

ADDENDUM TO LEASE

This Addendum (this "Addendum"), dated February 19, 2019, is executed in connection with the Lease (the "Lease"), dated February 19, 2019, by and between COALINGA REGIONAL MEDICAL CENTER, a California health care district ("Lessor"), and COALINGA MEDICAL CENTER LLC, a California limited liability company ("Lessee") for the purpose of setting forth additional terms and provisions to the Lease.

1. Voter Approval. This Lease and the related option to purchase the Premises is subject to a ballot measure being voted upon by the citizens of the Lessor, and the effectiveness of this Lease is subject to approval of the voters in that ballot measure. In the event that the voters fail to approve the ballot measure, then this Lease shall be of no force and effect.

2. Bankruptcy Court Approval. The Lessor is presently in a Chapter 9 bankruptcy proceeding and this Lease and the related option to purchase the Premises is subject to approval by the bankruptcy court in such Chapter 9 proceeding. In the event that the bankruptcy court does not enter an order authorizing Lessor to proceed with this Lease and the related option to purchase the Premises, then this Lease shall be of no force and effect.

3. Sale of Equipment. This Lease is subject to execution and closing on or before the commencement date of the Lease of a purchase agreement for the purchase by Lessee of some or all of the equipment and other personal property of Lessor for a purchase price equal to the fair market value of such equipment. Any equipment or other personal property of Lessor not purchased by Lessee shall be removed from the Premises by Lessor not more than 60 days after the commencement date of this Lease. Lessee shall grant Lessor access to the Premises from time to time during such 60 day period to remove such personal property. Any personal property not removed within such 60 day period shall be deemed abandoned by Lessor and Lessee may take possession thereof and dispose of in any manner that Lessee deems fit.

4. Transfer of Licensure. Lessor shall cooperate as reasonably requested by Lessee in connection with the transfer of any license held by Lessor and useful in connection with the operation of an acute care hospital or skilled nursing facility at the Premise and which may lawfully be transferred or assigned, provided that Lessor shall not be obligated to incur any out of pocket cost or any liability in connection therewith.

5. Transfer of Premises As-Is. Lessee acknowledges that Lessee has been advised of significant deferred maintenance at the Premises and acknowledges that there may be other defects or deficiencies at the Premises of which the parties are unaware. Lessee acknowledges that the existence of such deferred maintenance and such other potential deficiencies has been or will be considered in making any fair market valuation in connection with this Lease and the potential purchase option. Lessee is taking the Premises AS-IS in its present condition and with all faults based solely upon Lessee's own investigation and due diligence with respect to the Premises and not based upon any representations or warranties of Lessor. Lessee further acknowledges that the Premises are leased on a triple net basis and that Lessee shall be responsible for the costs and expenses of maintenance of the Premises, including, without

limitation any extra costs incurred by Lessee in connection with addressing deferred maintenance items, and that Lessee shall have no claims against Lessor arising from on in connection with such deferred maintenance.

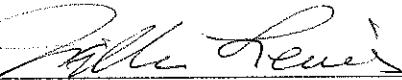
6. Certificates of Participation. Lessee acknowledges that the Premises were improved or constructed in part with funds from Lessors \$11,000,000.00 Series A (Tax Exempt) \$2,645,000 Series B (Federally Taxable) Certificates of Participation (the "COPs") and that until the COP's are paid in full that the Premises are subject to certain restrictions and covenants set forth in the COP documents. Lessee further acknowledges that the COPs are secured in part by the Deed of Trust which encumbers a portion of the Premises and that the Deed of Trust will remain in place during the term of the Lease (provided that Lessee is not agreeing to pay the COPs or any portion thereof and that it shall continue to be the obligation of Lessor to pay the COPs, including that portion of the COPs secured by the Deed of Trust). Lessee acknowledges that it shall be a condition to the effectiveness of this Lease that Lessor obtains an opinion of bond counsel or similar assurances that the transactions contemplated hereby and by the purchase option do not constitute a taxable event or an event of default under the COPs (or that Lessor enter into a settlement with the trustee for the COPs satisfactory to Lessor). Lessee further covenants and agrees that so long as the COPs remain outstanding that Lessee will not use the Premises or transfer, assign or sublease the Premises in any manner that breaches the COPs covenants (or the terms of any settlement with the trustee).

7. Board Meetings. Lessee acknowledges that Lessor is a public agency and is required to hold board meetings open to the public on a regular basis. Lessee grants to Lessor a license to use the board room at the medical office building located at the Premises for Lessor's board meetings at no cost to Lessor. Lessee further grants to Lessor the right to use of an office for Lessor's ongoing business operations at no cost to Lessor for a period of five years from the date of commencement of the Lease. Lessee may designate the location of such office in any reasonable office location at the Premises and may change such location from time to time but no more frequently than annually.

IN WITNESS WHEREOF, the parties have executed this Addendum on the day and year set forth above.

Lessor:

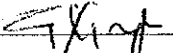
COALINGA REGIONAL MEDICAL
CENTER,
a local health care district of the State of
California

By: 

Its: President, Board of Trustees

Lessee:

COALINGA MEDICAL CENTER LLC,
a California limited liability company

By: 

Its: manager