

TULARE REGIONAL MEDICAL CENTER

GUARANTY OF AGREEMENT FOR PURCHASE AND SALE OF ASSETS AND LEASE

As a material inducement to and in consideration of the execution by TULARE LOCAL HEALTHCARE DISTRICT, a California health care district (“**District**”) of that certain Agreement for Purchase and Sale of Assets (the “**Purchase Agreement**”) dated [●], 2018, by and among District, as seller, on one hand, and [●], a California nonprofit religious corporation (“**Tenant**”), as buyer, and ADVENTIST HEALTH SYSTEM/WEST, a California nonprofit religious corporation doing business as ADVENTIST HEALTH (“**Guarantor**”) and that certain Lease (the "**Lease**") of even date herewith between District, as landlord, and Tenant, as tenant, relating to the Premises (as defined in the Lease) located in the City and County of Tulare, California, the Guarantor hereby agrees as follows:

1. Guarantor hereby unconditionally guarantees the performance of, and unconditionally promises to perform, all of the obligations of Tenant under the Purchase Agreement and the Lease, and any and all extensions and modifications thereof, including, but not limited to, the obligation to pay the the Purchase Price (as defined in the Purchase Agreement) and the Rent (as defined in the Lease).

2. In such manner, upon such terms and at such times as District shall deem best, and without notice to or the consent of Guarantor, District may alter, compromise, extend or change the time or manner for the performance of any obligation hereby guaranteed, substitute or add any one or more guarantors, accept additional or substituted security for the performance of any such obligation, or release or subordinate any security therefor, any and all of which may be accomplished without any effect on the obligations of Guarantor hereunder. No exercise or non-exercise by District of any right hereby given, no dealing by District with Tenant, any other guarantor or other person, and no change, impairment or suspension of any right or remedy of District shall in any way affect any of the obligations of Guarantor hereunder or give Guarantor any recourse against District.

3. Guarantor hereby waives and agrees not to assert or take advantage of the following:

(a) Any right to require District to proceed against Tenant or any other person or to proceed or exhaust any security held by District at any time or to pursue any other remedy in District’s power before proceeding against Guarantor, including the provisions of Sections 2845 and 2850 of the Civil Code of California;

(b) Any defense based on the statute of limitations in any action hereunder or in any action for the performance of any obligation hereby guaranteed;

(c) Any defense that could have otherwise be asserted by Tenant;

(d) Any defense that may arise by reason of the incapacity, lack of authority, bankruptcy, death or disability of any other person or persons or the failure of District to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons, including the provisions of Section 2810 of the Civil Code of California;

(e) Any defense based on an election of remedies including, but not limited to, any action by District which shall destroy or otherwise impair any subrogation right of Guarantor or the right of Guarantor to proceed against Tenant for reimbursement, or both;

(f) Any duty on the part of District to disclose to Guarantor any facts District may now or hereafter know about Tenant, regardless of whether District has reason to believe that such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for being and keeping informed of the financial condition of Tenant and of all circumstances bearing on the risk of nonperformance of any obligation hereby guaranteed;

(g) Any right to receive (i) notice of acceptance hereof; (ii) grace, demand, presentment and protest with respect to the obligations under the Purchase Agreement or the Lease, (iii) notice of non-payment or other defaults, of intention to accelerate and of acceleration of the obligations under the Purchase Agreement or the Lease, (iv) the notice of existence, creation or incurring of new or additional obligation on the part of Tenant, District or any other person, and (v) any other notices, in each case of clauses (i) through (v), except to the extent expressly required under this Agreement to be given to Tenant, and under the provisions of Section 2819 of the Civil Code of California; and

(h) Any defense based on the fact that Guarantor's obligations hereunder are larger or more burdensome than that of Tenant's under the Purchase Agreement or Lease, including the provisions of Section 2809 of the Civil Code of California.

Without limiting the generality of the foregoing or any other provision hereof, Guarantor hereby expressly waives any and all benefits, rights and defenses which might otherwise be available to Guarantor under California Civil Code Sections 2787 to 2855, inclusive, 2899, 2953 and 3433.

4. Until all obligations hereby guaranteed shall have been fully performed, Guarantor shall have no right of subrogation and waives any right to enforce any remedy which District now has or may hereafter have against Tenant and any benefit of, and any right to participate in, any security now or hereafter held by District, including the provisions of Sections 2847, 2848 and 2849 of the Civil Code of California. Guarantor agrees that nothing contained herein shall prevent District from suing on the Purchase Agreement or Lease or from exercising any rights available to District thereunder and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of Guarantor. Guarantor expressly waives any and all benefits under the second sentence of California Civil Code Section 2822(a). In addition, Guarantor agrees that District (and not Tenant) shall have the right to designate the portion of Tenant's obligations under the Lease that is satisfied by a partial payment by Tenant.

5. All existing and future obligations of Tenant to Guarantor, or any person owned in whole or in part by Guarantor, and the right of Guarantor to cause or permit itself or such person to withdraw any capital invested in Tenant are hereby subordinated to all obligations hereby guaranteed, and, without the prior written consent of District, such obligations to Guarantor shall not be performed, and such capital shall not be withdrawn, in whole or in part, while Tenant is in default under the Purchase Agreement or Lease.

6. All rights, powers and remedies of District hereunder, the Purchase Agreement, the Lease and under any other agreement now or at any time hereafter in force between District and Guarantor shall be cumulative and not alternative, and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to District at law or in equity. This Guaranty is in addition to and exclusive of the guarantee of any other guarantor of any obligation of Tenant to District.

7. The obligations of Guarantor hereunder are independent of the obligations of Tenant under the Purchase Agreement or Lease, and, in the event of any default hereunder or under the Purchase

Agreement or the Lease, a separate action or actions may be brought and prosecuted against Guarantor, whether or not Tenant is joined therein or a separate action or actions are brought against Tenant. District may maintain successive actions for other defaults. District's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless all obligations hereby guaranteed shall have been fully performed.

8. Guarantor shall pay to District, without demand, reasonable attorneys' fees and all costs and other expenses which District shall expend or incur in collecting or compromising any obligation hereby guaranteed or in enforcing this Guaranty against Guarantor, whether or not suit is filed including, but not limited to, attorneys' fees, costs and other expenses incurred by District in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceeding involving Guarantor which in any way affects the exercise by District of its rights and remedies hereunder.

9. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

10. This Guaranty shall inure to the benefit of District and its successors and assigns, and shall bind the heirs, executors, administrators, successors and assigns of Guarantor. This Guaranty may be assigned by District concurrently with the transfer of title to, or master lease of, property covered by the Lease, and, when so assigned, Guarantor shall be liable to the assignees without in any manner affecting the liability of Guarantor hereunder.

11. Upon full performance of all obligations hereby guaranteed, this Guaranty shall be of no further force or effect.

12. No provision of this Guaranty or right of District hereunder can be waived or modified, nor can Guarantor be released from Guarantor's obligations hereunder, except by a writing duly executed by District.

13. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever. Capitalized terms used herein without definition shall have the meanings given in the Lease.

14. If two (2) or more entities are signing this Guaranty as Guarantor, then all such entities shall be jointly and severally liable for the obligations of Guarantor hereunder.

15. This Guaranty shall be governed by and construed in accordance with the laws of the State of California. In any action brought under or arising out of this Guaranty, Guarantor hereby consents to the jurisdiction of any competent court within the State of California and hereby consents to service of process by any means authorized by California law. This Guaranty shall constitute the entire agreement of Guarantor with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon District unless expressed herein.

Dated: [●], 2018

GUARANTOR
ADVENTIST HEALTH SYSTEM/WEST

By: _____
Its _____