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September 27, 2022

Pamela S. Kaufman, Partner
Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105
pkaufmann@hansonbridgett.com

Sent via email

RE: California-Nevada Methodist Homes

Dear Ms. Kaufmann:

Pursuant to Corporations Code section 5914 et seq., the Attorney General hereby conditionally consents to the proposed sale of substantially all of the assets of California-Nevada Methodist Homes, pursuant to the terms of the Purchase and Sale Agreement dated December 17, 2021, between California-Nevada Methodist Homes, a California nonprofit public benefit corporation, and Pacifica Companies LLC, a California limited liability company.

Corporations Code section 5917 and California Code of Regulations, title 11, section 999.5, subdivision (f) set forth factors that the Attorney General shall consider in determining whether to consent to a proposed transaction between a nonprofit corporation and a for-profit corporation or entity. The Attorney General has considered such factors and consents to the proposed transaction subject to the attached conditions that are incorporated by reference herein.

Sincerely,

Lily Weaver

LILY WEAVER
Deputy Attorney General

For ROB BONTA
Attorney General

LGW: Enclosure
LA2022301564/36576341

SUMMARY OF PROPOSED CONDITIONS

- Condition I: Identifies the parties and entities that are legally bound by the conditions.
- Condition II: Identifies the transaction documents.
- Condition III: Requires sixty days' notice of either transfer or of transfer of governance or control of the Lake Park Facility or the Forest Hill Facility.
- Condition IV: Requires the skilled nursing facility to operate and be maintained for the next five years at the same types and levels of skilled nursing services at the Lake Park Facility.
- Condition V: Requires the skilled nursing facility to operate and be maintained for the next five years at the same types and levels of skilled nursing services at the Forest Hill Facility.
- Condition VI: Requires the continuation of Medicare participation at the Lake Park Facility.
- Condition VII: Requires the continuation of Medicare participation at the Forest Hill Facility.
- Condition VIII: Requires the Buyer to consult a Community Advisory Board at the Lake Park Facility.
- Condition IX: Requires the Buyer to consult a Community Advisory Board at the Forest Hill Facility.
- Condition X: Prohibits discrimination on the basis of protected personal characteristics.
- Condition XI: Requires reporting on safety at the Lake Park Residential Care Facility for the Elderly (RCFE) every six months for the next three years.
- Condition XII: Requires reporting on safety at the Forest Hill RCFE and the Forest Hill Skilled Nursing Facility (SNF) every six months for the next three years.
- Condition XIII: Authorizes the Attorney General to appoint a monitor to evaluate and audit the first six-month information and documentation required by Conditions XI and XII to ensure compliance with the professional standards of care at the Lake Park RCFE, Forest Hill RCFE, and Forest Hill SNF. Describes powers of monitor, appointment process, and funding for monitor.
- Condition XIV: Authorizes the Attorney General to appoint a monitor for the Lake Park RCFE, Forest Hill RCFE, or Forest Hill SNF at any time in the next three years to

address any unresolved safety issues. Describes powers of monitor, appointment process, and funding for monitor.

- Condition XV: Requires the buyer and operator to submit annual compliance reports to the Attorney General's Office for five years after closing the transaction for Lake Park.
- Condition XVI: Requires the buyer and operator to submit annual compliance reports to the Attorney General's Office for five years after closing the transaction for Forest Hill.
- Condition XVII: Requires all parties to the transaction to submit any requested information necessary to monitor compliance to the Attorney General's Office.
- Condition XVIII: The Attorney General reserves the right to enforce each and every condition and to recover fees and costs associated with enforcement.

Conditions to Proposed Sale of California-Nevada Methodist Homes and Approval of the Purchase and Sale Agreement by and between California-Nevada Methodist Homes and Pacifica Companies LLC, a California limited liability company.

I.

These Conditions shall be legally binding on Pacifica Companies LLC, a California limited liability company; Pacifica Hosts, Inc., a Nevada Corporation;¹ Lake Merritt Senior Living LLC, a California limited liability company; Pacific Grove Senior Living LLC, a California limited liability company; any other subsidiary, parent, general partner, limited partner, member, affiliate, successor, successor in interest, assignee, or person or entity serving in a similar capacity of any of the above-listed entities; any entity succeeding thereto as a result of consolidation, affiliation, merger, or acquisition of all or substantially all of the real property or operating assets of the Lake Park Facility² and the Forest Hill Facility³ or the real property on which the Lake Park Facility and the Forest Hill Facility are located; any and all current and future owners, lessees, licensees, assignees, managers, operators or providers, including those persons or entities described and set forth in Health and Safety Code sections 1253 (a), 1267.5 (a)(3)(A), 1569.10, 1770 (d), 1771 (a)(1), (4), (c)(11) and (p)(10), and 1773 (b), of any of the facilities or units at the Lake Park Facility and the Forest Hill Facility; and any and all current and future lessees and owners of the real property on which Lake Park and Forest Hill are physically located. These “lessees, licensees, assignees, managers, operators or providers” include 551 Gibson Ave SNF, LLC, a California limited liability company and a subsidiary of Buena Vista Healthcare, LLC; California Senior Living Management, LLC, a California limited liability company; AOAS, LLC, a California limited liability company and a subsidiary of Aspen Skilled Healthcare; and Northstar Senior Living, a Delaware corporation.

¹ Pacifica Hosts, Inc. is a co-certificate holder of the certificate of authority with the Department of Social Services for each of the subject facilities. All providers offering continuing care contracts must obtain a certificate of authority, as well as a residential care facility for the elderly (RCFE) license.

² Throughout this document “the Lake Park Facility” shall mean the Continuing Care Retirement Community located at 1850 Alice Street, Oakland, CA, 94612 that includes a RCFE with 147 residential independent living units and 37 assisted living apartments licensed by the California Department of Social Services effective June 28, 1993; a 35 bed Skilled Nursing Facility (SNF) licensed by the California Department of Public Health effective November 1, 2021, and any other clinics, outpatient facilities, programs, laboratories, centers, units, or services, unless otherwise indicated.

³ Throughout this document, “the Forest Hill Facility” shall mean the Continuing Care Retirement Community located at 551 Gibson Avenue, Pacific Grove, CA, 93950 that includes a RCFE with 91 residential living units and 18 assisted living apartments licensed by the California Department of Social Services effective June 28, 1993; a 26 bed SNF licensed by the California Department of Public Health effective January 16, 2022, and any other clinics, outpatient facilities, programs, laboratories, centers, units, or services, unless otherwise indicated.

II.

The transaction approved by the Attorney General consists of the Purchase and Sale Agreement by and between California-Nevada Methodist Homes and Pacifica Companies LLC dated December 17, 2021 (the Purchase and Sale Agreement), and any and all amendments, agreements, or documents referenced in or attached as an exhibit or schedule to these agreements. All entities listed in Condition I shall fulfill the terms of these agreements and any other agreements or documents referenced therein or attached thereto, including Section 2.2 of the Purchase and Sale Agreement, and shall notify the Attorney General in writing of any proposed modification or rescission of any terms of these agreements. Such notifications shall be provided at least sixty days prior to their effective date in order to allow the Attorney General to consider whether they affect the factors set forth in Corporations Code section 5917.

III.

For five (5) years from the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Lake Merritt Senior Living LLC, Pacific Grove Senior Living LLC, and all entities listed in Condition I shall be required to provide written notice to the Attorney General sixty (60) days prior to entering into any agreement or transaction to do any of the following:

(a) Sell, transfer, lease, exchange, option, convey, manage, or otherwise dispose of the Lake Park Facility or the Forest Hill Facility or any portion thereof; or

(b) Transfer control, responsibility, management, or governance of the Lake Park Facility, the Forest Hill Facility, or any portion thereof. The substitution, merger or addition of a new member of the governing body, general partner, or limited partner of Pacifica Companies LLC, Pacific Grove Senior Living LLC, or Lake Merritt Senior Living LLC that transfers the control of, responsibility for or governance of the Lake Park Facility and the Forest Hill Facility or any portion thereof shall be deemed a transfer for purposes of this Condition. The substitution or addition of one or more members of the governing body, general partner, or limited partners of Pacifica Companies LLC, Lake Merritt Senior Living LLC, or Pacific Grove Senior Living LLC or any arrangement, written or oral, that would transfer voting control of the members of the governing body, general partner, or limited partners of Pacifica Companies LLC, Lake Merritt Senior Living LLC, or Pacific Grove Senior Living LLC shall also be deemed a transfer for purposes of this Condition.

IV.

For five (5) years from the closing date of the Purchase and Sale Agreement, the Lake Park SNF⁴ shall be operated and maintained as a skilled nursing facility with 35 skilled nursing beds and

⁴ Throughout this document, the term “Lake Park SNF” shall mean the skilled nursing facility located at 1850 Alice Street, Oakland, CA, 94612 and any other clinics, laboratories, units, services, or beds included on the license issued to California-Nevada Methodist Homes by the California Department of Public Health.

shall maintain the same licensure, types, and or levels of services being provided as its current⁵ licensure and types and levels of services including, but not limited to, audiology, occupational therapy, outpatient services, physical therapy, and speech therapy.

Pacifica Companies LLC, Lake Merritt Senior Living LLC, or the operator or licensee of the Lake Park SNF shall not place all or any portion of the Lake Park SNF's licensed-bed capacity or services in voluntary suspension or surrender its license for any beds or services.

V.

For five (5) years from the closing date of the Purchase and Sale Agreement, the Forest Hill SNF⁶ shall be operated and maintained as a skilled nursing facility with 26 skilled nursing beds and shall maintain the same licensure, types, and or levels of services being provided as its current licensure and types and levels of services including, but not limited to, audiology, occupational therapy, outpatient services, physical therapy, and speech therapy.

Pacifica Companies LLC, Pacific Grove Senior Living LLC, or the operator or licensee of the Forest Hill SNF shall not place all or any portion of Forest Hill SNF's licensed-bed capacity or services in voluntary suspension or surrender its license for any beds or services.

VI.

For five (5) years from the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Lake Merritt Senior Living LLC, or the operator or licensee of the Lake Park SNF shall be certified to participate in the Medicare program and have a Medicare Provider Number (or provider number for any successor program to Medicare) to provide the same types and levels of skilled nursing services to Medicare beneficiaries (both Traditional and Managed Care) at the Lake Park SNF as required in these Conditions.

VII.

For five (5) years from the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Pacific Grove Senior Living LLC, or the operator or licensee of the Forest Hill SNF shall be certified to participate in the Medicare program and have a Medicare Provider Number (or provider number for any successor program to Medicare) to provide the same types and levels of skilled nursing services to Medicare beneficiaries (both Traditional and Managed Care) at the Forest Hill SNF as required in these Conditions.

VIII.

For five (5) years from the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Lake Merritt Senior Living LLC and any other owner, operator, or lessee of the Lake Park

⁵ The term "current" or "currently" throughout this document means as of May 6, 2022.

⁶ Throughout this document, the term "Forest Hill SNF" shall mean the skilled nursing facility located at 551 Gibson Avenue, Pacific Grove, CA, 93950 and any other clinics, laboratories, units, services, or beds included on the license issued to California-Nevada Methodist Homes by the California Department of Public Health.

Facility or any portion thereof shall consult with a Community Advisory Board on a quarterly basis. The Community Advisory Boards shall consist of 7-12 residents at the Lake Park Facility chosen by the residents of the Lake Park Facility. The Community Advisory Board will provide advice and feedback on a quarterly basis on the quality of care and quality of life being provided to the residents and patients.

IX.

For five (5) years from the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Pacific Grove Senior Living LLC, and any other owner, operator, or lessee of the Forest Hill Facility or any portion thereof shall consult with a Community Advisory Board on a quarterly basis. The Community Advisory Board shall consist of 7-12 residents at the Forest Hill Facility chosen by the residents of the Forest Hill Facility. The Community Advisory Board will provide advice and feedback on a quarterly basis on the quality of care and quality of life being provided to the residents and patients.

X.

The entities listed in Condition I shall prohibit unlawful discrimination in their services and programs at the Lake Park Facility and the Forest Hill Facility on the basis of any protected personal characteristic identified in state and federal civil rights laws, including section 51 of the California Civil Code and title 42, section 18116 of the United States Code. Categories of protected personal characteristics include:

- a) Gender, including sex, gender, gender identity, and gender expression;
- b) Intimate relationships, including sexual orientation and marital status;
- c) Ethnicity, including race, color, ancestry, national origin, citizenship, primary language, and immigration status;
- d) Religion;
- e) Age; and
- f) Disability, including disability, protected medical condition, and protected genetic information.

XI.

For three (3) years from the first day of the month following the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Lake Merritt Senior Living LLC, and any operators or licensees of any portion of the Lake Park Facility shall submit the following information about the Lake Park Facility to the Attorney General every six (6) months:

- a) The total number of Type A citations issued by the California Department of Social Services during the past six (6) months;

- b) Copies of any Type A citations issued by the California Department of Social Services and any Plans of Correction approved by the California Department of Social Services during the past six (6) months;
- c) The total number of Type B citations issued by the California Department of Social Services during the past six (6) months;
- d) Copies of any Type B citations issued by the California Department of Social Services and any Plans of Correction approved by the California Department of Social Services during the past six (6) months; and
- e) The status of all citations at the time of reporting.

XII.

For three (3) years from the first day of the month following the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Pacific Grove Senior Living LLC and any operators or licensees of any portion of the Forest Hill Facility shall submit the following information about the Forest Hill Facility to the Attorney General every six (6) months:

- a) The total number of Type A citations issued by the California Department of Social Services during the past six (6) months;
- b) Copies of any Type A citations issued by the California Department of Social Services and any Plans of Correction approved by the California Department of Social Services during the past six (6) months;
- c) The total number of Type B citations issued by the California Department of Social Services during the past six (6) months;
- d) Copies of any Type B citations issued by the California Department of Social Services and any Plans of Correction approved by the California Department of Social Services during the past six (6) months;
- e) The status of all citations at the time of reporting;
- f) Copies of any state licensing or federal certification actions issued by the California Department of Public Health on its own behalf, or on behalf of the Centers for Medicare and Medicaid Services, including but not limited to the following:
 - 1) Statements of Deficiencies;
 - 2) Plans of Correction approved by the California Department of Public Health or the Centers for Medicare and Medicaid Services;
 - 3) Survey and Recertification reports (annual, bi-annual, and revisits);
 - 4) Citations (AA, A, and B); and
 - 5) Civil monetary penalties.

- g) Copies of any correspondence regarding the imposition of financial penalties, fines, or imposition of remedies, including denial of payment for new admissions issued by the California Department of Public Health, the Centers for Medicare and Medicaid Services, or the California Department of Social Services;
- h) Copies of any correspondence or petitions to suspend or revoke the licenses issued by the California Department of Public Health or California Department of Social Services, and any actions to revoke the certificate of authority issued by the California Department of Social Services;
- i) Copies of any correspondence or petitions to terminate, revoke, or suspend the Centers for Medicare and Medicaid participation agreements; and
- j) Copies of any correspondence or petitions for a Temporary Manager or Receiver or Order for Temporary Suspension issued by the California Department of Public Health or California Department of Social Services.

XIII.

The Attorney General shall have the power to appoint and will appoint a person (a “Monitor”) to monitor, evaluate, and audit the first six-months of information and documentation required by Conditions XI and XII and to ensure compliance with professional standards of care at the Lake Park RCFE, the Forest Hill RCFE, and the Forest Hill SNF. The Monitor shall remain in place until the Monitor concludes, via a written report issued to the Attorney General, that the following issues do not exist or have been remedied at those facilities:

- a) Any excessive pattern of citations issued by the California Department of Social Services at either the Lake Park or Forest Hill facilities;
- b) Any finding of immediate jeopardy by the Centers for Medicare and Medicaid Services in the Lake Park or Forest Hill facilities, whether the scope and severity is isolated, pattern, or widespread;
- c) Any finding of actual harm by the Centers of Medicare and Medicaid Services in the Lake Park or Forest Hill facilities that is not immediate jeopardy, whether the scope and severity is either isolated, pattern, or widespread;
- d) Any deficiencies issued by the Centers for Medicare and Medicaid Services of “widespread” or “pattern” scope and severity where a Plan of Correction has not been accepted by the Centers for Medicare and Medicaid Services within the time period proscribed in regulations, or where an accepted Plan of Correction has not otherwise been implemented by the facility as documented in any revisit survey;
- e) Any denial of payment by Medicare or Medicaid for new admissions;
- f) Any petitions to suspend or revoke the licenses issued by the California Department of Public Health or California Department of Social Services, or actions to revoke the certificate of authority issued by the California Department of Social Services;

- g) Any petitions to terminate, revoke or suspend the Centers for Medicare and Medicaid participation agreements;
- h) Any petitions for a Temporary Manager, Receiver, or Order for Temporary Suspension issued by the California Department of Public Health or California Department of Social Services;
- i) Any AA or A citations involving the death of a resident or residents, issued by the California Department of Public Health;
- j) Any significant noncompliance with professional standards of care identified while the Monitor is in place; or
- k) Any inaccuracies, omissions, or defects in documentation required by Conditions XI and XII have been resolved.

Selection of Monitor: The Attorney General shall have the sole discretion to select the Monitor subject to consultation with Pacifica Companies LLC. In exercising this discretion, the Attorney General may consider the status of compliance efforts with the applicable regulatory agencies and the status and contents of any pending administrative appeals before them regarding the entities listed in Condition I. To be qualified to serve as a Monitor, a candidate must disclose to the Attorney General and to Pacifica Companies LLC any potential conflict of interest; be experienced with RCFEs and SNFs, including the standards of care applicable to RCFEs and SNFs, if not also knowledgeable as to RCFEs and SNFs in California; and be knowledgeable about federal and California laws and regulations concerning RCFEs and SNFs.

Pacifica Companies LLC will disclose candidates it proposes to serve as the Monitor to the Attorney General and the Attorney General will disclose candidates to Pacifica Companies LLC. The Attorney General and Pacifica Companies LLC will consider diversity, equity, and inclusion in proposing candidates to serve as the Monitor.

The Attorney General will give due consideration to any candidates proposed by Pacifica Companies LLC and Pacifica Companies LLC will give due consideration to any candidates proposed by the Attorney General. Any interviews of any candidates will be jointly conducted by Pacifica Companies LLC and the Attorney General. Not later than thirty (30) days after the Attorney General's selection of the Monitor, Pacifica Companies LLC shall execute an agreement that, subject to the prior approval of the Attorney General, confers on the Monitor those rights, powers, and authorities necessary to permit the Monitor to perform their duties and responsibilities.

Powers of Monitor: The Monitor and/or their duly qualified designee(s) shall have the following powers:

- a) To investigate compliance;
- b) To take complaints;
- c) To inspect records, including but not limited to patient Trail Reports and Login History Reports or their equivalent and otherwise being granted Administrator and/or Director of

Nursing credentials access to the long-term care facility's electronic medical records, and compel disclosure of confidential documents subject to any demonstrated legally recognized privilege and appropriate confidentiality protections;

d) To interview witnesses;

e) To contact and consult the State Ombudsmen regarding the subject facilities;

f) To conduct onsite inspections upon written 24 hours-notice and to conduct unannounced onsite inspections once per quarter during the pendency of the Monitor appointment;

g) To hire staff, consultants, and experts;

h) To recommend the hiring of facility staff and consultants; and

i) To make recommendations concerning enforcement, oversight, and surveillance to the Attorney General, including making recommendations to address any breaches in the standard of care, including recommendations concerning the deployment of facility resources to addresses those breaches.

Scope of Work: The Attorney General will specify a written scope of objectives for the Monitor tailored to addressing the specific circumstances. In specifying the scope of objectives, the Attorney General will give due consideration to the views of the entities listed in Condition I.

Mandated Reporting: It is understood that the Monitor and/or their duly qualified designee(s) shall be bound by the mandated reporter requirements of Health and Safety Code section 15630.

Duty to Cooperate: The entities listed in Condition I shall cooperate with the Monitor in the performance of the Monitor's work and shall take no action to interfere with or impede the Monitor's ability to monitor compliance with these conditions.

No Retaliation: Retaliation or threats of retaliation based on any entity or individual having provided information in conjunction with this Condition to the Monitor, the Attorney General, a government agency, or a court is prohibited.

Payment: As applicable, the entities listed in Condition I will be solely responsible for the expenses of the selected Monitor, including staff, consultants, and experts of the Monitor, in performing the services described in this Condition.

XIV.

After the discharge of the initial Monitor and throughout the pendency of the reporting and within one hundred twenty (120) days of receipt of the information in Conditions XI and XII, the Attorney General will have discretion to select and appoint a Monitor to conduct on-site or remote reviews at the Lake Park RCFE, the Forest Hill RCFE, or the Forest Hill SNF, as applicable, until the Monitor concludes, via a written report issued to the Attorney General, that any of the following issues have been remedied and that the facility complies with professional standards of care:

- a) The pattern or frequency of citations issued by the California Department of Social Services at either the Lake Park or Forest Hill facilities becomes excessive;
- b) Any finding of immediate jeopardy by the Centers for Medicare and Medicaid Services in the Lake Park or Forest Hill facilities, whether the scope and severity is isolated, pattern, or widespread;
- c) Any finding of actual harm by the Centers of Medicare and Medicaid Services in the Lake Park or Forest Hill facilities that is not immediate jeopardy, whether the scope and severity is either isolated, pattern, or widespread;
- d) Any deficiencies issued by the Centers for Medicare and Medicaid Services of “widespread” or “pattern” scope and severity where a Plan of Correction has not been accepted by the Centers for Medicare and Medicaid Services within the time period proscribed in regulations, or where an accepted Plan of Correction has not otherwise been implemented by the facility as documented in any revisit survey;
- e) Any denial of payment by Medicare or Medicaid for new admissions;
- f) Any petitions to suspend or revoke the licenses issued by the California Department of Public Health or California Department of Social Services, or actions to revoke the certificate of authority issued by the California Department of Social Services;
- g) Any petitions to terminate, revoke or suspend the Centers for Medicare and Medicaid participation agreements;
- h) Any petitions for a Temporary Manager, Receiver, or Order for Temporary Suspension issued by the California Department of Public Health or California Department of Social Services
- i) Any AA or A citations involving the death of a resident or residents, issued by the California Department of Public Health;
- j) Any significant noncompliance with professional standards of care identified while the Monitor is in place; or
- k) Any inaccuracies, omissions, or defects in documentation required by Conditions XI and XII have been resolved.

Selection of Monitor: The Attorney General shall have the sole discretion to select the Monitor subject to consultation with Pacifica Companies LLC. In exercising this discretion, the Attorney General may consider the status of compliance efforts with the applicable regulatory agencies and the status and contents of any pending administrative appeals before them regarding the entities listed in Condition I. To be qualified to serve as a Monitor, a candidate must disclose to the Attorney General and to Pacifica Companies LLC any potential conflict of interest; be experienced with RCFEs and SNFs, including the standards of care applicable to RCFEs and SNFs, if not also knowledgeable as to RCFEs and SNFs in California; and be knowledgeable about federal and California laws and regulations concerning RCFEs and SNFs.

Pacifica Companies LLC will disclose candidates it proposes to serve as the Monitor to the Attorney General and the Attorney General will disclose candidates to Pacifica Companies LLC. The Attorney General and Pacifica Companies LLC will consider diversity, equity, and inclusion in proposing candidates to serve as the Monitor.

The Attorney General will give due consideration to any candidates proposed by Pacifica Companies LLC and Pacifica Companies LLC will give due consideration to any candidates proposed by the Attorney General. Any interviews of any candidates will be jointly conducted by Pacifica Companies LLC and the Attorney General. Not later than thirty (30) days after the Attorney General's selection of the Monitor, Pacifica Companies LLC shall execute an agreement that, subject to the prior approval of the Attorney General, confers on the Monitor those rights, powers, and authorities necessary to permit the Monitor to perform their duties and responsibilities.

Powers of Monitor: The Monitor and/or their duly qualified designee(s) shall have the following powers:

- a) To investigate compliance;
- b) To take complaints;
- c) To inspect records, including but not limited to patient Trail Reports and Login History Reports or their equivalent and otherwise being granted Administrator and/or Director of Nursing credentials access to the long-term care facility's electronic medical records, and compel disclosure of confidential documents subject to any demonstrated legally recognized privilege and appropriate confidentiality protections;
- d) To interview witnesses;
- e) To contact and consult the State Ombudsmen regarding the subject facilities;
- f) To conduct onsite inspections upon written 24 hours-notice and to conduct unannounced onsite inspections once per quarter during the pendency of the Monitor appointment;
- g) To hire staff, consultants, and experts;
- h) To recommend the hiring of facility staff and consultants; and
- i) To make recommendations concerning enforcement, oversight, and surveillance to the Attorney General, including making recommendations to address any breaches in the standard of care, including recommendations concerning the deployment of facility resources to addresses those breaches.

Scope of Work: If a Monitor is selected, the Attorney General will specify a written scope of objectives for the Monitor tailored to addressing the specific circumstances. In specifying the scope of objectives, the Attorney General will give due consideration to the views of the entities listed in Condition I.

Mandated Reporting: It is understood that the Monitor and/or their duly qualified designee(s) shall be bound by the mandated reporter requirements of Health and Safety Code section 15630.

Duty to Cooperate: The entities listed in Condition I shall cooperate with the Monitor in the performance of the Monitor's work and shall take no action to interfere with or impede the Monitor's ability to monitor compliance with these conditions.

No Retaliation: Retaliation or threats of retaliation based on any entity or individual having provided information in conjunction with this Condition to the Monitor, the Attorney General, a government agency, or a court is prohibited.

Payment: As applicable, the entities listed in Condition I will be solely responsible for the expenses of the selected Monitor, including staff, consultants, and experts of the Monitor, in performing the services described in this Condition.

XV.

For five (5) years from the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Lake Merritt Senior Living LLC, and any operators or licensees of any portion of the Lake Park Facility shall annually submit to the Attorney General, no later than four (4) months after each anniversary of the closing date of the Purchase and Sale Agreement, a report describing in detail its compliance with each Condition set forth herein. The Chief Executive Officers or their equivalents at the Pacifica Companies LLC, Lake Merritt Senior Living LLC and any operators or licensees of any portion of the Lake Park Facility shall each certify that the report is true, accurate, and complete.

XVI.

For five (5) years from the closing date of the Purchase and Sale Agreement, Pacifica Companies LLC, Pacific Grove Senior Living LLC and any operators or licensees of any portion of the Forest Hill Facility shall annually submit to the Attorney General, no later than four (4) months after each anniversary of the closing date of the Purchase and Sale Agreement, a report describing in detail its compliance with each Condition set forth herein. The Chief Executive Officers or their equivalents at Pacifica Companies LLC, Pacific Grove Senior Living LLC and any operators or licensees of any portion of the Forest Hill Facility shall each certify that the report is true, accurate, and complete.

XVII.

At the request of the Attorney General, the entities listed in Condition I shall provide such information as is reasonably necessary for the Attorney General to monitor compliance with the terms and conditions of the transaction as set forth herein. The Attorney General shall, at the request of a party and, to the extent provided by law, keep confidential any information so produced to the extent that such information is a trade secret, or is privileged under state or federal law, or if the private interest in maintaining confidentiality clearly outweighs the public interest in disclosure.

XVIII.

At the close of the transaction, the entities listed in Condition I are deemed to have explicitly and implicitly consented to the applicability and compliance with each and every Condition and to have waived any right to seek judicial relief with respect to each and every Condition.

The Attorney General reserves the right to enforce each and every Condition set forth herein to the fullest extent provided by law. In addition to any legal remedies the Attorney General may have, the Attorney General shall be entitled to specific performance, injunctive relief, and such other equitable remedies as a court may deem appropriate for breach of any of these Conditions. Pursuant to Government Code section 12598, the Attorney General's office shall also be entitled to recover its attorneys' fees and costs incurred in remedying each and every violation.