

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT, ("Agreement") is entered into and executed effective as of January 1, 1997, by and between PALOMAR POMERADO HEALTH SYSTEM, a political subdivision of the State of California ("PPHS"), and PALOMAR POMERADO HEALTH FOUNDATION, a California nonprofit public benefit corporation ("PPHF"), with respect to the following facts:

A. PPHS is a healthcare district organized under the California Local Hospital District Law (California Health & Safety Code § 32000 et seq.) (the "Law"), and in furtherance of its purposes in accordance with the Law owns and operates healthcare facilities for the benefit of the communities within its geographic boundaries.

B. PPHF is a nonprofit philanthropic organization organized and operated to support PPHS and its programs.

C. In connection with its operations, PPHS regularly employs management, clerical, office, administrative and paraprofessional personnel experienced in the healthcare field.

D. The efficient and proper operation of the PPHF is integral and essential to PPHS carrying out its purposes under the Law and providing high quality services to residents of the communities it serves.

E. PPHF desires to lease from PPHS the personnel with the qualifications and responsibilities pursuant to the job descriptions set forth in Exhibit "A" hereto, and PPHS has agreed to lease such personnel to PPHF on the terms and conditions set forth herein.

F. It is anticipated that PPHF will raise funds on behalf of PPHS that are in excess of PPHS' expenses under this Agreement. To that end, PPHF will submit annual budgets for review and approval by the PPHS Board of Directors.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. **LEASE OF PERSONNEL.**

PPHS will lease to PPHF such personnel as PPHF will request in writing for the amount of time specified by PPHF.

2. PROVISION OF OFFICE SPACE

PPHS will provide PPHF with such office space as it shall require to carry out its mission.

3. COMPENSATION.

As compensation for the personnel and office space provided by PPHS to PPHF, PPHF agrees to pay PPHS one dollar (\$1.00) per leased employee per year.

4. EMPLOYMENT RELATIONSHIP.

PPHS and PPHF acknowledge and agree as follows:

4.1 The personnel leased to PPHF by PPHS pursuant to this Agreement are, and shall remain, the employees of PPHS, and such personnel are subject to the direction and control of PPHS, and its directors, officers, and other representatives.

4.2 PPHF shall have no right to discharge any of the personnel leased from PPHS, nor the right or power to control the manner, time, or place of the performance of such personnel's work, except as otherwise provided herein. However, the Board of Directors of PPHF shall review the performance of the personnel set forth on Exhibit "A" on an annual basis and provide such evaluation to PPHS for its use.

4.3 The selection of the personnel leased hereunder shall be made by PPHS, subject to the reasonable approval of PPHF.

4.4 PPHS shall have full and sole legal control over and responsibility for payment of all compensation and benefits to its personnel, and has full and sole responsibility for ensuring compliance with any and all applicable state and federal income tax withholding, state and federal unemployment and disability insurance withholding and contributions, social security tax withholding and contributions, workers' compensation coverage obligations, wage and hour obligations, obligations under the Immigration Reform and Control Act of 1986, and any other applicable employment law requirements.

5. TERM AND TERMINATION.

The term of this Agreement shall commence on the Effective Date and, except as otherwise provided herein, this Agreement shall continue in effect until it is terminated by either party. Either party may terminate this Agreement upon thirty (30) days advance written notice to the other. This Agreement shall automatically terminate ninety (90) days after the end of any Fiscal Year (July 1 to June 30), in which PPHS' costs under this Agreement have exceeded PPHF's contributions to PPHS, taking into consideration both restricted and unrestricted funds.

6. INSPECTION OF RECORDS.

To the extent applicable, the provisions of Section 1395x(v)(1) of Title 42 of the United States Code, governing the inspection of records by the federal government or its authorized representatives, is incorporated herein by reference as is fully set forth.

7. NOTICE.

All notices, requests, offers or demands or other communications (collectively "Notice") given to or by the parties under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served on the party to whom Notice is to be given, or seventy-two (72) hours after mailing by United States mail first class, registered or certified mail, postage prepaid, addressed to the party to whom Notice is to be given, at such party's address set forth on the signature page of this Agreement or such other address provided by Notice.

8. MISCELLANEOUS.

8.1 The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only, are not part of this Agreement and do not in any way limit or amplify the terms or provisions of this Agreement.

8.2 No party shall assign this Agreement, any interest in this Agreement or its rights or obligations under this Agreement without the express prior written consent of the other party hereto. This Agreement shall be binding on, and shall inure to the benefit of, the parties and their respective permitted successors and assigns.

8.3 This Agreement, including all exhibits hereto, constitutes the entire agreement between the parties with respect to the subject matter contained herein and supersedes all agreements, representations and understandings of the parties with respect to such subject matter made or entered into prior to the date of this Agreement.

8.4 No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties. No waiver of any provision of this Agreement shall constitute, or be deemed to constitute, a waiver of any other provision, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8.5 This Agreement shall be governed by and interpreted under California law.

8.6 In the event any action at law or in equity or other proceeding is brought to interpret or enforce this Agreement, or in connection with any provision of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and other costs reasonably incurred in such action or proceeding.

8.7 Unless the context otherwise requires, the singular includes the plural and vice versa, and the masculine, feminine and neuter include each other.

8.8 If any provision of this Agreement is invalid or contravenes California law, such provision shall be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of its remaining provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

PPHF:

PALOMAR POMERADO HEALTH
FOUNDATION, a California nonprofit
public benefit corporation

By: 

Its: PRESIDENT

Address: 15615 Pomerado Road
Poway, California 92064

PPHS:

PALOMAR POMERADO HEALTH SYSTEM, a
political subdivision of the State of California

By: 

Its: President / CEO

Address: 15255 Innovation Drive
San Diego, California 92128-3410

EXHIBIT "A"

EXECUTIVE DIRECTOR

Responsible for planning, organizing and directing the overall annual fund raising program for the Foundation in support of Palomar Pomerado Health System. Responsible for writing grants, and for identifying, cultivating and pursuing philanthropic contacts, maintaining relationships and providing appropriate stewardship for donors. Develop a strong board of directors reflective of community leadership and create effective orientation and training in fund raising strategies. Identify, recruit and educate volunteer leadership. Provide ongoing guidance and support for Foundation staff. Coordinate activities of the Board of Directors, the Executive Committee and the Resource Development Committee.

PLANNED GIVING OFFICER

Responsible for the comprehensive development, implementation, administration, marketing and evaluation for the Foundation's endowment and planned giving program. Also responsible for identifying potential major donors and maintaining relationship with donors. Work with financial and legal advisors to negotiate successful completion of planned gifts. Plan and implement planned giving seminars and prepares articles for planned giving publications. Coordinate the activities of the Planned Giving Council.

DEVELOPMENT OFFICER

Responsible for raising funds in support of the Health System through the assistance with the annual fund program including identification of potential donors, and solicitations to individuals, corporations and charitable foundations. Coordinate the Annual Employee Campaign and Tribute Program.s Responsible for writing grants, the Annual Report and articles for internal and external publication. Coordinates one major special event, Miracles in motion dinner dance and auction. Coordinates activities to the Foundation Relations Committee.

DEVELOPMENT COORDINATOR

Responsible for management of all financial records for PPHF, including donor contributions and maintenance of prospect files, raising funds in support of the Health System through supervision and coordination of all mailings for donor, prospect and patient appeals and other communications. Responsible for coordination of one major special event, Swing From the Heart Golf Tournament, and for the marketing and coordination of the Baby Wall program. Also responsible for all administrative management functions of the Foundation.

All employees represent the Foundation within the Health System and in the community to create a positive image acting as liaisons, advocates and facilitators. They are responsible for carrying out the mission, vision, values and quality commitment of the Health System.