

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE



300 SOUTH SPRING STREET, SUITE 1702
LOS ANGELES, CA 90013

Public: (213) 897-2178
Telephone: (213) 897-2178
Facsimile: (213) 897-7605
E-Mail: wendi.horwitz@doj.ca.gov

November 9, 2011

Paul Gordon, Esq.
Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105

RE: Sale of Scripps Kensington

Dear Mr. Gordon:

Our office has received your September 19, 2011 letter and considered the request set forth therein to amend Condition IV of the Attorney General's July 13, 2010 decision concerning the sale of Scripps Kensington. Pursuant to title 11, California Code of Regulations, section 999.5, subdivision (h), the Attorney General agrees to amend Condition IV as set forth below subject to the unenforceability of "**Section 7.21 Noncompetition**" of the Business Sale Agreement after five years from the Closing Date (i.e. October 15, 2010).

IV

For five years from the date of the transaction closing, the Buyer and Seller shall operate and maintain the Cummings Care Center at Scripps Kensington as a licensed skilled nursing facility (as defined in California Health and Safety Code Section 1250) and shall maintain the current types and levels of skilled nursing services as currently¹ licensed (99 beds) including, but not limited to, occupational therapy, outpatient services, physical therapy, and speech pathology. For five years from the date of the transaction closing, neither Buyer nor Seller shall place all or any portion of its 99 licensed-bed capacity in voluntary suspension or surrender its license for any of these beds. Seller shall only be required to comply with this condition until December 31, 2011.

Sincerely,
[original signed]
WENDI A. HORWITZ
Deputy Attorney General

For KAMALA D. HARRIS

¹ Throughout this document, the term "current" or "currently" means as of May 31, 2010

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Attorney General

cc: Tin Kin Lee