

April 30, 2020

Dear Deschutes Rim Clinic Foundation Donor;

The purpose of this letter is to update you on what is happening and what has been accomplished with both operation of the clinic and our capital campaign to build a new clinic. This letter is long overdue to you and for that we apologize.

The White River Health District Board of Directors thanks you for being a supporter of the medical clinic and the effort to build a new clinic. As you know, the current building was built substandard and has limited space which will not suffice for the next 10-15 years. We are counting on your continued support as we continue toward our goal of providing enhanced health care services in a state-of-the-art medical facility.

In January, the Board made a leadership change at the clinic. We vacated the District Manager position and created a new leadership team comprised of the Board of Directors, the new medical provider and the clinic manager. We began working on a new logo and new wording to replace the 'WE CARE' motto and capital campaign name, placing emphasis on the concept of 'YOUR' instead of the 'WE'. 'Growing Your Community Clinic' is our new motto and philosophy. This was the product of a recent work session to 're-brand' the clinic with a new Vision and Mission, new value statements, and adjusted priorities.

We have cut costs in various ways, enabled staff to learn new duties and fill new roles, and did extensive housecleaning to create space. More patients have been visiting the clinic to see Dr. Cheryl LaPlante, the new medical provider. The Board has had to familiarize itself with a lot of information and records and get caught up on various requirements. We have done much during the past four months and are optimistic for the future.

Then COVID-19 hit. Patient visits declined dramatically along with revenue. Staff were gradually laid off and eventually Dr LaPlante resigned to seek more financially secure work elsewhere. We sought to partner with a more comprehensive medical facility which resulted in a relationship between the clinic and Mid-Columbia Medical Center. This partnership will help keep the clinic open and operational. MCMC will offer temporary providers and cover medical needs until we can find and hire our own provider.

The Deschutes Rim Clinic Foundation is still functioning and is intact. We renewed the contracts with Pinnacle Architecture and the consultant Westby and Associates to help get us to the finish line of a new clinic. Completed to date are architectural drawings for the new building, which have recently been revised to downsize the building footprint and associated costs. Engineering studies were done and permits obtained. Westby and Associates has helped us with fundraising, grant writing and campaign support and will continue with this assistance. We are seeking a USDA bridge loan which has necessitated additional studies and analyses and lots of paperwork. This loan will bridge the gap in funds needed to start construction and will be paid back through continued fundraising, grants, and income from the clinic. All funds received, including the \$1 million grant from the State of Oregon, are being held in One Community Bank in Joseph, OR.

As for expenditures, the primary cost has been for the architectural work, engineering studies and permits. Secondarily was the cost for grant writing and fundraising assistance. Other

miscellaneous costs have included financial analyses, pro-forma reports, cost of community fundraising and other costs associated with the Foundation's business. A financial spreadsheet accompanies this letter that provides more detailed information.

We recognize that reaching out to our donors and supporters is especially important now with changing winds and challenging times. We value accountability and transparency to the public, so as the capital campaign continues, efforts will be made to keep the public apprised of progress and account for our expenditures. The Deschutes Rim Health Clinic website is being re-vamped and upgraded to be more informational and user friendly. We hope to engage more in social media as well.

We sincerely appreciate you being a supporter of and financial donor to the Deschutes Rim Clinic Foundation. In reviewing the Foundation financial information, it was obvious the community has been extremely generous toward this effort! Thank you! Together we will reach our goal even though progress may be slow. If there are no other setback, construction will likely begin in 2021.

If you have any questions, please contact either Dennis Beechler (dennis.beechler47@gmail.com) or Sue Knapp (sue.marie.knapp@gmail.com).

Best regards,

The White River Health District Board of Directors

Dennis Beechler

Jim Holycross

Suzanne Knapp

Kathie Richey

Cherie Grahn