

LEASE

between

Coalinga Medical Center LLC,

as Lessee

and

Coalinga Regional Medical Center,

a California health care district,

as Lessor

dated as of February 19, 2019

LEASE

This Lease, dated, for reference purposes only, February 19, 2019 is made by and between COALINGA REGIONAL MEDICAL CENTER, a California health care district ("Lessor"), and COALINGA MEDICAL CENTER LLC, a California limited liability company ("Lessee").

1. BASIC LEASE PROVISIONS.

1.1 Premises. All real property described in Exhibit A to the Lease (the "Real Property"), and all improvements to the Real Property which shall include but not be limited to the hospital building and any associated medical office buildings and any landscaping, parking areas, appurtenant structures, streets and sidewalks on the Real Property and any other Real Property improvements. The Real Property includes the premises leased to Unilab, a Delaware corporation, Total Renal Care, Inc., and Dr. Apadoca and Lessee will be entitled to receive the rent from these tenants under their respective lease agreements, which currently is \$3061.75 from Unilab, \$8906.20 from Total Renal, and \$3043.00 from Dr. Apadoca.

1.2 Buildings. All of the improvements on the Real Property.

1.3 Use. Operation of an acute care hospital, skilled nursing facilities, rural health clinic, medical office and other medical-related facilities. Any non-medical use shall be subject to Lessor's prior written consent which may be withheld for any reason.

1.4 Term. Twenty (20) years commencing March 7, 2019 ("Commencement Date") and ending March 6, 2039 if not earlier terminated in accordance with this Lease.

1.5 Rent. Seventeen Thousand and Ten Dollars and 95/100 (\$17,010.95) per month, payable on the first (1st) day of each month, per paragraph 4.1, for the first thirty-six (36) months of the Term. The Rent for the thirty-seventh (37th) month of the Term and until the expiration of the Lease Term shall be Fair Market Rent (as defined herein).

2. PREMISES, PARKING AND COMMON AREAS.

2.1 Leased Premises. The Premises are as set forth in paragraph 1.1 of the Basic Lease Provisions and shall be for the exclusive use of the Lessee. On the terms and conditions set forth herein, Lessor hereby leases to Lessee and Lessee leases from Lessor the Premises.

3. TERM.

3.1 Term. The term and Commencement Date of this Lease shall be as specified in paragraph 1.4 of the Basic Lease Provisions.

4. RENT.

4.1 Rent. Lessee shall pay to Lessor, monthly in advance, the Rent for the Premises set forth in paragraph 1.5 of the Basic Lease Provisions. Rent for any period during the term hereof

which is for less than one (1) month shall be prorated based upon the actual number of days of the calendar month involved.

4.2 Rent Commencement Date. The payment of Rent shall commence on Commencement Date ("Rent Commencement Date"). The Lessor shall provide Lessee with possession of the Premises to perform all of its improvements to re-open the Premises as a hospital upon the Rent Commencement Date.

4.3 Fair Market Rent. Fair Market Rent shall mean the rental rate per rentable square foot of the Premises that a willing, non-equity tenant would pay a willing landlord in an arm's length lease transaction for non-sublease space for an approximate ten (10) year lease term for premises of a similar size, kind and nature to the Premises in other comparable buildings in and around Coalinga, California. Lessee, in the Eighteenth (18th) month of the Term, shall order an appraisal from a licensed appraiser approved by Lessor with experience in valuing healthcare facilities to determine the Fair Market Rent.

4.4 Additional Rent. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the security deposit if any) are deemed Rent.

4.5 Late Charges. In the event the monthly base rent or other sums due under this Lease are received more than five (5) days after the date when due, then Lessee agrees to pay to Lessor as additional rent a late charge equal to 5% of the amount due. This does not create a grace period. Lessee further agrees to pay Lessor any costs incurred by Lessor in effecting the collection of such past due rent and late charge including but not limited to fees of an attorney, court costs or collection agency fees. Nothing herein contained shall limit any other remedy of Lessor.

4.6 Reimbursement. In the event Lessee fails, neglects or refuses to perform any covenant, agreement or condition in this Lease provided by him to be done, kept or performed, at the time when the same is herein provided by him to be so done, Lessor may perform such covenant, condition or agreement and any money expended thereon shall be charged to the account of Lessee, payable on demand, with interest thereon at ten percent (10%) per annum. Lessor may only exercise its right to perform as provided herein after providing Lessee written notice to cure and Lessee fails to cure within a reasonable time.

5. Opening Hospital. Lessee shall in good faith use all commercially reasonable efforts to open, as expeditiously as possible, an acute care hospital with an emergency room (an "Acute Care Hospital") at the Premises, but no later than March 30, 2020 (the "Opening Date"). Notwithstanding the foregoing in the event that Lessee has been diligently attempting to open an Acute Care Hospital but has been unsuccessful due to limitations or requirements imposed by state or federal health care agencies then the Opening Date shall be extended from time to time in three month increments at the request of Lessee so long as Lessee continues to diligently attempt to satisfy such regulatory requirements and to open an Acute Care Hospital. In the event that Lessee ceases to diligently attempt to satisfy such regulatory requirements then the Opening Date shall not be further extended and Lessor may at any time thereafter terminate this Lease. Lessee shall provide to Lessor monthly written reports on the status of Lessee's attempt to open an Acute Care Hospital, including a list of all remaining regulatory requirements that have not been satisfied and the actions then being taken by Lessee to satisfy such requirements.

6. USE.

6.1 Permitted Use. The Premises shall be used and occupied only for the purpose set forth in paragraph 1.3 of the Basic Lease Provisions.

6.2 Compliance With Laws. Lessee agrees that it will not use or permit the Premises to be used for any unlawful purpose or for any purpose which will injure the reputation of the Lessor or the Premises. Lessee will, at its own expense, promptly observe and comply with all laws, orders, regulations, rules, ordinances and requirements of Federal, State, County and City governments, or other lawful governmental bodies, or any of their departments, bureaus or offices, and will effect all alterations or other requirements exacted, directed or deemed necessary on account of Lessee's use of the Premises. Without limitation, Lessee will comply with and maintain the Premises in compliance with all laws, rules or regulations relating to health care operations and health care facilities, hazardous waste and hazardous substances, Americans with Disabilities Act, and underground storage tanks. Lessee agrees to pay, at its own cost and expense, all claims, fines, penalties and damages that may in any manner arise out of, or be imposed because of, the failure of Lessee to comply with this covenant, and will hold Lessor harmless from any damage, injury, loss or claim, lawfully imposed or recovered by reason of any breach of this provision. The commencement or pendency in any court, whether State or Federal, of any abatement proceedings affecting the use of said Premises shall, at the option of Lessor, be deemed a breach of this Lease.

7. CONSTRUCTION AND MAINTENANCE.

7.1 Construction. At Lessee's cost and expense, Lessee may perform any construction, including but not limited to alterations, Lessee improvements, on the Premises with Lessor's prior written consent, which shall not be unreasonably withheld. Lessee shall not be required to obtain consent from Lessor for any construction that is cosmetic in nature or any construction with a value of Ten Thousand and 00/100 Dollars (10,000.00) or less. Lessee shall obtain all necessary and reasonable approvals for the construction as required by any applicable legal authority, including without limitation the Office of Statewide Health Planning and Development, and shall reasonably complete the construction. Lessee shall pay all costs for construction done by it or caused to be done by it on the Premises as permitted by this Lease. Lessee shall keep the Premises free and clear of all mechanic's liens resulting from construction done by or for Lessee. Lessee shall provide Lessor with all plans, specifications and surveys in connection with any construction and shall exert reasonable best efforts to obtain as built plans and specifications and provide a copy thereof to Lessor.

7.2 Lessor Nonopposition. Lessor shall not appear in opposition to any application or approval brought, sought or defended by Lessee before any governmental agency arising out of any application consistent with this Lease.

7.3 Maintenance. Lessee shall, at its sole cost and expense, maintain any improvements now or hereafter existing on the Premises, in good condition and repair. Lessee's obligation to maintain and repair includes specifically, but is not to be limited to, the maintenance and repair of the following: the foundations, roof, floor and structural portions of the walls of the Premises; the parking areas; curbs; sidewalks; gutters; exterior and interior painting scheme; fixtures; facilities or equipment contained in any improvements located on the Premises; the heating, air conditioning, electrical and plumbing systems; exterior and interior doors, windows and glass; and any signs or other equipment

installed and used by Lessee. In the event Lessee fails to perform any required repair or maintenance, then Lessor may, but shall not be obligated to, arrange and pay for such repair and maintenance, and the costs thereof shall be additional rent hereunder due within ten (10) days' notice from Lessor to Lessee. Lessee acknowledges that there is significant deferred maintenance at the Premises and that Lessee is taking the Premises AS-IS in their present condition and shall be responsible for any deferred maintenance.

8. INSURANCE.

Lessee at its cost, shall maintain on the Premises, a policy of standard fire and extended coverage insurance with vandalism and malicious mischief endorsements to the extent of at least full replacement value.

The insurance policy shall be issued in the names of Lessor, Lessee and Lessor's lender as their interests appear. The insurance policy shall provide that any proceeds shall be made payable to Lessor.

Lessee, at its cost, shall obtain and maintain policies of comprehensive liability insurance including bodily injury and property damage in an amount not less than \$2,000,000.00 for injury or death to persons and \$2,000,000.00 for property damage. Said insurance shall be in a form acceptable to the Lessor and shall include Lessor as an additional named insureds on the policy.

Upon opening of the Acute Care Hospital, Lessee shall maintain hospital professional liability insurance at the Premises (which may be obtained in the aggregate with professional liability insurance maintained by Lessee and its affiliates at other locations) with current liability limits of not less than \$5,000,000.00 per occurrence and \$10,000,000.00 annual aggregate for all participant health care facilities. In the event that Lessee is providing health care services prior to opening the Acute Care Hospital Lessee shall obtain and maintain professional liability insurance covering such activities in the amount of not less than \$1,000,000.00 per occurrence and \$3,000,000.00 in the aggregate.

Lessor may place its own insurance for its protection if Lessee fails to provide proof that said insurance is in place. Any premiums for said insurance shall be reimbursed by Lessee within ten (10) days after demand has been made for same.

To the extent permitted by applicable policies of insurance, the parties release each other, and their respective authorized representatives, from any claims for damage to any person or to the Premises and to the fixtures, personal property, Lessee's improvements and alterations of either Lessor or Lessee in or on the Premises that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such damage.

Lessee shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by subrogation against Lessor party in connection with any damage covered by any policy. Neither party shall be liable to the other for any damage caused by any fire or any other risks insured against under any insurance policy required by this Lease. If any insurance policy cannot be obtained with a waiver of subrogation or is obtainable only by the payment of an additional premium charged above that charged by insurance companies issuing policies without

waiver of subrogation, the party undertaking to obtain the insurance shall notify the other party of this fact.

All the insurance required under this Lease shall:

(1) Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least an A + 3A status as rated in the most recent edition of Best's Insurance Reports;

(2) Be issued as a primary policy;

(3) Contain an endorsement requiring thirty (30) days written notice from the insurance company to Lessor before cancellation or change in coverage, scope, or amount of any policy.

Lessee, at its cost, shall maintain on all its personal property, Lessee's improvements and alterations, in, on or about the Premises, a policy of standard fire and extended coverage insurance with vandalism and malicious mischief endorsements to the extent of at least one hundred percent (100%) of their actual cash value. The proceeds from any such policy shall be used by Lessee for the replacement of personal property or the restoration of Lessee's improvements or alterations.

Lessee shall provide to Lessor certificates of insurance verifying the coverages required herein.

9. DAMAGE/DESTRUCTION OR CONDEMNATION.

9.1 Prompt Notice. If either party becomes aware of any Casualty (damage or destruction) or actual, contemplated, or threatened Condemnation, then such party shall promptly so notify the other party.

9.2 Casualty. If any Casualty occurs that is not a Substantial Casualty, then Lessee shall, except as otherwise provided in this paragraph, restore with reasonable promptness. If the Casualty is a Substantial Casualty, then Lessee may, by notice to Lessor given within three (3) months after the Casualty elect a Casualty Termination effective thirty (30) days after such Notice. Upon any Casualty Termination, Lessee shall assign and transfer to Lessor all of Lessee's rights to Property Insurance Proceeds Lessee received, or is entitled to receive, because of the Casualty. In that event the parties shall thereafter determine the amount of any increase in value of the Property over the amount of the Purchase Price which would have been paid pursuant to the Option resulting from repairs, improvements or upgrades of any nature made by Lessee (the "Increased Value"), and Lessor shall pay to Lessee the lesser of (i) the amount of the Increased Value, or (ii) the amount of Property Insurance Proceeds actually received. Unless Lessee has validly elected a Casualty Termination: (a) this Lease shall not terminate; and (b) Lessee shall be solely responsible for negotiating and adjusting any Property Insurance Proceeds.

9.3 Substantial Condemnation. If a Substantial Condemnation occurs during the Term, then as of the Condemnation Effective Date the Expiration Date shall occur and Lessee

shall have no further right or claim to any condemnation award except as set forth in the following sentence. After such condemnation the parties shall determine the amount of any increase in value of the Property over the amount of the Purchase Price which would have been paid pursuant to the Option resulting from repairs, improvements or upgrades of any nature made by Lessee (the "Increased Value"), and Lessor shall pay to Lessee the lesser of (i) the amount of the Increased Value, or (ii) the amount of the condemnation award actually received.

9.4 Insubstantial Condemnation. If an Insubstantial Condemnation occurs during the Term then any Condemnation Award(s) shall be paid to Lessee and applied first toward restoration, in the same manner as Restoration after Casualty, provided that if the Condemnation Award is inadequate to complete the restoration, Lessee shall contribute the deficiency and Lessee shall restore in compliance with this Lease. After Lessee has completed and fully paid for restoration, any remaining Condemnation Award shall be distributed to Lessor and Lessee as if it arose from a Substantial Condemnation that affected only the part of the Premises taken, with an equitable allocation of all elements taken into account in determining such distribution. After the Condemnation Effective Date, all Fixed Rent shall decrease by a fraction whose numerator is the amount of the Condemnation Award paid to Lessor and whose denominator is the Market Value of the Fee Estate immediately before the Condemnation Effective Date.

9.5 Temporary Condemnation. If a Temporary Condemnation occurs during the Term and relates to a period longer than 90 days, then Lessee may terminate this Lease effective as of the Condemnation Effective Date. In that event, and to the extent that the period of such Temporary Condemnation otherwise includes any period outside the Term, the Condemnation Award from such Temporary Condemnation shall belong to Lessor. If the Temporary Condemnation relates to a period of 90 days or less, or if Lessee does not terminate this Lease because of the Temporary Condemnation, then Lessee shall receive the Condemnation Award (to the extent attributable to periods within the Term) and this Lease shall not be affected in any way. Lessor shall have no right to participate in any Temporary Condemnation proceedings unless either (a) Lessee elects to terminate this Lease because of the Temporary Condemnation; or (b) Lessee may not legally participate in such proceedings. In the latter case, Lessor shall participate in such proceedings in accordance with Lessee's instructions, all at Lessee's reasonable expense and using counsel selected, instructed, and paid by Lessee.

9.6 Use of Loss Proceeds. Lessor assigns to Lessee the right to receive all Loss Proceeds if the event giving rise to such Loss Proceeds has not resulted in the termination of this Lease. If Lessor receives any Loss Proceeds under such circumstances, Lessor shall promptly remit them to Lessee. Until Lessee has completed and paid for Restoration, Lessee shall hold all Loss Proceeds to be used first to Restore and for no other purpose. When Lessee has completed and paid for Restoration, Lessee may retain any remaining Loss Proceeds. Notwithstanding anything in this Lease to the contrary, if Restoration Funds are insufficient to Restore, then Lessee may terminate this Lease on thirty (30) days' notice to Lessor and shall deliver all of the Loss Proceeds received by Lessee (or the right to receive same if not yet received by Lessee) to Lessor. In that event the parties shall thereafter determine the amount of any increase in value of the Property over the amount of the Purchase Price which would

have been paid pursuant to the Option resulting from repairs, improvements or upgrades of any nature made by Lessee (the "Increased Value"), and Lessor shall pay to Lessee the lesser of (i) the amount of the Increased Value, or (ii) the amount of Restoration Funds actually received.

9.7 Continuation of Lease. Except as this Lease expressly provides, this Lease shall not terminate, be forfeited, or be affected in any other manner, and Lessee waives any right to quit or surrender the Premises or any part of the Premises, because of any Loss or any resulting unleaseability. Unless and until this Lease has been validly terminated, Lessee's obligations under this Lease, including the obligation to pay Rent, shall continue unabated./

10. OPERATING EXPENSES AND UTILITIES.

10.1 Payment of Taxes. The payment of real property of taxes, if any, shall be the responsibility of the Lessee.

10.2 Utilities. Lessee shall arrange and pay for all fuel, gas, light, power, water, sewage, garbage disposal, telephone, and other utility charges, and the expenses of maintenance, use, and service in connection with the foregoing, for the Premises during the Term. Lessor shall cooperate with Lessee to arrange the services and utility hookups.

11. MORTGAGES AND EQUIPMENT LIENS.

11.1 Leasehold Mortgages. Lessee shall have the right, from time to time, with Lessor's consent which shall not be unreasonably withheld, to execute one or more mortgages on its leasehold interest in this Lease ("Leasehold Mortgage"). Lessor agrees to consent and cooperate with Lessee and Lessee's lender, and execute any reasonably documentation necessary for Lessee to obtain a Leasehold Mortgage, including but not limited to a subordination and non-disturbance agreement, UCC filings to collateralize fixtures, equipment, etc.

11.2 Fee Mortgage. Lessor shall not have any right to execute, deliver or record a mortgage on its fee simple ownership interest in the Premises ("Fee Mortgage") during the Term of the Lease. Lessor represents and warrants that no Fee Mortgage exists as of the Commencement Date other than the deed of trust, dated June 18, 2008, and recorded with the Fresno County Recorder's Office as Instrument No. 2008-0102735 (the "Deed of Trust")

11.3 Equipment Liens. After the Commencement Date, Lessee intends, from time to time, to acquire or lease FF&E. If at any time or from time to time Lessee desires to enter into or grant any Equipment Lien that otherwise complies with this Lease, then upon Lessee's request Lessor shall enter into such customary documentation regarding the Financed FF&E as Lessee reasonably requests, providing for matters such as: (a) waiver of any right to take possession of such Financed FF&E upon an Event of Default; (b) waiver of any other right, title, or interest in the Financed FF&E; and (c) agreements to enable the holder of such Equipment Lien to repossess such Financed FF&E if such holder exercises remedies under its Equipment Lien.

12. ASSIGNMENT AND SUBLETTING.

Lessee may in its sole and absolute discretion, without the consent of Lessor, sell, assign, encumber or otherwise transfer this Lease or any interest therein (by operation of law or otherwise) to any commonly owned affiliate of Lessee. Lessee may not assign this Lease or any rights thereunder to any other person without the express written consent of Lessor which may be withheld for any reason. Lessee may not sublet the Premises to any person without the express written consent of Lessor which may be withheld for any reason, provided that Lessee may sublet any portion of any medical office building constituting a part of the Premises to any physician, health care professional or health care related business without the consent of Lessor.

13. DEFAULT; REMEDIES.

Default by Lessee. The occurrence of any of the following shall constitute a default by Lessee:

- (a) Failure to pay rent or any other sum due under the terms of the Lease within five (5) days after notice that such amount was not paid when due;
- (b) Abandonment and vacation of the Premises (failure to occupy and operate the Premises for ten (10) consecutive days shall be deemed an abandonment and vacation);
- (c) Failure to perform any other provision of this Lease if such failure is not cured within thirty (30) days. Lessee shall not be in default of this Lease if Lessee commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default;
- (d) If Lessee shall be in default under any other agreement with Lessor;
- (e) If Lessee shall fail to open an Acute Care Hospital on or before the Opening Date as such Opening Date may be extended from time to time or if Lessee shall fail to continuously operate an Acute Care Hospital at any time after the opening of the Acute Care Hospital (provided that Lessor's sole remedy in the event of such a default shall be to terminate this Lease and not to seek monetary damages, provided further than such termination shall not constitute a waiver of the right to seek monetary damages for any other then outstanding default); or
- (f) If Lessee shall (i) be generally not paying its debts as they come due, (ii) file, or consent by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, (iii) make an assignment for the benefit of its creditors, (iv) consent to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial parts of its property, (v) take corporate action for the purpose of any of the foregoing, or (vi) if a court or governmental authority of competent jurisdiction shall enter an order appointing, without consent by Lessee, a custodian, receiver, trustee or other officer with similar powers with respect to any substantial part of Lessee's

property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of the Lessee, or if any such petition shall be filed against the Lessee, and such petition shall not be dismissed within sixty (60) days.

Lessor Remedies. Lessor shall have the following remedies if Lessee commits a default and the default is not cured within the applicable cure period. These remedies are not intended to be exclusive, and are cumulative and in addition to any other remedies now or later allowed by law. Lessor may:

A. Continue this Lease in full force and effect and the Lease will continue in effect as long as Lessor does not terminate Lessee's right to possession, and Lessor shall have the right to collect rent when due. During the period Lessee is in default, Lessor can enter the Premises and relet them, or any part of them, to third parties for Lessee's account. Lessee shall be liable immediately to Lessor for all costs Lessor incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining term of this Lease. Lessee shall pay to Lessor the rent due under this Lease on the dates the rent is due, less the rent Lessor receives from any reletting. No act by Lessor allowed by this paragraph shall terminate this Lease unless Lessor notifies Lessee that Lessor elects to terminate this Lease.

If Lessor elects to relet the Premises as provided in this paragraph, rent that Lessor receives from reletting shall be applied to the payment of:

First, any indebtedness from Lessee to Lessor other than rent due from Lessee;

Second, all costs, including for maintenance, incurred by Lessor in reletting;

Third, rent due and unpaid under this Lease. After deducting the payments referred to in this paragraph, any sum remaining from the rent Lessor receives from reletting shall be held by Lessor and applied in payment of future rent as rent becomes due under this Lease. In no event shall Lessee be entitled to any excess rent received by Lessor. If, on the date rent is due under this Lease, the rent received from the reletting is less than the rent due on that date, Lessee shall pay to Lessor, in addition to the remaining rent due, all costs, including for maintenance, Lessor incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

B. Lessor can terminate Lessee's right to possession of the Premises at any time. No act by Lessor other than giving notice to Lessee shall terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Lessor's initiative to protect Lessor's interest under this Lease shall not constitute a termination of Lessee's right to possession. On termination, Lessor has the right to recover from Lessee:

a. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this Lease;

b. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided;

c. The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Lessee proves could have been reasonably avoided; and

d. Any other amount, and court costs, necessary to compensate Lessor for all detriment proximately caused by Lessee's default.

"The worth, at the time of the award," as used in "a" and "b" of this paragraph, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth, at the time of the award," as referred to in "c" of this paragraph, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

13.1 Default by Lessor. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such 30 day period and thereafter diligently pursues the same to completion.

14. INDEMNIFICATION.

14.1 Liability of Lessor. Neither Lessor nor any of its agents, employees or representatives shall be liable for any injury, damage or loss of any nature whatsoever to persons or property (whether of Lessee or any other person) occurring in, upon or about the Premises, even if such injury, damage or loss arises out of or is due to, or is asserted or alleged to arise out of or be due to, any act (whether of commission or omission) of Lessor or any of its agents, employees or representatives. The liability of Lessor under this Lease shall in any event be strictly limited to the interest of Lessor in the Premises, and Lessor shall not be liable, either personally or otherwise, for any deficiency. Notwithstanding the foregoing Lessor shall indemnify Lessee for any matters based upon the gross negligence or intentional misconduct of Lessor.

14.2 Indemnification of Lessor by Lessee. Lessee shall indemnify, defend and save Lessor harmless from and against any and all claims, demands, actions, suits, losses, damages, costs, expenses and liabilities whenever arising on or after the date hereof, that may be based upon or may be asserted or alleged to be based upon injury, damage or loss of any nature whatsoever to persons or property (whether of Lessee or any other person) arising out of or due to, or asserted or alleged to arise out of or be due to any act (whether of commission or omission) of Lessee or any of its agents, employees, representatives, visitors or guests in respect to the Premises or in the exercise of Lessee's rights or the performance of Lessee's covenants and obligations under this Lease or the use or occupancy of the Premises by Lessee or any of its agents, employees, representatives, visitors or

guests, whether or not any such claim, demand, action, suit, loss, damage, cost, expense or liability is asserted by any agent, employee or representative of Lessee, or by any visitor, guest or other third party, and whether or not any such claim, demand, action, suit, loss, damage, cost, expense or liability is based upon or asserted or alleged to be based upon negligence.

14.3 Indemnification Procedures. Wherever this Lease requires any Indemnitor to Indemnify any Indemnitee:

(a) *Prompt Notice.* Indemnitee shall promptly Notify Indemnitor of any claim. If Indemnitee fails to give prompt Notice, then to the extent, and only to the extent, such failure materially prejudices Indemnitor, Indemnitor shall be relieved of its indemnity obligations for such claim.

(b) *Selection of Counsel.* Indemnitor shall select counsel reasonably acceptable to Indemnitee. Counsel to Indemnitor's insurance carrier shall be deemed satisfactory. Even though Indemnitor shall defend the action, Indemnitee may, at its option and its own expense, engage separate counsel to advise it regarding the claim and its defense. Such counsel may attend all proceedings and meetings. Indemnitor's counsel shall actively consult with Indemnitee's counsel. Indemnitor and its counsel shall, however, fully control the defense.

(c) *Cooperation.* Indemnitee shall reasonably cooperate with Indemnitor's defense, provided Indemnitor reimburses Indemnitee's actual reasonable out of pocket expenses (including Legal Costs) in providing such cooperation.

(d) *Settlement.* Indemnitor may, with Indemnitee's consent, not to be unreasonably withheld, settle the claim. Indemnitee's consent shall not be required for any settlement by which: (w) Indemnitor procures (by payment, settlement, or otherwise) a release of Indemnitee by which Indemnitee need not make any payment to the claimant; (x) neither Indemnitee nor Indemnitor on behalf of Indemnitee admits liability; (y) the continued effectiveness of this Lease is not jeopardized in any way; and (z) Indemnitee's interest in the Premises is not jeopardized in any way.

(e) *Insurance Proceeds.* Indemnitor's obligations shall be reduced by net insurance proceeds Indemnitee actually receives for the matter giving rise to indemnification.

15. ESTOPPEL CERTIFICATE.

(a) Each party (as "responding party") shall at any time upon not less than ten (10) days' prior written notice from the other party ("requesting party") execute, acknowledge and deliver to the requesting party a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to the responding party's knowledge, any uncured defaults on the part of the requesting party, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of the Premises or of the business of Lessee.

(b) At the requesting party's option, the failure to deliver such statement within such time shall be a material default under this Lease by the party who is to respond, without any further notice to such party, or it shall be conclusive upon such party that (i) this Lease is in full force and effect, without modification except as may be represented by the requesting party, (ii) there are no uncured defaults in the requesting party's performance, and (iii) if Lessor is the requesting party, not more than one (1) month's rent has been paid in advance.

16. SEVERABILITY; ENTIRE AGREEMENT.

This Lease sets forth the entire agreement and understanding of the parties in respect of the lease of the Premise by Lessor to Lessee, and supersedes all prior and contemporaneous agreements, arrangements and understandings relating to the subject matter of this Lease. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall nonetheless continue in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

17. BINDING EFFECT.

Subject to any provisions hereof restricting assignment or subletting by Lessee, this Lease shall bind and inure to the benefit of the parties, their personal representatives, successors and assigns.

18. QUIET ENJOYMENT.

So long as this Lease has not been terminated and provided that Lessee is not in default hereunder, Lessor covenants that Lessee shall and may peaceably and quietly have, hold, and enjoy the Premises for the Term, subject to the terms of this Lease, without molestation, hindrance, or disturbance by or from Lessor or by anyone claiming by or through Lessor or having title to the Premises paramount to Lessor, and free of any encumbrance created or suffered by Lessor, except Permitted Exceptions

19. ATTORNEYS' FEES.

If either party shall bring an action to enforce the terms hereof or declare rights hereunder or alleging any breach of this Lease, the prevailing party in any such action, including appeal thereon, shall be entitled to have its reasonable attorneys' fees paid by the losing party as fixed by

the court in the same or a separate suit, and whether or not such action is pursued to decision or judgment.

20. LESSEE OPTION TO PURCHASE.

20.1 Option to Purchase. Lessee will acquire an option to purchase the Premises from Lessor pursuant to the terms of that certain Option Agreement of even date herewith (the "Option") being executed and delivered by the parties hereto concurrently with the execution of the Lease. The Option is herein incorporated by reference, and the parties agree and acknowledge that Lessee is expending significant resources and time in improving the Premises with the desired hope and intent of exercising its Option to purchase the Property pursuant to the terms and conditions of the Option Agreement.

20.2 Recording of Memorandum of Lease. The parties shall, concurrently with the execution of this Lease, execute, acknowledge, and record a Memorandum Lease in the form of **Exhibit B** attached hereto and by this reference made a part hereof.

21. LESSEE OPTION TO TERMINATE.

Lessee shall have an option to terminate the Lease if during the Lease Term Adventist Healthcare or any other healthcare operator is approved to operate a rural health clinic or Federally Qualified Health Center ("FQHC") within the City of Coalinga or within a reasonable radius from the Hospital whereby both will compete for patients ("Termination Condition"). Upon the occurrence of the Termination Condition, then Lessee, at its option, may terminate this Lease at any time by providing Lessor written notice ("Termination Notice") with the lease termination occurring ten (10) days after mailing of the Termination Notice. Upon the occurrence of the lease termination, if at all, the Lessee shall have no further rights or obligations with respect to the Lease and Lessor shall have no further rights or obligations with respect to the Lease. Lessee acknowledges that Adventist presently operates a rural health clinic in Coalinga and that this termination option shall not be triggered by the continued operation by Adventist of its present clinic.

22. NO BROKER.

Each party: (a) represents and warrants that it did not engage or deal with any broker or finder in connection with this Lease and no person except Broker is entitled to any commission or finder's fee on account of any agreements or arrangements made by such party; and (b) shall Indemnify the other party against any breach of such representation.

23. SIGNS.

Lessee may be allowed to add signage to the Premises so long as it complies with local ordinances and laws.

24. MERGER.

The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, or a termination by Lessor, shall not work a merger, and shall, at the option of Lessor, terminate

all or any existing subtenancies or may, at the option of Lessor, operate as an assignment to Lessor of any or all of such subtenancies.

25. MULTIPLE PARTIES.

If more than one person or entity is named as either Lessor or Lessee herein, except as otherwise expressly provided herein, the obligations of Lessor or Lessee herein shall be the joint and several responsibility of all persons or entities named herein as such Lessor or Lessee, respectively.

26. COUNTERPARTS.

This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree that the delivery of an executed copy of this Lease by facsimile shall be legal and binding and shall have the same full force and effect as if an original of this Lease had been delivered. Facsimile signatures shall be binding upon the parties.

26. TRIPLE NET LEASE.

It is the intention of the parties that this Lease shall be a triple net Lease to Lessor. Lessee agrees that in addition to the items specified in this Lease, that Lessee shall pay all costs, charges, fees and expenses associated with the Premises, excepting only those which are the express written obligation of Lessor hereunder. Lessee's obligation shall include, without limitation, all utility costs, maintenance and repair costs, taxes, insurance and other cost or expense of any kind or nature whatsoever arising in connection with the Premises.

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

Lessor:

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

By: *Miller Lewis*

Its: *President, Board of Trustees*

Lessee:

COALINGA MEDICAL CENTER LLC,
a California limited liability company

By: *[Signature]*

Its: *manager*

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 071-161-37st, 070-060-63st, 070-060-65st, 070-060-66st, 070-060-67st, 070-060-73st,
070-060-74st and 070-060-70p

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF COALINGA, COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL A: APN: 070-060-63

Parcel 3 of Parcel Map No. 031, in the City of Coalinga, County of Fresno, State of California, according to the map thereof recorded August 7, 1992 in Book 53, Pages 30 and 31 of Parcel Maps, Fresno County Records.

Excepting therefrom all oil, gas and other hydrocarbons underlying said land, together with the sole and exclusive right to produce, extract, take and remove said substances (and water for Grantor's operations on said land) from and to store the same upon the said land with the right of entry by Grantor thereon at all times for said purposes, together with the right to drill wells thereon for said purposes and to construct, erect, maintain, operate, use, repair and replace thereon and remove therefrom all pipe lines, telephone and telegraph lines, derricks, tanks, machinery, buildings and other structures which may be reasonably necessary or convenient for such purposes, together with right of ways for passage over, upon and across, and ingress and egress to and from said land for such purposes, as reserved in deed dated September 11, 1940, executed by The Texas Company, a corporation, to Genevieve Morshead and Dorothy Allen, recorded September 19, 1940 in Book 1861, Page 274 of Official Records.

PARCEL B: APN: 070-060-65, 070-060-66, 070-060-67, and 070-060-70P

Parcels 1, 2, and 3 of Parcel Map No. 036, in the City of Coalinga, County of Fresno, State of California, according to the map thereof recorded September 9, 1992 in Book 53, Pages 47 and 48 of Parcel Maps, Fresno County Records.

Excepting therefrom all oil, gas and other hydrocarbons underlying said land, together with the sole and exclusive right to produce, extract, take and remove said substances (and water for Grantor's operations on said land) from and to store the same upon the said land with the right of entry by Grantor thereon at all times for said purposes, together with the right to drill wells thereon for said purposes and to construct, erect, maintain, operate, use, repair and replace thereon and remove therefrom all pipe lines, telephone and telegraph lines, derricks, tanks, machinery, buildings and other structures which may be reasonably necessary or convenient for such purposes, together with right of ways for passage over, upon and across, and ingress and egress to and from said land for such purposes, as reserved in deed dated September 11, 1940, executed by The Texas Company, a corporation, to Genevieve Morshead and Dorothy Allen, recorded September 19, 1940 in Book 1861, Page 274 of Official Records.

PARCEL C: APN: 070-060-73 and 070-060-74

Parcels 2 and 3 of Parcel Map No. 037, in the City of Coalinga, County of Fresno, State of California, according to the map thereof recorded April 5, 1996 in Book 57, Pages 16 and 17 of Parcel Maps, Fresno County Records.

Excepting therefrom all oil, gas and other hydrocarbons underlying said land, together with the sole and exclusive right to produce, extract, take and remove said substances (and water for Grantor's operations on said land) from and to store the same upon the said land with the right of entry by Grantor thereon at all times for said purposes, together with the right to drill wells thereon for said purposes and to construct, erect, maintain, operate, use, repair and replace thereon and remove therefrom all pipe lines, telephone and telegraph lines, derricks, tanks, machinery, buildings and other structures which may be reasonably necessary or convenient for such purposes, together with right of ways for passage over, upon and across, and ingress and egress to and from said land for such purposes, as reserved in deed dated September 11, 1940, executed by The Texas Company, a corporation, to Genevieve Morshead and Dorothy Allen, recorded September 19, 1940 in Book 1861, Page 274 of Official Records.

EXHIBIT "A"
Legal Description

PARCEL D: APN: 071-161-37

That portion of Section 33, Township 20 South, Range 15 East, Mount Diablo Base and Meridian, in the City of Coalinga, County of Fresno, State of California, according to the Official Plat thereof, described as follows:

Commencing at a point on the North line of said Section 33, distant thereon North 89° 38' 30" East 420.2 feet from the Northwest corner of said Section; thence South 00° 15' East 434.11 feet to the true point of beginning; thence South 00° 15' East 145.0 feet; thence North 89° 45' East 300.0 feet; thence North 00° 15' West 145.0 feet; thence South 89° 45' West 300.0 feet to the true point of beginning.

Excepting and reserving therefrom all petroleum, asphalt, gas and other minerals within or underlying, or that may be produced from said land, together with the exclusive right to mine for and remove them from said land, as reserved by Standard Oil Company of California, in Deed recorded January 15, 1947 in Book 2492, Page 188 of Official Records.

PARCEL D2:

A right of way for ingress and egress between Parcel D and the State Highway over a strip of land 60 feet in width, the Westerly and Northerly boundary line of which is described as follows:

Commencing at a point on the North line of said Section 33, distant thereon North 89° 38' 30" East 360.2 feet from the Northwest corner of said Section; thence South 00° 15' East 434.11 feet to the true point of beginning; thence South 00° 15' East 290.0 feet; thence South 89° 45' West 300.0 feet, more or less, to a point on the Easterly boundary of the State Highway, and over a strip of land 40 feet in width, lying Southerly of, parallel with, and immediately adjacent to the Southerly boundary line of the property conveyed by G.C. Shortes and Mary L. Shortes, his wife to Andrew W. Brodersen and Maude F. Brodersen, his wife, as joint tenants, dated March 11, 1960 and recorded March 21, 1960 in Book 4361, Page 546 of Official Records, and extending from the Southerly prolongation of the Easterly boundary line of said Brodersen Deed Westerly to intersect the above described strip 60 feet in width, said last mentioned 40 foot strip of land being now shown as part of Walnut Avenue, dedicated for street purposes on the map of Tract No. 1888, Pearson Addition No. 1, according to the map thereof recorded in Book 21, Page 9 of Plats, Fresno County Records.

Excepting and reserving therefrom all petroleum, asphalt, gas and other minerals within or underlying, or that may be produced from said land, together with the exclusive right to mine for and remove them from said land, as reserved by Standard Oil Company of California, in Deed recorded January 15, 1947 in Book 2492, Page 188 of Official Records.

PARCEL D3:

That portion of Section 33, Township 20 South, Range 15 East, Mount Diablo Base and Meridian, in the City of Coalinga, County of Fresno, State of California, according to the Official Plat thereof, described as follows:

Beginning at a point on the North line of said Section 33, distant thereon North 89° 38' 30" East 420.2 feet from the Northwest corner thereof; thence South 00° 15' East a distance of 289.11 feet to the true point of beginning; thence continuing South 00° 15' East, a distance of 145 feet; thence North 89° 45' East, a distance of 300 feet; thence North 00° 15' West a distance of 145 feet; thence South 89° 45' West a distance of 300 feet to the true point of beginning.

Excepting therefrom that portion described as follows:

Beginning at a point on the North line of said Section 33, distant thereon North 89° 38' 30" East 420.2 feet from the Northwest corner of said Section; thence South 00° 15' East, a distance of 289.11 feet to the true point of beginning; thence continuing South 00° 15' East, a distance of 74 feet; thence North 89° 45' East, a distance of 150 feet; thence North 00° 15' West a distance of 74 feet; thence South 89° 45' West a distance of 150 feet to the true point of beginning.

EXHIBIT "A"
Legal Description

Also Excepting therefrom all petroleum, asphaltum, gas and other minerals within or underlying, or that may be produced from said land, together with the exclusive right to mine for and remove them from said land, as reserved by Standard Oil Company of California, in Deed recorded January 15, 1947 in Book 2492, Page 188 of Official Records.

PARCEL D4:

A right of way for ingress and egress between Parcel D3 and the State Highway over a strip of land 60 feet in width, the Westerly and Northerly boundary line of which is described as follows:

Beginning at a point on the North line of said Section 33, distant thereon North 89° 38' 30" East 360.2 feet from the Northwest corner of said Section, thence South 00° 15' East 289.11 feet to the true point of beginning; thence South 00° 15' East 435.0 feet; thence South 89° 45' West 300 feet, more or less, to a point on the Easterly boundary line of the State Highway.

Excepting therefrom all petroleum, asphaltum, gas and other minerals within or underlying, or that may be produced from said land, together with the exclusive right to mine for and remove them from said land, as reserved by Standard Oil Company of California, in Deed recorded January 15, 1947 in Book 2492, Page 188 of Official Records.

EXHIBIT B

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

(Space above this line for Recorder's use)

MEMORANDUM OF LEASE AND OPTION TO PURCHASE

THIS MEMORANDUM OF LEASE AND OPTION TO PURCHASE (this "Memorandum") is entered into as of March __, 2019 by and between COALINGA REGIONAL MEDICAL CENTER, a California health care district ("Lessor/Optionor"), and COALINGA MEDICAL CENTER LLC, a California limited liability company ("Lessee/Optionee") relating to that certain real property located in Fresno County, California, commonly known as _____ and more particularly described on Exhibit A ("Property") attached hereto.

1. Pursuant to that certain Lease Agreement of even date herewith ("Lease Agreement"), Lessor is leasing the Property to the Lessee based on the terms and conditions contained in the Lease Agreement.
2. Pursuant to that certain Option Agreement of even date herewith ("Option Agreement"), Optionor hereby grants to Optionee an option to purchase fee interest in the Property in accordance with the terms thereof.
3. The terms and conditions of the Lease Agreement and Option Agreement are incorporated herein by reference. The Option Term is for forty-eight (48) months from the date of the Option Agreement and may be extended by the parties based on mutual agreement.
4. Pursuant to the Option Agreement, Optionor has an option to repurchase the Property (the "Repurchase Right") under certain conditions for a period of up to ten years after the date of exercise by Optionee of the option.
5. This Memorandum is intended to provide notice of the Option to Purchase, the leasehold interest in the Lease and the Repurchase Right. The terms of this Memorandum shall not be interpreted to modify or amend the respective rights and obligations of the parties under the Option Agreement and/or the Lease Agreement, and in the event of any conflict between the terms of the Lease Agreement or Option Agreement and this Memorandum,

the terms of the Option Agreement or Lease Agreement shall control in all events.

6. This Memorandum may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first above written.

LESSOR/OPTIONOR:

LESSEE/OPTIONEE:

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

COALINGA MEDICAL CENTER LLC,
a California limited liability company

By: *Miller Lewis*
Its: President, Board of Trustees

By: *[Signature]*
Its: manager

Date: 2-19-2019

Date: 02/18/19

Address: 1191 Phelps ave, Coalinga, CA
93210

Address: 700 17th street
Modesto, CA 95354

EXHIBIT A TO MEMORANDUM OF LEASE
AND OPTION TO PURCHASE

LEGAL DESCRIPTION

[insert legal description]

[insert notary acknowledgments for recording]