

Law Office Of
MAURICE FREDERICKS

6950 Commerce Boulevard, Rohnert Park, California 94928
Telephone: (707) 795-5485

July 18, 1985

John Medica
5000 Medica Road
Santa Rosa, CA 95405

Dear John:

This will confirm that we have been discussing with several persons and entities a proposition whereby your residence could be preserved for enjoyment by future generations; rather than merely be used for development as an additional housing site. For this to happen, I feel that you must take into consideration several protections to which you are entitled.

Although you have social security as well as Medicare and a companion health policy available to you as well as some other investments, you do not have a substantial amount of resources. Therefore, you must depend upon your residence as the ultimate reservoir of assets available to you in order to provide for you so that you will live comfortably for the rest of your life.

Next, you must understand that by making any of the arrangements suggested herein, you will not be leaving an estate to any of your relatives or other heirs whom you may have wished to favor on your death. In this regard, the Medica Road premises where you now reside will undoubtedly command a substantial sum if it were offered for sale in the private market.

As for the availability of the property to support yourself in the future, and pay for medical bills should the social agencies' resources be unavailable, I would propose that any arrangements you make are such that title to the residence remain in your name until your death; and, should any agency who wishes to preserve the residence wish assurances that the residence be available, that we provide this by contract; that is, that the agency obtain title only after your death.

John Medica
Page 2
July 18, 1985

Contracts like these must be supported with some consideration; that is, the agency preserving the residence would have to have paid something to you, in return for which, they acquire the property.

The minimum consideration, which I feel you should request, is that the agency acquiring the property agree at least as follows:

1 - The agency will maintain the property and its improvements; and, upgrade the same to the extent of general cleaning, clearing, and possible new planting. They should consider and install perimeter security fencing. They should agree to maintain your present residence and outbuildings with acceptance of responsibility for a new roof, which will probably be needed shortly. They should maintain all mechanical, including wells, pumps, and all interior appliances.

2 - The agency should provide you with a housekeeper/ companion, acceptable to you, who would maintain the interior of your house, provide you with meals and provide you with necessary transportation.

3 - In addition to the above, the agency should pay all property taxes and insurance and maintain the balance of the property according to your direction, providing at least one full time gardener available for this. The agency should reimburse you for all real property taxes and casualty insurance. In addition, the agency should maintain a liability policy of substantial limits; as, they will undoubtedly be conducting tours or otherwise opening the area to public view.

4 - The agency should agree that they would consult with you on an exterior maintenance program, any proposed plannings, alterations, or improvements; with veto rights in you so that you could force a halt to any action taken which you did not approve.

5 - Generally, I am not suggesting that the agency take over all responsibility of caring for you for the rest of your life. What I am saying is that the agency should take over the responsibility of managing and maintaining your property and its improvements, including

John Medica
Page 3
July 18, 1985

your residence, for the rest of your life and provide you with a housekeeper/companion. You should have the right to discharge the housekeeper/companion supplied if you do not get along; and, you should have the right to cancel the entire contract if the agency does not live up to their commitments. There may be other items of protection which I have failed to address and to which I feel you would be entitled.

The main problem we will be having here is to assure ourselves that the agency has sufficient resources, both financial and in manpower and talent, to perform according to their contractual obligations.

Related to the last paragraph above, is a method of producing income from your property, to the agency, which will give them a source of funds with which they could perform their contract obligations to you and to the display of the property. One proposition which seems to me to have merit would be utilization of a part of your property for construction of a duplex or other rental unit. This would require approval of the City of Santa Rosa; as, undoubtedly your property is zoned for single family residential; and, I suggest here that the possibility of an architect being consulted immediately, who is willing to contribute his talent, should assist. With this income, and your right to terminate on failure to meet contract responsibilities, some measure of protection is available to you.

Before I would suggest that you enter into such an arrangement, I feel it would be essential that we thoroughly investigate the agency which will assume the contractual obligation; as well as determine if there are individuals or other entities with more substantial resources who would guarantee performance.

Lastly, I would suggest that you permit me to contact your blood relatives, and possibly Frances', to advise them that you are considering entering such a contract. I understand that this is your own property, and you can do anything you want with it. I do feel, however, that notification of your intentions before irrevocable action is taken could eliminate future problems.

Law Office Of
URICE FREDERICKS

50 Commerce Blvd.
Rohnert Park
California 94928
Phone (707)
795-5485

John Medica
Page 4
July 18, 1985

Generally, there are many things to consider, but they certainly are not insurmountable. I look forward to meeting Mr. Rosen and discussing this matter further with Suzanne.

Yours sincerely,

Maurice Fredericks

MF:kld
cc: ✓ Seymour Rosen
Suzanne Palmer