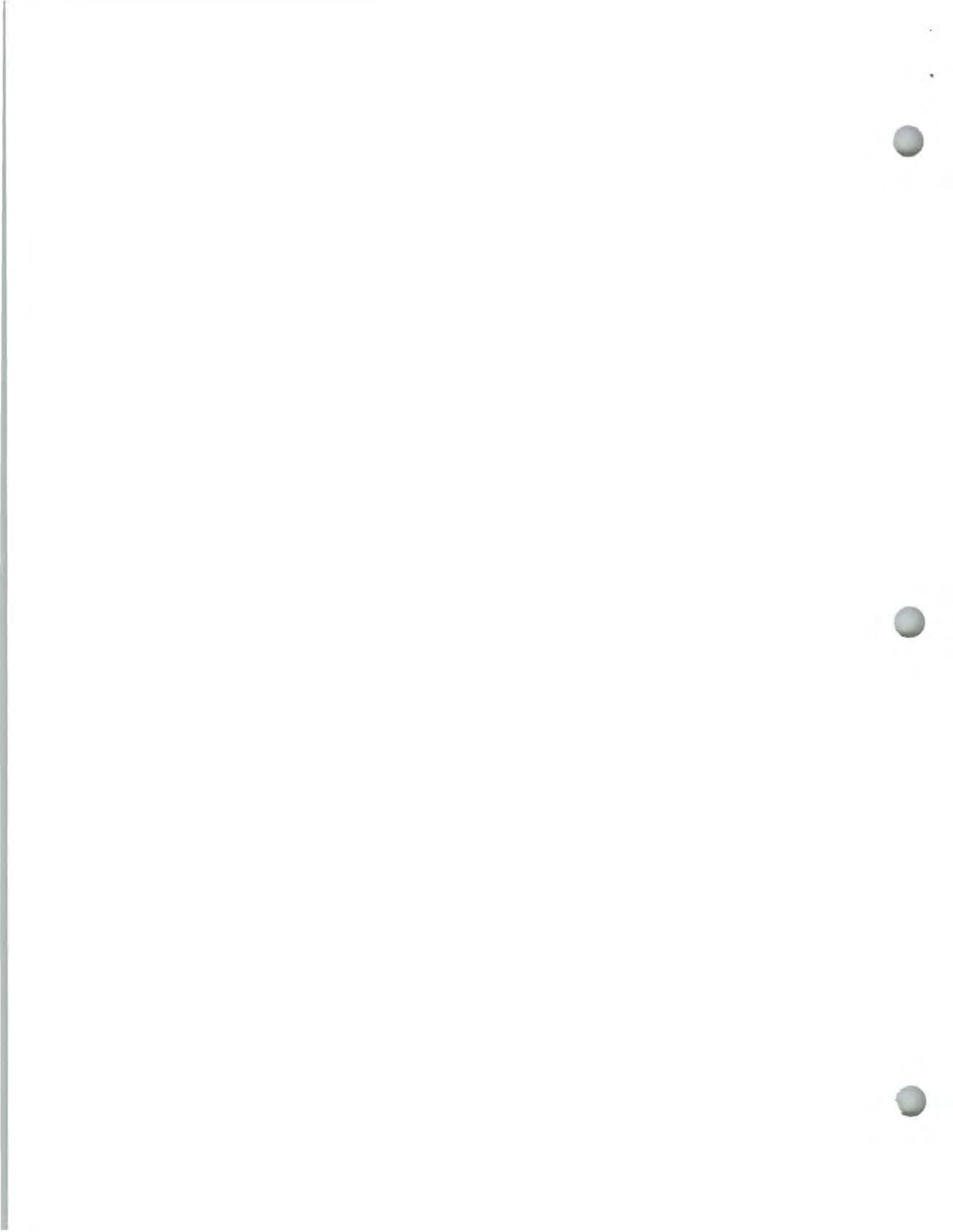
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**SCHEDULE 5.11**

**“Quarterly Reports”**

[See Attached]



**ADMINISTRATIVE SERVICES AGREEMENT BETWEEN  
THE MARK TWAIN HEALTH CARE DISTRICT AND  
MARK TWAIN MEDICAL CENTER**

This Administrative Services Agreement ("Agreement") is made in San Andreas, California by and between the Mark Twain Health Care District, a political subdivision of the State of California ("District") and Mark Twain Medical Center, a California nonprofit public benefit corporation ("MTMC") (together sometimes referred to as the "Parties") and is dated as of \_\_\_\_\_, 2014.

**Section 1. SERVICES.** MTMC shall provide to District the administrative services described in the Scope of Work attached hereto as Exhibit A and incorporated herein ("Services"). MTMC is not authorized to perform any work except as provided in the Scope of Work.

- 1.1 **Term of Agreement.** The term of this Agreement (the "Term") shall be concurrent with the term of that certain lease agreement between the Parties for the lease of the District owned Mark Twain Medical Center hospital and related facilities, dated as of January 1, 1990, as amended by the Sixth Amendment to said lease ("the Lease"). The Term shall begin on the Effective Date of the Sixth Amendment and shall end on the earlier of when the term of the Lease expires or when this Agreement is sooner terminated pursuant to its terms.
- 1.2 **Standard of Performance.** MTMC shall perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which MTMC is engaged and for which MTMC is providing the Services. MTMC represents that it is qualified and experienced to provide the Services.
- 1.3 **Performance by MTMC Employees or Executives.** MTMC shall perform the Services utilizing either its own employees or executives of MTMC. MTMC shall not utilize other persons to perform the Services without the written consent of District.

**Section 2. COMPENSATION.** District hereby agrees to pay MTMC the fees set forth in MTMC's fee schedule attached hereto and incorporated herein as Exhibit B (the "Fees"). District shall also reimburse MTMC for its reasonable costs and expenses (the "Expenses").

- 2.1 **Invoices.** MTMC shall submit invoices not more often than once a month for the Fees and Expenses incurred prior to the invoice date.

Invoices shall be sent to:

Mark Twain Health Care District  
768 Mountain Ranch Road  
San Andreas, CA 95249  
Attn: Executive Director

- 2.2 **Payment.** District shall pay invoices within thirty (30) days from receipt.

**Section 3.** **FACILITIES AND EQUIPMENT.** MTMC shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Services.

**Section 4.** **INSURANCE REQUIREMENTS.** MTMC shall maintain insurance, or self-insurance through a self-insurance program, for general liability, automobile liability and workers compensation coverage in amounts not less than \$250,000 per occurrence and \$500,000 aggregate.

If MTMC provides accounting work, it shall also maintain professional liability insurance appropriate to such work on an occurrence basis in an amount not less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000) aggregate covering MTMC's professional errors and omissions.

MTMC shall provide proof, in a form reasonably acceptable to District, of such insurance to District.

MTMC agrees to waive subrogation which any insurer of MTMC may acquire from MTMC by virtue of the payment of any loss. MTMC agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation.

**Section 5.** **INDEMNIFICATION.**

**5.1** **Effect of Insurance.** District's acceptance of insurance required under this Agreement does not relieve MTMC from liability under this section whether or not such insurance policies shall have been determined to apply.

**5.2** **Indemnification by MTMC.** MTMC shall indemnify, defend, and hold harmless the District and its officials, commissioners, officers, employees, and volunteers from and against any and all actions, proceedings, claims, damages, losses, and expenses (including reasonable attorneys' fees and costs) that arise out of this Agreement to the extent resulting from the negligence, recklessness or willful misconduct of MTMC, except to the extent that such are caused by the negligence, recklessness or willful misconduct of the District.

**5.3** **Indemnification by District.** District shall indemnify, defend, and hold harmless MTMC and its officers, directors, employees and agents from and against any and all actions, proceedings, claims, damages, losses, and expenses (including reasonable attorneys' fees and costs) that arise out of this Agreement to the extent resulting from the negligence, recklessness or willful misconduct of the District, except to the extent that such are caused by the negligence, recklessness or willful misconduct of the MTMC.

**Section 6.** **LIMITATION OF LIABILITY.**

**6.1** **IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, EXEMPLARY, PUNITIVE, INCIDENTAL, OR SIMILAR DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS).**

- 6.2 The liabilities limited by this Section 6 apply, without limitation by reason of enumeration: (i) to liability for negligence; (ii) regardless of the form of action, whether in contract, tort or otherwise; even if a party is advised in advance of the possibility of damages or such were foreseeable; and (iii) even if a party's remedies fail of their essential purpose. If applicable law limits the application of the provisions of this Section 6, the parties' liability will be limited to the maximum extent permissible.

**Section 7. STATUS OF MTMC.**

- 7.1 **Independent Contractor.** MTMC is an independent contractor and not an employee of District, nor are the persons MTMC assigns to perform the Services employees of the District. District shall have the right to control MTMC only insofar as the results of MTMC's Services; otherwise, District shall not have the right to control the means by which MTMC accomplishes Services rendered pursuant to this Agreement. Notwithstanding any other District, state, or federal policy, rule, regulation, law, or ordinance to the contrary, MTMC and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by District, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of District and entitlement to any contribution to be paid by District for employer contributions and/or employee contributions for PERS benefits.
- 7.2 **No Agency.** Except as expressly agreed to in writing by the parties, neither party shall have authority, express or implied, to act on behalf of the other party in any capacity whatsoever as an agent, and neither party shall have any authority, express or implied, pursuant to this Agreement to bind the other party to any obligation whatsoever.
- 7.3 **Assignment and Subcontracting.** This Agreement contemplates personal performance by MTMC and is based upon a determination by District of MTMC's unique professional competence, experience in operating its hospital and MTMC's specialized professional knowledge. A substantial inducement to District for entering into this Agreement was and is the personal reputation and competence of MTMC. MTMC shall not assign this Agreement or, except as provided in Section 1.3, subcontract any portion of the performance contemplated without the prior written approval of District.

**Section 8. LEGAL REQUIREMENTS.**

- 8.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 8.2 **Licenses and Permits.** MTMC represents and warrants to District that MTMC and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

**Section 9. TERMINATION AND MODIFICATION.**

- 9.1 Termination or Modification of Services without Cause.** Either party may at any time and without cause upon ninety (90) days prior written notice to the other party either: (a) terminate this Agreement; or (b) modify the Services to be provided by MTMC by deleting either or both the Accounting Services or Executive Secretary Services listed in Exhibit A.

In the event of such termination, MTMC shall be entitled to compensation (including both Fees and Expenses) for Services satisfactorily completed as of the effective date of termination; District, however, may condition payment of such compensation upon MTMC delivering to District any or all records or documents, as referenced in Section 10.1 hereof.

In the event of modification, MTMC shall thereafter be entitled to compensation only for the Services not deleted

- 9.2 Termination for Cause.** Each party shall have the right to terminate this Agreement in the event of the other party's material breach of an obligation, representation, or warranty set forth in this Agreement; provided, however, that such termination will not become effective unless and until (i) the party not in default has given the other party written notice of breach, which notice shall state in reasonable detail the nature of said breach, and (ii) the party allegedly in default shall have failed to remedy said default to the reasonable satisfaction of the party not in default within ten (10) business days following the giving of the notice.

- 9.3 Amendment; Modification.** Neither party may modify or amend this Agreement, except by a writing signed by authorized representatives of both Parties.

- 9.4 Effect of Termination.**

**9.4.1 Survival.** Sections 5 (Indemnification), 6 (Limitation of Liability), 8.1 (Governing Law), 9.4 (Effect of Termination), 10.4 (Confidential Information), and 11 (Miscellaneous Provisions) shall survive any expiration or termination of this agreement.

**9.4.2 Delivery of Documents upon Termination.** Upon termination or expiration of this Agreement for any reason, (a) each party shall deliver to the other party Confidential Information of the other party as set forth in Section 10.4.1, and (b) MTMC shall deliver to District copies of all finished or unfinished Documents (as defined below in Section 10.1), whether in paper, electronic, or any other form.

**Section 10. KEEPING AND STATUS OF RECORDS.**

- 10.1 Documents Created as Part of MTMC's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that MTMC prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder ("Documents") shall be the property of the District. MTMC hereby agrees to

deliver those Documents to the District upon termination of the Agreement. MTMC agrees that, unless approved by District in writing, MTMC shall not release any Documents to any non-parties to this Agreement.

**10.2 MTMC's Books and Records.** MTMC shall maintain any and all records or other documents evidencing or relating to charges for Services or expenditures and disbursements charged to the District under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the MTMC to this Agreement.

**10.3 Inspection and Audit of Records.** Any records or Documents that this Agreement requires MTMC to maintain shall be made available for District's inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the District. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of District or as part of any audit of the District, for a period of three (3) years after final payment under the Agreement.

**10.4 Confidential Information and Disclosure.**

**10.4.1 Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as confidential information in accordance with this section.

**10.4.2 Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose (The "Disclosing Party") confidential information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

**10.4.3 Permitted Disclosure.** Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 10.4.3(b) or 10.4.3(c). Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek

such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

- (a) Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement;
- (b) Disclosure in response to a valid order of a court, government or regulatory District or as may otherwise be required by law; and
- (c) Disclosure in response to a request pursuant to the California Public Records Act.

**10.4.4 Handling of Confidential Information.** Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination or expiration of this Agreement, if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law.

## **Section 11 MISCELLANEOUS PROVISIONS.**

### **11.1 Dispute Resolution.**

**11.1.1** The Parties agree to meet and confer on any issue that is the subject of a dispute under the Agreement, and use good faith efforts to resolve the matter through negotiation. If the matter has not been resolved within sixty (60) Days, the arbitration provisions of Section 11.1.2 below shall apply.

**11.1.2** Any controversy or claim arising out of or relating to the Agreement, or the breach thereof, to the extent not otherwise resolved through the negotiation process described in Section 11.1.1 above, shall be settled by binding arbitration administered by JAMS/Endispute, at an office located in the County of Sacramento, California, under its standard rules and procedures, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

**11.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**11.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.



11.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

11.6 **Conflicts.** MTMC shall not employ any District official in the work performed pursuant to this Agreement. No officer or employee of District shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

MTMC agrees that any employee assigned to provide services under this Agreement shall be treated as a "public official" for purposes of the Political Reform Act of 1974 (California Government Code section 81000 *et seq.*) and for purposes of compliance with the Conflict of Interest Code of the District adopted in conformance with that act. Such employees shall, among other matters file a Fair Political Practices Commission form 700 when and as required by said act and the District's Conflict of Interest Code using the broadest disclosure categories in such code.

11.7 **Notices.** Any written notice to MTMC shall be sent to:

Board of Trustees  
Mark Twain Medical Center  
768 Mountain Ranch Road  
San Andreas, CA 95249  
Attn: Chairperson

and

President & CEO  
Mark Twain Medical Center  
768 Mountain Ranch Road  
San Andreas, CA 95249

With a copy to:

Dignity Health Legal Department  
3400 Data Drive  
Rancho Cordova, CA 95670

Any written notice to District shall be sent to:

Mark Twain Health Care District  
768 Mountain Ranch Road  
San Andreas, CA 95249  
Attn.: Executive Director

With a copy to:

Michael F. Dean, General Counsel  
Mark Twain Health Care District  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

Either party may amend its address for the provision of notice by providing written notice to the other.

- 11.8 Integration; Incorporation.** This is an integrated Agreement and it represents the entire and integrated agreement between the Parties pertaining to the Services. All exhibits attached hereto are incorporated by reference herein. The Parties acknowledge that, concurrent with the approval of this Agreement, the Lease between the Parties has been separately amended by the Sixth Amendment to delete the requirements for the provision of administrative services by MTMC (as tenant) to District (as landlord) and that the provision of such services is now governed by this Agreement.
- 11.9 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto or the Lease, this Agreement shall control.
- 10.10 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the Parties hereto, with no intent to benefit any non-signator third parties.

\* \* \*

*[Signature page to follow.]*

The Parties have executed this Agreement as of the date first above written.

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

MARK TWAIN MEDICAL CENTER  
a California nonprofit public benefit  
corporation

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

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

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

Name: Craig J. Marks

Its: \_\_\_\_\_

Its: President and CEO

Attest:

\_\_\_\_\_  
District Secretary

Approved as to Form:

\_\_\_\_\_  
General Counsel

## EXHIBIT A

### SCOPE OF SERVICES

#### A. Accounting Services.

##### 1. Duties.

- Controller's functions:
  - o Reviews and supervises the work of the Accountant
  - o Oversees investment policy and manages the investment portfolio as directed by District Executive Director
  - o Prepares the monthly narrative for the financials
  - o Coordinates audit, as directed by District Executive Director with independent auditors retained by District
  - o Attends District Board meetings and addresses any questions pertaining to the financials
  
- Accountant's functions:
  - o Obtains vendor invoices approved by District Executive Director and processes them for payment using Quickbooks
  - o Researches vendor prior balances to ensure that invoices are not duplicate paid
  - o Generates and mails invoices for customer billings
  - o Prepares bank deposits and records receipts in Quickbooks
  - o Reconciles bank statements monthly
  - o Prepares month end financial statements
  - o Oversees leases and sublease payments and billings; collects rents and enforces leases as directed by District Executive Director
  - o Maintains lease information and prepares monthly reports to the District Board

#### B. Executive Secretary Services.

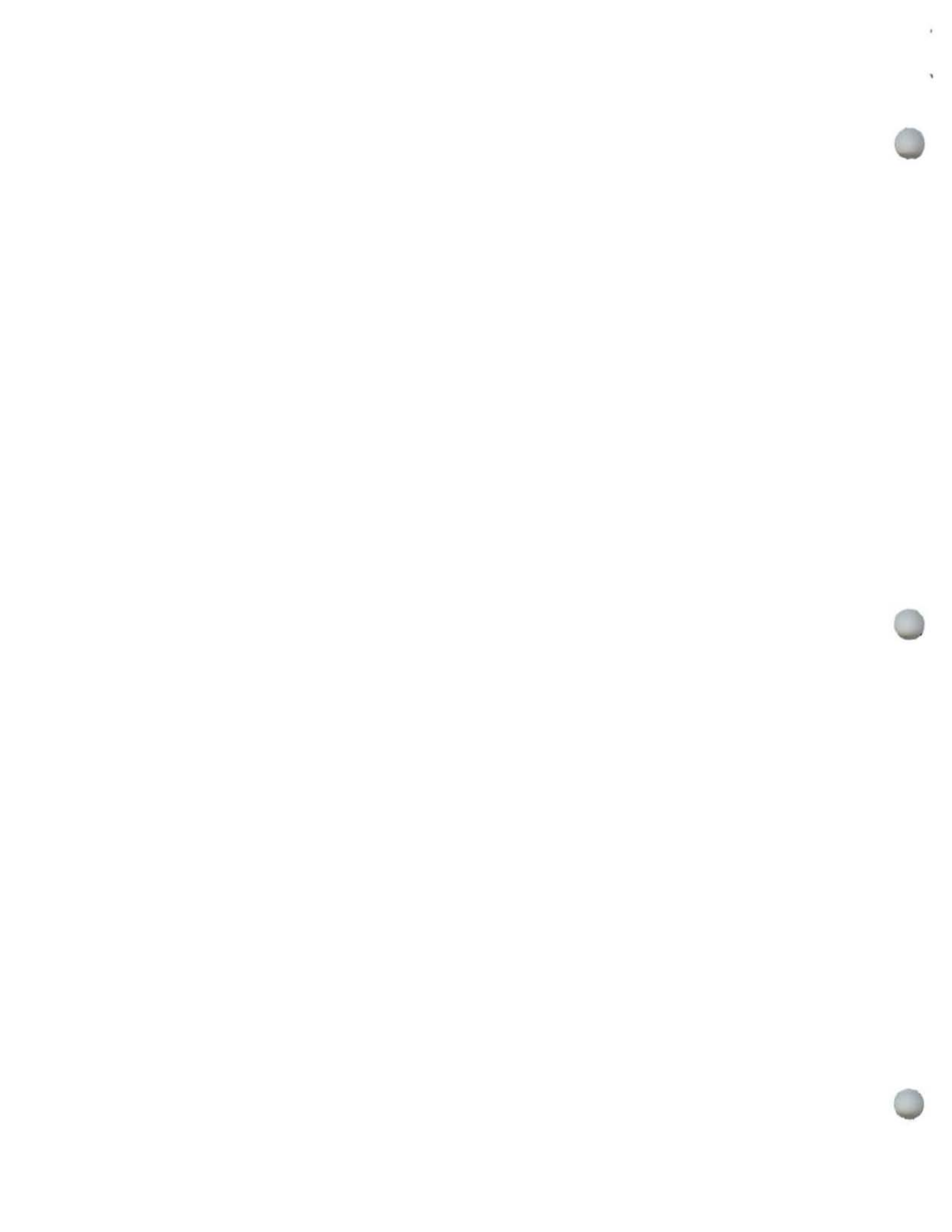
##### 1. Duties.

- Prepares monthly Board packages for committees and Board meetings.
- Responds to emails from Board members/District Executive Director.
- Delivers Board packages, arranges catering service.
- Provides information to District lawyers.
- Attends Board/Committee meetings and takes minutes, prepares meetings results/minutes, resolutions, and other documents or correspondence.

**EXHIBIT B**  
**COMPENSATION SCHEDULE**

	Fiscal Years Ending June 30,						
	2014	2015	2016	2017	2018	2019	2020
<b><u>Accounting</u></b>	<hr/>						
<b><u>Services</u></b>	<hr/>						
Monthly Amount	\$5,878.80	\$6,055.16	\$6,236.82	\$6,423.92	\$6,616.64	\$6,815.14	
<b><u>Executive</u></b>							\$7,019.59
<b><u>Assistant</u></b>	<hr/>						
<b><u>Services</u></b>	<hr/>						
Monthly Amount	\$667.60	\$687.63	\$708.26	\$729.50	\$751.39	\$773.93	\$797.15
Total Monthly	<hr/>						
Amount	\$6,546.40	\$6,742.79	\$6,945.08	\$7,153.43	\$7,368.03	\$7,589.07	\$7,816.74
	<hr/> <hr/>						

2218179.2



Mark Twain Health Care District  
Budget Overview  
July 2013 through June 2014

ATTACHMENT C

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	2013-2014 BUDGET
<b>Ordinary Income/Expense</b>														
<b>Income</b>														
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	310,044
550.20 - Land Rental Revenue	5,777	481	481	481	481	481	481	481	481	481	481	481	481	5,777
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	160,536
580.10 - 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	767,330
570.10 - Interest Income	11,000	917	917	917	917	917	917	917	917	917	917	917	917	10,000
570.20 - Other Miscellaneous Income	1,200	100	100	100	100	100	100	100	100	100	100	100	100	1,200
<b>Total Income</b>	<b>1,351,062</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>112,589</b>	<b>1,254,887</b>
<b>Expense</b>														
600.00 - Lease Negotiation Costs	-	0	0	0	0	0	0	0	0	0	0	0	0	-
700.00 - Benefits	21,330	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,778	1,777	21,330
705.10 - Salaries	-	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	12,900
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	30,000
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	12,000
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	70,800
715.26 - Operational Consulting 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	1,250	10,000
720.64 - Permit Services	42,000	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
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	560,000
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	10,000
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	204,880
735.00 - Depreciation & Amortization	117,959	9,948	9,948	9,948	9,948	9,948	9,948	9,948	9,948	9,948	9,948	9,948	9,948	110,408
737.00 - Repairs	3,000	250	250	250	250	250	250	250	250	250	250	250	250	3,000
740.88 - 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	15,000
740.88 - Travel, Meals & Lodging	7,500	625	625	625	625	625	625	625	625	625	625	625	625	10,040
740.00 - Miscellaneous	7,000	583	583	583	583	583	583	583	583	583	583	583	683	8,200
<b>Total Operating Expense</b>	<b>1,135,994</b>	<b>93,367</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>94,784</b>	<b>95,929</b>	<b>1,120,558</b>
<b>Operating Income Before Programs &amp; Events</b>	<b>215,068</b>	<b>19,221</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>17,804</b>	<b>16,659</b>	<b>134,329</b>
<b>716.00 - Programs and Events</b>														
716.01 - Pink in the Night	7,500	625	625	625	625	625	625	625	625	625	625	625	625	7,500
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	40,000
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	10,000	0	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	20,000
716.09 - Technology for Students	4,000	0	0	2,000	2,000	0	0	0	0	0	0	0	0	4,000
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	9,600
716.12 - Golden Health Awards	40,000	0	0	0	0	0	0	10,000	30,000	0	0	0	0	15,000
716.13 - Foundation Sponsorships	4,000	333	333	333	333	333	333	333	333	333	333	333	333	4,000
716.14 - Community Sponsorships	5,000	417	417	417	417	417	417	417	417	417	417	417	417	3,600
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	30,000
<b>Total Programs &amp; Events</b>	<b>195,500</b>	<b>19,042</b>	<b>10,542</b>	<b>11,042</b>	<b>11,042</b>	<b>9,042</b>	<b>9,042</b>	<b>50,542</b>	<b>39,042</b>	<b>9,042</b>	<b>9,042</b>	<b>9,042</b>	<b>9,042</b>	<b>133,700</b>
<b>Operating Income After Programs &amp; Events</b>	<b>19,568</b>	<b>180</b>	<b>7,263</b>	<b>6,763</b>	<b>6,763</b>	<b>8,763</b>	<b>8,763</b>	<b>(32,737)</b>	<b>(21,237)</b>	<b>8,763</b>	<b>8,763</b>	<b>8,763</b>	<b>7,618</b>	<b>629</b>
<b>TOTAL OPERATING INCOME</b>	<b>19,568</b>	<b>180</b>	<b>7,263</b>	<b>6,763</b>	<b>6,763</b>	<b>8,763</b>	<b>8,763</b>	<b>(32,737)</b>	<b>(21,237)</b>	<b>8,763</b>	<b>8,763</b>	<b>8,763</b>	<b>7,618</b>	<b>629</b>

## ATTACHMENT D

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# Mark Twain Health Care District

## Board Policy: **Board of Directors Job Description**

### **Core Responsibilities**

A health care district governing board may fulfill certain fundamental or core responsibilities in overseeing the efforts of the organization. These responsibilities cluster around six major areas:

1. Financial Oversight
2. Quality Oversight
3. Strategic Direction/Mission Oversight
4. Self-Assessment & Development
5. Management Oversight
6. Advocacy

The Board fulfills these responsibilities by adopting specific outcome targets against which to measure the organization's performance. To accomplish this, the Board may:

- \*\*Establish policy guidelines and criteria for implementing the mission statement.
- \*\*Evaluate proposals brought to the Board to ensure that they are consistent with the mission statement.
- \*\*Monitor programs and activities of the health care district.
- \*\*Periodically review, discuss, and amend the mission statement if necessary to clarify Board responsibilities.

### **Financial Oversight**

The Board has responsibility for the financial soundness of the organization. To accomplish this the Board may:

- \*\*Review and approve overall financial policies and plans for the organization.
- \*\*Receive and review financial reports to assess actual performance compared to projections
- \*\*Review and adopt ethical financial policies and guidelines.
- \*\*Review major capital plans proposed for the organization.
- \*\*Ensure that the financial, capital, and strategic plans are aligned.

### **Quality Oversight**

This Board has the responsibility to assess the quality of all services provided by all individuals who perform their duties in this facility or under this board's sponsorship. To do this, the Board may:

- \*\*Make quality of care and patient safety top priorities for the organization



- \*\*Review and carefully discuss quality reports that provide comparative statistical data, and set measurable policy targets to ensure continual improvement in quality performance.
- \*\*Monitor programs and services to ensure that they comply with policies and standards relating to quality.
- \*\*Take corrective action to improve quality performance when appropriate and/or necessary.

### **Strategic Direction/Mission Oversight.**

The Board has the responsibility to recommend the future direction that the organization will take to meet the community's health needs. To fulfill this responsibility, the Board may:

- \*\*Review and approve a comprehensive strategic plan and supportive policy statements.
- \*\*Ensure that the organization's strategic plan is consistent with the mission "Regularly review progress toward meeting goals in the strategic plan to assure that the Board is fulfilling its mission.
- \*\*Periodically review, discuss, and amend the strategic plan to ensure its relevance to the mission.

### **Self-Assessment & Development**

A Board must assume responsibility for itself—its own effective and efficient performance. To discharge its stewardship responsibilities to its "owners," the Board may:

- \*\*Participate annually in a formal board evaluation process.
- \*\*Maintain and update policy statements regarding roles, responsibilities, duties, and job descriptions for the Board itself and its members, officers, and committees.
- \*\*Participate both as a board and as individuals in orientation programs and continuing education programs.

### **Management Oversight**

The Board is the final authority regarding oversight of management performance by the ED and support staff. To exercise this authority, the Board may:

- \*\*Support and assist the ED to help achieve the organization's mission.
- \*\*Communicate regularly with the ED regarding goals, expectations, and concerns.
- \*\*Evaluate the performance of the ED annually using goals and objectives agreed upon with him or her at the beginning of the evaluation cycle.
- \*\*Periodically review management succession plans to ensure leadership continuity.
- \*\*Establish specific performance policies that provide the ED with a clear understanding of board expectations, and update these policies based on changing conditions.

### **Advocacy**

The Board needs to focus on advocacy and lobbying around public policy issues. In order to take an activist role, the Board may:

- \*\*Conduct a periodic community health needs assessment to understand the health issues of the communities served.
- \*\*Set goals for the organization around the issue of public advocacy.
- \*\*Establish a policy that spells out the Board's role in fund development and philanthropy efforts.

Finally, the Board is responsible for managing its own governance affairs in an efficient and effective way. To fulfill this responsibility, the Board may:

\*\*Maintain written conflict-of-interest policies that include guidelines for the resolution of existing or apparent conflicts of interest, the organization's definition of an independent director, and disabling guidelines.

\*\*Periodically review the Board's own structure to assess appropriateness of size, diversity, committees, tenure, and turnover of officers and chairpersons.

\*\*Ensure that each Board Member understands and agrees to maintain confidentiality with regard to information discussed by the Board and its committees.

\*\*Maintain efficient and timely communication with any subsidiary boards.

\*\*Adopt; amend, and, if necessary, repeal the articles and bylaws of the organization. Maintain an up-to-date board policy manual, which includes specific policies covering its specific duties of care, loyalty, and obedience, and its oversight responsibilities in the areas of finance, quality, strategic planning, self-assessment and development, management oversight, and advocacy.

Policy Adopted:

Review Date:

# ATTACHMENT E

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## Mark Twain Health Care District

### Board Policy: **Code of Conduct**

#### Purpose

The health care district is committed to ensuring that in all aspects of its affairs it maintains the highest standards of public trust and integrity.

#### Application

The Code of Conduct applies to all directors, including ex-officio directors and non-board members of board committees.

#### Policy

1. The independence, ethical conduct and unity of the Board are essential to its effectiveness with regards to its respect in the health care district and the community.
2. All board members stand in a fiduciary relationship to the health care district and must act honestly, in good faith, and in the best interests of the District.
3. The Board commits itself and its members to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as members.
4. Board Members must avoid situations where their personal interests will conflict with their duties to the District.
5. Board Members' interactions with the President and ED or with staff must respect a clear distinction between Board and management roles while recognizing the interdependencies between them.
6. Board Members' interactions with the public, press or other entities must recognize the same limitation and inability of any member to speak for the Board other than as provided for in the By-Laws or any policy.
7. Board Members will not express individual judgments of the President's, ED's or staff's performance, except as required to provide input into the evaluation process.
8. It is recognized that Board Members bring to the Board diverse background, skills and experience. Board Members may not always agree with one another on all issues. All debates shall take place in an atmosphere of mutual respect and courtesy. Once a decision has been made, Board Members shall support the decision of the majority of the Board.

Review Date:

Policy Adopted:

# ATTACHMENT F

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## Mark Twain Health Care District

### Board Policy: **Meeting Policy**

#### **Applicable Laws**

All meetings of the Board and Standing Committees of Mark Twain Health Care District shall be governed by the procedures set forth in Government Code Sections 54950 et seq., as amended (hereinafter the "Brown Act"). Nothing in these policies and procedures shall be interpreted as countermanding the requirements of the Brown Act or other public entity law.

#### **Rules of Order**

Unless otherwise provided bylaw, district bylaws, or policies and procedures adopted by the board, board meetings shall be held in accordance with *Robert's Rules of Order, 9th Edition*, or any later edition which may be published. However, technical failures to follow *Robert's Rules* shall not invalidate any action taken. Notwithstanding *Robert's Rules*, the president may make and second motions, take part in discussion and vote in the same manner as other Board members.

#### **Spirit of the Board Meetings**

As Board Members, we recognize the responsibility that we have undertaken to preserve and defend the constitution of the United States, our health care district, the medical center, and the health and well being of our community. As Board Members elected at large, we represent the wishes and hopes of all of the residents of our district for high quality healthcare and local access. As such, we agree not represent our own personal agendas, those of personal friends, individual health care district staff members, individual physicians, or other organizations. For the same reasons, we agree to refrain from personal insults and accusations toward other Board Members or members of the public during Board Meetings.

#### **Agenda Development**

Effective agenda development ensures that Board Members and the public understand the items to be discussed and acted on, and have an opportunity to have input into the decision making process. It is the Board's policy that meeting agendas comply fully with all aspects of the Brown Act and that agenda item descriptions allow the public and Board Members to understand the full nature of the discussion and action the Board proposes to take.

It is the responsibility of the Board president, in consultation with the Executive Director, to develop the agenda for Board Meetings. It is the responsibility of the president to assure that the agenda complies with the Brown Act, the district's Bylaws and, where appropriate, *Robert's Rules*, in which role, the president may call upon district legal counsel for advice and ask a Board Member submitting an item to clarify the purpose and language of the item before placing it on the agenda.

Any Board Member may request an item be placed on the agenda. In order for the president and the CEO to have adequate time to prepare the agenda and assure compliance with the Brown Act, it shall be the policy of the Board that agenda requests by Board Members other than the president and CEO shall be received in writing no later than 2 days prior to the date of posting of the agenda. The Board president shall distribute a draft agenda to all Board Members at least one day prior to posting of the agenda so that Board Members may have a final input on the wording of any items on the agenda.

Items received from Board members after 2 days prior to the date of posting will be placed on the agenda of the next meeting of the Board, except where the Board shall make a finding at the beginning of a meeting that an item must be added as an emergency item and that there was not an opportunity to foresee the need for the item as is allowed for in the Brown Act.

It shall be the Board's policy that a draft resolution will be circulated with the agenda for all items requiring a resolution of the Board so that the public and Board Members shall have the opportunity to review the language of the resolution prior to the meeting. Board Members proposing agenda items that require a resolution shall be expected to provide a draft resolution along with the proposed agenda item. Prior to posting of the agenda, the executive assistant will send a draft agenda to district's legal counsel for review.

### **Meeting Conduct**

The Board president shall conduct all meetings. In the absence of the president, the officers shall take the place of the president in the order of secretary and treasurer. At the president's discretion, the president may designate an alternate chair for one or more meetings if the president is present, but does not wish to conduct the meeting or an alternate chair for a specific agenda item.

It shall be the Board president's responsibility to maintain order in meetings and in so doing, the president may adjourn any meeting in which other Board Members or the public are disrupting the meeting until such time as order is restored.

It shall be the Board president's responsibility to confine discussions to the items on the agenda as is required by the Brown Act and to call for a point of order and limit the discussion if Board Members or the public are straying into other areas not covered by the agenda.

### **Location and Frequency of Regular Meetings**

The Board of Directors shall meet at the health care district or at such other locations in the County of Calaveras and on such days and at such times as the Board of Directors may from time to time determine.

Regular meetings of the Board shall be held each month on a date to be determined at the annual organizational meeting of the Board, but which may be amended by a majority vote at any meeting

### **Quorum**

A quorum for a meeting of the Board of Directors shall consist of a majority of the directors currently sworn in and in good standing. (In the case of a full board or one seat being vacant, 3 would constitute a quorum, in the case of 2 or 3 seats being vacant, 2 would constitute a quorum.)

**Phone Participation**

Board Members participating in a meeting by telephone or by teleconferencing are deemed to have attended that meeting and shall have all rights and obligations of a Board Member provided that proper notice as required by the Brown Act is served at the location of the Board Member.

**Open Meetings**

As required by the Brown Act and the spirit of the district, the business of the district shall to every extent possible be conducted in the public through publicly noticed meetings. Members of the public may attend all Board Meetings except closed sessions without restriction.

Members of the public shall not be required, as a condition of attendance at a Board Meeting, to register their name, or provide other information unless addressing the Board directly in which case they may be asked to give their name and city of residence for the public record.

The agenda of every meeting shall allow for members of the public to address the Board on items that are not on the agenda prior to the regular agenda items, but the Board is not required to respond to these items at the time, but may choose to place any such items on a future agenda.

After presentation of an item on the agenda, but before Board deliberation and action, the chair shall allow public input on the item for the purpose of gathering information and public sentiment. Such input shall be limited to 3 minutes per person with no requirement of a response from the Board to any individual.

**Closed Sessions**

Closed sessions may be held in conjunction with any meeting of the board and shall be restricted to only those items allowed by the Brown Act. Any actions of the Board in closed session will be reported in open session.

*Issues commonly addressed in closed session:*

- Assessing, rewarding or disciplining individual employees;
- Dealings and discussions with other entities or persons where the information being discussed may compromise the relationship of the health care district with them or its relationship with its stakeholders;
- Labor relations or human resources issues;
- Matters relating to civil or criminal proceedings;
- Personal health information related to an individual;
- Financial, personal, contractual and/or other matters for which a decision must be made in which premature disclosure will be prejudicial
- Deliberations to decide whether a matter warrants being dealt with in a closed session of the Board.
- An item involving health care trade secrets, as that phrase is defined in the Health and Safety Code.

A Board motion is required to move into and to rise from a closed session.

All matters brought before a closed session remains confidential until they are moved by the Board to an open session; the Board shall pass a resolution with respect to those items that are to be moved to an open session. Failure to maintain confidentiality may result in an offending Board Member being publicly censured.

During a closed session, all persons who are not directors shall be excluded from the meeting; provided, however, health care district personnel and others may be permitted to attend all or a portion of the closed session upon the invitation of the president or the invitation of the CEO with the approval of the president.

In accordance with the Brown Act, an agenda shall be prepared for closed sessions indicating the items to be considered during the session. Voting during a closed session shall take place according to the regular provisions governing Board meetings.

### **Minutes**

Minutes of open Board Meetings shall be recorded and maintained by the executive assistant and be made available free of charge to Board Members and the public. No minutes shall be made of closed sessions, but the vote on items in closed sessions shall be reported on in open session and be recorded in the minutes of the open session.

### **Special Meetings**

A special meeting of the Board may be called with 24 hour public notice by the President, or by any three (3) Board Members, by delivering in writing such a request to the executive assistant of the CEO. Notwithstanding the right of the president or any three Board Members to call for a special meeting, it shall be the policy of the Board to limit special meetings only to those items that must be dealt with on an urgent basis and cannot therefore be covered at a regular meeting.

Special meetings may also be called from time to time for the purpose of Board training on specific subjects, in order to review policies and procedures, and strategic planning. In these cases, the Board shall provide adequate notice and access to the meetings for the public to attend, but may limit public input.

Policy Adopted:

Review Date:

# ATTACHMENT G

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## Mark Twain Health Care District

### Board Policy: **Role and Responsibilities**

#### **Purpose**

To ensure that the Board has a shared understanding of its governance role; the Board has adopted this Statement of the Role and Responsibilities of the Board.

#### **Responsibility of the Board**

The Board is responsible for the overall governance of the affairs of the health care district. It adheres to a model of governance through which it provides strategic leadership and direction to the district, while always maintaining a clear distinction between Board and management roles and recognizing the interdependencies between them.

#### **Strategic Planning and Mission, Vision and Values**

The Board participates in the formulation and adoption of the district's mission, vision and values.

The Board ensures that the health care district develops and adopts a strategic plan that is consistent with the district's mission and values, which will enable the district to realize its vision. The Board participates in the development of and ultimately approves the strategic plan.

The Board oversees health care district operations for consistency with the strategic plan and strategic directions.

The Board receives regular briefings or progress reports on implementation of strategic directions and initiatives.

The Board ensures that its decisions are consistent with the strategic plan and the district's mission, vision and values.

The Board annually conducts a review of the strategic plan as part of a regular annual planning cycle.

#### **Quality and Performance Measurement and Monitoring**

The Board is responsible for establishing a process and a schedule for monitoring and assessing performance in areas of Board responsibility including:

- Fulfillment of the strategic directions in a manner consistent with the mission, vision and values;
- Oversight of management performance;



- Financial conditions;
- External relations;
- Board's own effectiveness.

The Board ensures that management has identified appropriate measures of performance. The Board monitors health care district and Board performance against Board-approved performance standards and indicators.

The Board ensures that management has plans in place to address variances from performance standards indicators, and the Board oversees implementation of remediation plans.

### **Financial Oversight**

The Board is responsible for stewardship of financial resources including ensuring availability of and overseeing allocation of, financial resources.

The Board approves policies for financial planning and approves the annual operating and capital budget.

The Board monitors financial performance against budget.

The Board approves investment policies and monitors compliance.

The Board ensures the accuracy of financial information through oversight of management and approval of annual audited financial statements.

The Board ensures management has put measures in place to ensure the integrity of internal controls.

### **Oversight of Management including Selection, Supervision and Succession Planning for the Chief Executive Officer.**

The Board recruits and supervises the ED by:

- Developing and approving the ED job description;
- Undertaking a ED recruitment process and in selecting the ED;
- Reviewing and approving the EDs annual performance goals.
- Reviewing ED performance and reviewing ED compensation.

The board works to ensure succession planning is in place for the ED.

### **Risk Identification and Oversight**

The Board is responsible to be knowledgeable about risks inherent in health care district operations and ensure that appropriate risk analysis is performed as part of Board decision-making.

The Board ensures that appropriate programs or processes are in place to protect against risk.

The Board is responsible for identifying unusual risks to the organization for ensuring that there are plans in place to prevent and manage such risks.

### **Stakeholder Communication and Accountability**

The Board identifies health care district stakeholders and understands stakeholder accountability. The Board ensures the organization appropriately communicates with stakeholders in a manner consistent with accountability to stakeholders.

The Board contributes to the maintenance of strong stakeholder relationships. The Board performs advocacy on behalf of the health care district with stakeholders where required in support of the mission, vision, and values and strategic directions of the district

**Governance**

The Board is responsible for the quality of its own governance.

The Board establishes governance structures to facilitate the performance of the Board's role and enhance individual director performance.

The Board is responsible for the recruitment of a skilled, experienced and qualified Board when vacancies occur.

The Board ensures ongoing Board training and education.

The Board periodically assesses and reviews its governance through periodically evaluating its governance policies, board structures

**Legal Compliance**

The Board ensures that appropriate processes are in place to ensure compliance with legal requirements.

Policy Adopted:

Review Date: