

**NOTICE AND AGENDA OF SPECIAL MEETING
OF THE BOARD OF DIRECTORS
MENDOCINO COAST HEALTH CARE DISTRICT**

Tuesday, December 29, 2020

**6:00 P.M. Open Session
Meeting via Zoom Conference**

Topic: Mendocino Coast Health Care District Special Meeting
Time: Dec 29, 2020 06:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/99806161885>

Meeting ID: 998 0616 1885

One tap mobile

+16699009128,,99806161885# US (San Jose)

Dial by your location

+1 669 900 9128 US (San Jose)

Meeting ID: 998 0616 1885

PLEASE TAKE NOTICE a Special Board of Directors meeting has been called for Tuesday, December 29, 2020 at 6:00 pm. **This meeting will be held via Zoom Conference only in order to reduce the risk of spreading coronavirus (COVID-19) and pursuant to the Governor's Executive Orders N-25-20 and N-29-20.**

No physical location from which members of the public may observe the meeting and offer public comment will be provided.

CONDUCT OF BUSINESS:

1. **CALL TO ORDER:** Ms. Jessica Grinberg, Chair
2. **ROLL CALL**

3. **PUBLIC COMMENTS**

This portion of the meeting is reserved for persons desiring to address the Board of Directors on any matter which the District has jurisdiction. You may state your name and address for the record. Time is limited to 3 minutes per speaker. The Board of Directors can take no action on your presentation, but can seek clarification to points made in your presentation or comments.

BROWN ACT REQUIREMENTS: Pursuant to the Brown Act, the Board of Directors cannot discuss issues or take action on requests during this comment period.

4. **APPROVAL OF THE AGENDA:** Ms. Jessica Grinberg, Chair

NEW BUSINESS:

5. **INFORMATION/ACTION:** Accept the resignation of Measure C Oversight Committee members Myra Beals & Robert Becker and discuss/appoint two new members: Ms. Jessica Grinberg, Chair **TAB 1**

6. **INFORMATION/ACTION:** Transition Services Consulting Agreement with Silverton Management Company: Ms. Jessica Grinberg, Chair **TAB 2**

7. **FUTURE AGENDA ITEMS:** Ms. Jessica Grinberg, Chair

8. **PUBLIC COMMENTS**

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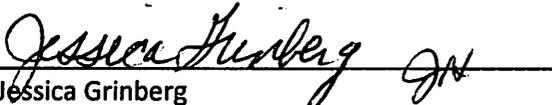
9. **COMMENTS FROM BOARD OF DIRECTORS**

10. **ADJOURNMENT:** Ms. Jessica Grinberg, Chair

Dated: December 28, 2020

STATE OF CALIFORNIA)
COUNTY OF MENDOCINO

I declare under penalty of perjury that I am a Board Member of the Mendocino Coast Health Care District Board of Directors; and that I posted this notice at the North and Patient Services Building Lobby entrances to the Adventist Health Mendocino Coast Hospital on December 28, 2020



Jessica Grinberg
Chair of the Board of Directors

12/28/20
Date

All disabled persons requesting disability related modifications or accommodations, including auxiliary aids or service may make such request in order to participate in a public meeting to Jessica Grinberg, Chair of the Board of Directors, 700 River Drive, Fort Bragg, CA 95437 no later than 1 working day prior to the meeting that such matter be included on that month's agenda.

*Per District Resolution, each member of the public who wishes to speak shall be limited to three minutes each per agenda item. Please identify yourself prior to speaking. Thank you.

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MEASURE C OVERSIGHT COMMITTEE

RESIGNATIONS

From: Robert Becker

Sent: Sunday, December 13, 2020 4:19 PM

To: Myra Beals ; Jessica Grinberg

Cc: John Redding ; Wayne Allen ; Amy Beth McColley ; Steve and Cynthia Lund

Subject: Measure C Oversight Committee - Resignation number two

To former chair Myra Beals and the District board:

As vice-chair, I write also to resign from the Measure C Oversight Committee. I no longer have confidence that District board members either welcome or honor the independent citizen review process that worked flawlessly for the first year and a half after passage. In the Spring of 2020, John Redding and I had what I hoped were constructive exchanges, my attempt to remind the Board and Adventist health management of the mutual benefits of having an engaged, publicly-mandated Oversight Committee at work. I outlined the basic procedures by which management **in advance** presents project proposals, with context, the Committee reviews and reconciles with our authorized mission (almost always approving the requests), then the Board certifies this two-step decision-making, authorizing funding.

What had worked well, with neither conflict nor delays, could have worked again, but not without Board support, even a little pressure on a private company than may not welcome public input. I sent copies of my ideas to the current (otherwise professional) Adventist management heads, here and Ukiah, and never received a reply. Apparently, what I considered a self-evident truth fell on deaf ears.

I stated then and still believe that a well-done, transparent review process would both assure the public and advance positive publicity for the Board and Adventist. This original win-win trust model of independent oversight, without which in my opinion Measure approval would have failed (having barely passed), has been needlessly undermined. Since then, we have not been informed that the original process would be respected, indeed the Committee has received not one formal communication from the Board or the new hospital management.

I made clear to the well-intentioned John Redding that if the Board and/or Adventist failed to foster an adequate procedure, even make up for absent contact with our Committee, then I would withdraw from what no longer fulfills the minimum obligations, as set forth in the legal Measure C ballot language, on taxpayer funding. It's already well over a year since our last meeting and, with recent board election changes, another delay looks likely. That increases my sense of invalidation, even obstruction, intended or not. I will not participate in an apparently empty process, contrary to public understanding, by which the Committee gets to add a subordinate okay after the fact. This was not a complex problem; neither was the solution. In short, sadly a missed opportunity that has for this volunteer committee member surpassed its shelf life.

Yours,

Robert S. Becker

Mendocino CA

December 12, 2020

From: Myra Beals

Sent: Saturday, December 12, 2020 2:46 PM

To: Jessica Grinberg

Cc: John Redding ; Wayne Allen

Subject: Measure C Oversight Committee - Resignation

Importance: High

This is to notify you that I am resigning from the committee effective immediately. Life during the pandemic has taken me in other directions and I no longer have the time to serve effectively. I appreciate the opportunity to have worked with the District Board and the members of the committee and wish everyone the best going forward with healthcare planning for our community, especially as it relates to women's health.

Sincerely,
Myra Beals

“Complex problems have simple, easy to understand wrong answers.” Grossman's Law
(corollary - and all problems are complex)

MEASURE C OVERSIGHT COMMITTEE

MEMBERS

MENDOCINO COAST HEALTH CARE DISTRICT
MEASURE C PARCEL TAX OVERSIGHT COMMITTEE MINUTES
MARCH 22, 2019

MEMBERS PRESENT: Ms. Lea Christensen, Mr. Jim Hurst, Mr. Robert Becker, Ms. Myra Beals and Mr. Steve Antler

MEMBERS ABSENT: Ms. Kitty Bruning and Ms. Kathe Charters

ASSIGN STAGGERED TERMS

- The committee members will serve staggered terms.
- Three members shall serve for the first three years and four members shall serve for the first four.
 - ✓ Hurst will serve 3 years
 - ✓ Becker will serve 4 years
 - ✓ Antler will serve 3 years
 - ✓ Christensen will serve 4 years
 - ✓ Beals will serve 4 years

MEASURE C OVERSIGHT COMMITTEE

BYLAWS

Mendocino Coast Healthcare District Measure C Taxpayer Oversight Committee

DRAFT 4.0 Bylaws

Preamble

In accordance with Measure "C" parcel tax of the Mendocino Coast Healthcare District ("District"), passed by the voters on June 5, 2018, the Mendocino Coast Healthcare District Board of Directors ("Board") has established a Measure "C" Taxpayer Oversight Committee ("Committee") which shall have the duties and rights set forth in these Bylaws.

Name, Purpose, and Duties

Name

The name of this committee shall be the "Mendocino Coast Healthcare District Measure "C" Taxpayer Oversight Committee" hereinafter referred to as the "Committee."

1. Purpose

The Committee shall review proposed spending of Measure C funds and make recommendations to the Board about whether the proposed spending is consistent with the purposes set forth in Measure C. The Committee shall review and report on the expenditure of Measure "C" revenues to verify said revenues are expended solely to *attract and retain high quality doctors/nurses, maintain local emergency room, obstetric, surgical, ambulance and related 911 services, and make critical repairs and upgrades to medical equipment/facilities.*

The Board reserves the exclusive power and responsibility for the expenditure of all Measure "C" revenues.

2. Duties

Committee members shall be expected to attend its regularly scheduled meetings, review all pertinent information provided to the Committee, and abide by the provisions of the *Ralph M. Brown Act* (the "Brown Act") (Gov. Code § 54950 *et seq.*) and all rules of conduct established in these Bylaws. In furtherance of its purpose the Committee may engage in the following activities:

- A. Receive and review the District's budgets to verify that parcel tax is planned to be expended in accordance with the purposes set forth in the ballot language of Measure "C" as approved by the voters.
- B. Receive and review all pertinent expenditure reports produced by the District to verify that parcel tax revenue was expended in accordance with the purposes set forth in the ballot language of Measure "C" as approved by the voters.
- C. Prepare and present to the Board, in open session, in December of each year or whatever month is otherwise deemed appropriate by the Committee and Board., an annual written report beginning with the 2018-19 fiscal year and continuing through fiscal year 2029-2030 ("Annual Report") which will include:
 - i. A statement indicating whether the District's parcel tax revenue expenditures for the preceding year were made in accordance with the stated purposes of Measure "C".
 - ii. A summary of the Committee's proceedings for the preceding year.

- D. Prepare and provide other reports and input to the Board on Measure C parcel tax expenditures' compliance, to the extent practicable and the Committee deems necessary.

3. Committee Composition

- A. The Committee shall consist of seven voting members.

Eligibility

- A. The Committee shall be comprised of individuals who are at least 18 years of age and who live within the boundaries of the District.
- B. No employee, official, vendor, contractor, or consultant of the District shall be appointed to the Committee.
- C. In appointing members to the Committee the Board should make an effort to have as much geographic and demographic representation on the Committee as possible.

Conflict of Interest

- A. Members of the Committee are not subject to the Political Reform Act (Gov. Code §§ 81000 *et seq.*), and are not required to complete Form 700.
- B. Pursuant to the prohibitions contained in Article 4 (commencing with Section 1090) of Division 4 of Title 1 of the Government Code ("Article 4") and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code ("Article 4.7") are applicable to members of the Committee. Accordingly:
 - i. Members of the Committee shall not be financially interested in any contract made by them in their official capacities or by the Committee, nor shall they be purchasers at any sale or vendors at any purchase made by them in their official capacity, all as prohibited by Article 4; and
 - ii. Members of the Committee shall not engage in any employment, activity, or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to duties as a member of the Committee or with the duties, functions, or responsibilities of the Committee or the District. A member of the Committee shall not perform any work, service, or counsel for compensation where any part of his or her efforts will be subject to approval by any other officer, employee, board, or commission of the District's Board, except as permitted under Article 4.7.

4. Term of Service

- A. Committee members serve without compensation.
- B. Terms of Appointed Committee members shall be staggered. Three members shall serve for the first three years, and four members shall serve for the first four. Subsequent members shall serve four year terms, except those appointed to replace vacancies.
- C. The Committee will terminate following the submission of the final Annual Report in December of 2030 (or whatever month is otherwise deemed appropriate by the Committee and the Board for presentation of the Committee's final Annual Report).

5. Replacing a Committee Member

- A. If a Committee position becomes vacant, the Board shall appoint a replacement as soon as practicable.
- B. Unless failure to act results in the inability to meet a Committee quorum, if six months or less remain of the unexpired four-year term, the Board may choose to leave that position vacant for the remainder of the term.
- C. A replacement Committee member may be appointed by the Board if one or more of the following events occur:
 - 1. The Committee member submits a written resignation to the Board, with a copy to the Committee Chair;
 - 2. The Board removes a member for cause, including non-attendance at meetings violating these Bylaws, and/or violating the District's adopted norms.
- D. Committee members appointed to fill vacant, unexpired terms may apply and shall be eligible for reappointment to a succeeding full four-year term.
- E. Members whose term has expired may continue to serve on the Committee until a successor has been appointed.

6. Committee Officers

Officers of the Committee shall be a Chair, and a Vice-Chair. The Healthcare District CFO shall serve as non-voting Secretary to the Committee.

7. Elections

At the first meeting of each fiscal year, the Committee shall place into nomination and elect a Chair and a Vice-Chair.

8. Term of Office

Officers shall be elected for a one-year term and shall not be term-limited except for the limit on the terms of Committee members set forth in Section 4(B) above.

9. Duties of the Chair

- A. The Chair shall call Committee meetings.
- B. The Chair shall, in consultation with District staff and with input from the Committee, establish the agenda for each Committee meeting.
- C. The Chair shall preside over each Committee meeting, following the adopted Rules of Procedure.
- D. The Chair or his/her Committee-approved designee shall serve as spokesperson for the Committee in all representations of the Committee to the public, the Board, and the media.

10. Duties of the Vice-Chair

The Vice-Chair shall perform each of the duties of the Chair as necessary in the absence of the Chair.

11. Duties of the District-Designated Secretary

- A. Subject to review by the Chair before publishing, the District-designated Secretary shall provide oversight in the preparation, recording, and distribution by District-provided support of the following documents in accordance with the Brown Act:
- Committee meeting agendas;
 - All reports, materials, and meeting packets as required by or addressed to the Committee;
 - The minutes of Committee meetings;
 - All written material submitted by the public during Committee meetings;
 - All official correspondence addressed to the Committee;
 - Reports adopted by the Committee;
 - Committee attendance records.
- B. The District-designated Secretary shall take and record roll at the beginning of each Committee meeting to determine the existence of a quorum. If a quorum ceases to exist during a meeting, the District-designated Secretary shall immediately inform the Chair.

12. Succession

The Vice-Chair will accede to Chair when a vacancy occurs in that office. In the event of a vacancy in the office of Vice-Chair, the position will be filled by election, agendaized at its next regular Committee meeting.

13. Meetings

- A. All Committee meetings subject to the Brown Act will be held in a fully-accessible District facility.
- B. The Committee shall meet quarterly each fiscal year. Special meetings can be scheduled as necessary.
- C. To the extent practicable, the Committee, with the support of the District-designated Secretary and Clerk of the Board, shall publicize and promote its meetings to attempt to invite as much public participation as can reasonably be expected.
- D. Committee members shall be available to attend Board of Directors meetings when reports relating to Measure "C" are presented.

14. Agendas

- A. The Committee will take public comment at the beginning of each meeting.
- B. Agendas for regular Committee meetings will be prepared by its Chair, in consultation with District staff and with input from the committee. All documents applicable to agenda items shall be distributed at least three days in advance of meetings.
- C. Any member of the Committee may submit a request for placing an item on a future agenda.
- D. Agendas may include a consent calendar for routine, non-controversial items. These items must be clearly identified on published agendas. Any member of the Committee or public may

request at the meeting that an item be added to the consent calendar or be pulled for discussion.

- E. After roll-call and the establishment of a quorum, meetings will begin with a consent calendar if appropriate.

15. Quorum

Actions may be undertaken at a meeting only if half-plus-one of Committee members in office as defined by Section 3(A) are present.

16. Committee Voting

Unless otherwise specified in these Bylaws an agenda item may be approved by a simple majority of Committee members in attendance, a quorum being present. Members must be present to vote.

17. Rules of Procedure

Meetings shall be conducted with courtesy and decorum and in accordance with Robert's Rules of Order.

18. California's Open Meeting Law

All meetings of the Committee shall be open to the public and shall be noticed and conducted in strict compliance with the Brown Act.

19. Public Participation

Any member of the public present at a meeting may address the Committee during the period designated for public comment. The Chair may, at his/her discretion, choose in advance to place an equal time limit on all speakers.

20. Minutes

Minutes of Committee proceedings and all documents received and reports issued shall be a matter of public record, and the District shall make them available on the District's website. The District shall provide secretarial/clerical services to assist the Committee Chair in preparation, distribution, and posting of minutes for all Committee meetings. Minutes published before adoption by the Committee shall always be labeled "Draft Minutes."

21. Attendance

Regular attendance at Committee meetings is a fundamental obligation of every member of the Committee. Absences are disruptive to Committee activity and representation. Failure to attend two consecutive meetings without acceptable reason announced in advance shall constitute due cause for member removal.

- A. Members anticipating an absence must call or email the Committee Chair or District-designated Secretary no later than 24 hours before the scheduled meeting.
- B. Committee attendance reports will be distributed annually and upon request by the Chair.

22. Committee Reports

- A. With the assistance of the District-designated Secretary, the Committee may prepare regular reports on its activities and, to the extent practicable, publicize and promote such reports.

The Annual Report shall be issued and presented to the Board for each fiscal year. All Committee reports shall be made available on the District's website.

- B. Any such reports, written and/or oral, that represent the Committee's position must proceed from Committee review, be duly approved as to substance by an affirmative vote of a majority of the members present at a Committee meeting, a quorum being present, and be faithfully articulated to the public only by the Committee Chair or an approved designee.
- C. Any member of the Committee may speak as an individual on parcel tax issues but must clearly state for the record that such statements are their own personal views which do not necessarily represent those of the Committee or the District.

23. Amendment of Bylaws

Any amendment to these Bylaws shall be approved by a majority vote of the Board.

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TRANSITION SERVICES CONSULTANT AGREEMENT

THIS CONSULTING AGREEMENT (the “Agreement”) is entered into to be effective as of January 1, 2021 (the “Effective Date”), by and between MENDOCINO COAST HEALTH CARE DISTRICT, a California Health Care District (“MCHCD”), and SILVERTON MANAGEMENT COMPANY, a Nevada LLC business entity (the “Consultant”). MCHCD and the Consultant are sometimes collectively referred to herein as the “Parties” or singularly by their individual names or as a “Party.”

BACKGROUND:

- A. MCHCD is presently in need of certain administrative and professional services on an interim basis.
- B. Consultant has the expertise and knowledge to provide certain consulting services required by MCHCD as more specifically described on Exhibit A attached hereto and made a part hereof (the “Services”). MCHCD hereby engages Mr. Wayne Allen, Managing Member of Consultant to perform the interim consulting duties.
- B. MCHCD desires to contract with Consultant to assist in providing the Services pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

- 1. **Provision of Services.** MCHCD hereby contracts with Consultant, and Consultant hereby agrees to assist in providing the Services, pursuant to the terms and subject to the conditions set forth in this Agreement.
- 2. **Independent Contractor.** In the performance of the Services provided pursuant to this Agreement, the Parties agree and acknowledge that the Consultant shall at all times be deemed to be an independent contractor of MCHCD. For purposes of this Agreement, no deductions shall be made from the payments made by MCHCD to Consultant, including, but not limited to, withholding or other employment taxes, social security, state and federal unemployment contributions, or state or federal income tax or disability insurance contributions. Consultant hereby agrees to indemnify, defend and hold MCHCD free and harmless from any and all liabilities, fees, interest, penalties or taxes arising out of Consultant’s failure to withhold and pay over to the appropriate taxing authorities such employment- related taxes.
- 3. **Term of Service.** The term of this Agreement shall commence on the Effective Date and shall continue thereafter for a period of six (6) months; subject, however, to prior termination as provided below (the “Initial Term”).
- 4. **Duties.** During the Term hereof, the Consultant shall have the duty to render the Services as directed by MCHCD on the schedule mutually agreed upon between MCHCD and Consultant, to the best of Consultant’s ability and capacity.

5. **Availability.** Consultant shall be available to provide the Services for MCHCD, on the schedule mutually agreed upon between the Parties.
6. **Services Compensation.** MCHCD agrees to pay Consultant for providing the Services, as set forth on Exhibit B attached hereto and incorporated herein by this reference.
7. **Automobile and Telephones.** It is a condition of this Agreement and for the purpose of discharging Consultant's duties hereunder that the Consultant: (i) own or lease and maintain, at all times, a properly functioning automobile; and (ii) have a properly functioning telephone at Consultant's residence, and a cellular telephone with text messaging capabilities on Consultant's person. All expenses relating to any of the foregoing shall be the responsibility of the Consultant.
8. **Travel Costs.** Out-of-pocket travel costs for on-site services at MCHCD will be reimbursed to Consultant as set forth on Exhibit B. The travel costs are limited to: (i) auto mileage at IRS prevailing rate; (ii) meals at GSA prevailing per diem and (iii) lodging at actual invoice amount.
9. **Benefits.** MCHCD is under no duty or obligation to provide any fringe benefits for Consultant. Consultant hereby indemnifies and holds MCHCD free and harmless from any and all claims by Consultant for damages, interest, penalties or the like (including legal fees and costs) relating to benefits, including, but not limited to, sick time, vacation pay, retirement plan participation, fringe benefits or the like.
10. **Termination.** MCHCD shall have the right, in its sole and absolute discretion, to immediately terminate this Agreement by written notice to Consultant, upon the occurrence of any of the following:
 - 10.1 Consultant becomes permanently disabled. For purposes of this Section, the term "permanent disability" shall be defined as the inability of Consultant, as a result of sickness or injury, to perform his duties under this Agreement for a period of more than thirty (30) days in the aggregate during any ninety (90) day period. MCHCD shall not be required to purchase disability insurance for the Consultant; payment for any such disability insurance shall be at the sole cost and responsibility of Consultant;
 - 10.2 Death of the Consultant;
 - 10.3 Consultant is convicted of a crime involving moral turpitude or professional misconduct;
 - 10.4 Consultant continuously fails or refuses to comply with the policies, standards and regulations of MCHCD; provided that MCHCD shall give the Consultant written notice of any such breach and shall be provided ten (10) days within which to cure such breach. The Consultant shall be provided with only one (1) opportunity to cure a noticed breach of a policy, standard, or regulation of MCHCD and any subsequent failure or refusal to comply with a policy, standard or regulation of MCHCD shall result in termination effective upon written notice to Consultant;
 - 10.5 If any state or federal agency assumes control of the District;
 - 10.6 A governmental agency, including, without limitation, the Internal Revenue Service, Employment Development Department or the Workers Compensation Appeals Board,

determines (or is likely to determine in the sole opinion of MCHCD) that the performance of the Services by Consultant in accordance with this Agreement creates a relationship whereby the Consultant is the employee of MCHCD;

10.7 Consultant gives ten (10) days prior written notice of termination to MCHCD, without cause;

10.8 MCHCD gives ten (10) days prior written notice of termination to Consultant, without cause.

11. **Notification of Certain Events.** Consultant shall notify MCHCD in writing within twenty-four (24) hours of the occurrence of any of the following:

11.1 Consultant becomes the subject of, or is otherwise materially involved in, any government investigation regarding business practices, the provision of Services under this Agreement or the provision of any other services to any person, including, without limitation, being served with a search warrant in connection with such activities;

11.2 Consultant becomes the subject of any suit, action or other legal proceeding arising out of Services;

11.3 Consultant is required to pay damages or any other amount in any action by way of judgment or settlement related in any way to MCHCD;

11.4 Consultant becomes incapacitated or disabled from providing Services;

11.5 Consultant is convicted of a crime. For purposes of this Agreement, the term "crime" shall mean a felony as defined by the laws of the State of California or the United States of America punishable by imprisonment for a term of at least one (1) year;

11.6 Any event or occurrence which has a material adverse effect on Consultant's ability to perform any or all of the Services under this Agreement; or

11.7 Consultant is debarred, suspended or otherwise ineligible to participate in any federal or state health care program.

12. **Responsibility for Acts and Omissions/Indemnity.** Consultant and MCHCD are each responsible for their own acts and/or omissions, and are not responsible for the acts and/or omissions of the other. Consultant indemnifies and holds MCHCD and all the partners thereof individually, free and harmless from any and all liability (including legal fees and costs) from claims, damages and the like, for all acts and omissions of Consultant, its employees, representatives and agents, committed within the scope of this Agreement. MCHCD indemnifies and holds Consultant individually, free and harmless from any and all liability (including legal fees and costs) for claims, damages and the like, for all acts and omissions of MCHCD, committed within the scope of this Agreement.

13. **Confidential Information.**

- 13.1 Consultant hereby expressly acknowledges, understands and agrees that all documents, records, charts, files and other information (collectively referred to in this paragraph as the “trade secrets”), relating to MCHCD, including, without limitation, patient volumes, market share, the names and addresses of MCHCD patients, all patient records, charts, files and other patient information, and all business and financial information relating to the business of MCHCD (including, without limitation, business plans, expansion plans, marketing plans, the substance of any and all strategic planning, or other business meetings, MCHCD fees and nature and terms of any contracts to which MCHCD is a party), whether they are prepared in whole or in part by Consultant or by any other person, are and shall remain the exclusive property of MCHCD, and that all such trade secrets are confidential, material and important to the business and financial success of MCHCD, and that their disclosure or unauthorized use would seriously and adversely affect the business of MCHCD. Consultant hereby expressly covenants and agrees that Consultant will not, either directly or indirectly, whether on behalf of Consultant or others, do any of the following either during the term of this Agreement or at any time thereafter (or for such shorter period as may be specified below), except as is necessary to perform its obligations in the course of this Agreement:
- 13.1.1 Divulge, disclose or communicate to any person, firm or entity any of MCHCD’s trade secrets except as may be required by law;
- 13.1.2 For a period of two (2) years following termination: (a) solicit, induce or attempt to influence any employee or contractor of MCHCD to terminate his or her relationship with MCHCD; (b) solicit, induce or attempt to influence any health plans, or any hospital or any other health care facility, clinic or other contracting third party with a relationship with MCHCD to terminate that relationship; (c) induce or attempt to influence any physician or any other professional with a referring relationship with MCHCD to terminate that relationship; or (d) solicit any patient/service contractual arrangement of MCHCD;
- 13.1.3 Otherwise engage in unfair competition with MCHCD.
- 13.2 Consultant acknowledges, understands and agrees that Consultant’s continuing breach of this provision would cause substantial and irreparable harm to MCHCD. Accordingly, in the event Consultant breaches this provision, MCHCD shall be entitled to preliminary and permanent injunctive relief preventing any further breaches by Consultant and enforcing this provision and Consultant hereby consents to the issuance of such relief and hereby waives any requirements that MCHCD secure or post a bond in connection with MCHCD obtaining any injunctive or other equitable relief. In addition, MCHCD shall be entitled to such damages from Consultant as MCHCD can demonstrate it suffered by reason of Consultant’s breaches prior to the issuance of injunctive relief.

14. **Compliance.**

- 14.1 **Compliance with Applicable Laws.** To the best of the Consultant's knowledge and belief, Consultant has operated in compliance with all federal, state, county and municipal laws, ordinances and regulations applicable thereto and Consultant represents that he/she has not received payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services as prohibited under 42 U.S.C. Section 1320a-7b(b), or otherwise perpetrated any Medicare or Medicaid fraud or abuse, nor has any fraud or abuse been alleged within the last five (5) years by any Governmental Authority, a carrier or a third party payor.
- 14.2 **Fraud and Abuse.** Consultant shall not engage in any activities which are prohibited by or are in violation of the rules, regulations, policies, contracts or laws pertaining to any third party and/or governmental payor programs, or which are prohibited by rules of professional conduct ("Governmental Rules and Regulations"), including but not limited to the following: (i) knowingly and willfully making or causing to be made a false statement or representation of a material fact in any application for any benefit or payment; (ii) knowingly and willfully making or causing to be made any false statement or representation of a material fact for use in determining rights to any benefit or payment; (iii) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment on Consultant's own behalf or on behalf of another, with intent to fraudulently secure such benefit or payment; or (iv) knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind or offering to pay or receive such remuneration (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing or any item or service for which payment may be made in whole or in part by Medicare or Medicaid, or (2) in return for purchasing, leasing, or ordering or arranging for or recommending purchasing, leasing, or ordering any good, facility, service or item for which payment may be made in whole or in part by Medicare or Medicaid. Consultant acknowledges that this list is not an exhaustive or complete list of all governmental requirements and Consultant represents and warrants to MCHCD that Consultant will endeavor, to the best of his/her knowledge, to educate, to seek information, and/or to make themselves aware of these governmental requirements.
- 14.3 **Changes in The Law.** In the event of any changes in law or regulations implementing or interpreting any Federal or State law relating to the subject matter of fraud and abuse or to payment for patient referral, including the laws referenced above, the parties shall use all reasonable efforts to revise this Agreement to conform and comply with such changes. In the event that the Parties cannot revise this Agreement in a manner which will conform and comply with such changes and preserve to the extent possible the intent of the Parties in entering into this Agreement, then either Party may terminate those portions of the Agreement which cannot be revised to conform and comply with such changes and the intent of the Parties.
- 14.4 **Books and Records.** To the extent required by law, upon written request of the Secretary of Health and Human Service, the Comptroller General or any of their duly authorized representatives, Consultant, shall make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing

Services to MCHCD. Such inspection shall be available for up to four (4) years after the rendering of such services. If Consultant carries out any of the duties of this Agreement through a subcontract with a value of ten thousand dollars (\$10,000.00) or more over a twelve (12) month period with a related individual or organization, Consultant shall include this requirement in any such subcontract. This Section is included pursuant to and is governed by the requirements of 42 C.F.R. §§300-304, and notwithstanding any reference in this Section to “subcontract,” Consultant shall not assign, delegate or subcontract its obligations under this Agreement to any other person or entity except with the express written consent of MCHCD. No attorney-client, accountant-client or other legal privilege shall be deemed waived by Consultant or District by virtue of this Agreement.

15. **Conflict of Interest.** Consultant shall inform MCHCD of any other arrangements which may enter which presents a conflict of interest or materially interfere in the performance of Consultant’s duties under this Agreement. If Consultant pursues conduct which in fact does constitute a conflict of interest or which materially interferes with or is reasonably anticipated to interfere with Consultant’s performance under this Agreement, MCHCD has the right to terminate this Agreement immediately.
16. **Waiver.** A waiver of any of the terms and conditions hereof shall not be construed as a general waiver by MCHCD or Consultant.
17. **Partial Invalidity.** Should any portion of this Agreement be held unenforceable or inoperative for any reason, such shall not affect any other portion of this Agreement, but the remainder shall be as effective as though such ineffective portion had not been contained herein.
18. **Gender.** Words used in the masculine shall apply to the feminine where applicable, and vice versa. Any personal pronoun shall include any gender or number according to the context.
19. **Law Governing Agreement.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
20. **Entire Agreement and Modification.** The Parties hereby agree and acknowledge that this Agreement and the Exhibits incorporated herein constitute the complete agreement between the Parties with regard to the subject matter contained herein. This Agreement may only be modified by an agreement in writing executed by the Parties.
21. **Notices.** All notices, offers, elections, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the Party to whom notice is to be given, or within forty-eight (48) hours after mailing, if mailed to the Party to whom notice is to be given by first class mail, registered or certified, postage prepaid, and properly addressed to the Party at the Party’s last known address, or any other address that any Party may designate by written notice to the other Party.

IN WITNESS WHEREOF, the Parties hereof have executed and delivered this Agreement as of the day and year first above written.

“MCHCD”

MENDOCINO COAST HEALTH CARE DISTRICT
a California Health Care District

By: _____
Jessica Grinberg, Board Chair

“Consultant”

SILVERTON MANAGEMENT COMPANY
LLC, a Nevada business entity

Wayne C. Allen, Managing Member

Print Name

Signature

EXHIBIT A

The Services

- Perform duties to assist with compliance of the transition issues of the lease and operations transfer agreement between Mendocino Coast Health Care District and Adventist Health Mendocino Coast.
- Perform other duties as directed by the Board of Directors of Mendocino Coast Health Care District

EXHIBIT B

The Services Compensation

- Compensation shall be actual hours billed and paid at One Hundred and Fifty Dollars (\$150.00) per hour. Total billings per month will not exceed Three Thousand Dollars (\$3,000.00) and will be payable monthly within ten days of the invoice date.
- Out-of-pocket reimbursable travel costs will be billed monthly and payable within ten days of the invoice date.