

PREPARED BY AND  
RECORDING REQUESTED BY,  
AND WHEN RECORDED MAIL TO:

Latham & Watkins LLP  
355 South Grand Avenue, Suite 100  
Los Angeles, California 90071-1560  
Attention: Kim N.A. Boras, Esq.

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No Documentary Transfer Tax due;  
term of lease less than 35 years.

MEMORANDUM OF LEASE, OPTION TO PURCHASE  
AND RIGHT OF FIRST REFUSAL

THIS MEMORANDUM OF LEASE, OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL (this "Memorandum") is made as of [ ● ], 201[8/9] by and between Tulare Local Healthcare District, a California health care district (the "District" and, in its capacity as landlord under this Lease, as hereinafter defined, "Landlord"), and Adventist Health Tulare, a California nonprofit religious corporation ("Tenant"), an affiliate of Adventist Health, a California nonprofit corporation.

1. Lease. Landlord has leased to Tenant, and Tenant has hired from Landlord, upon the terms and subject to the conditions set forth in that certain Lease dated for reference purposes as of [ ● ], 201[8/9] (as supplemented, modified and amended from time to time, the "Lease"), the premises more particularly described in the Lease and consisting of certain real property more particularly described on Exhibit A attached hereto (the "Premises").

2. Term. The initial term of the Lease (the "Initial Term") commences on [ ● ] and expires on [ ● ] (the "Original Scheduled Expiration Date"). Unless Tenant shall have given Landlord written notice, not less than two hundred seventy (270) days prior to the Original Scheduled Expiration Date, of Tenant's election not to have the term of the Lease extend, at the expiration of the Initial Term, the term of the Lease shall automatically extend for an additional five (5) year period. The Lease contains three additional, similarly structured automatic extension options, each for a five (5) year period, and one additional, similarly structured automatic extension option for a four (4) year and six (6) month period.

3. Option to Purchase. As more particularly set forth in the Lease, Landlord has granted to Tenant an option to purchase Landlord's fee estate in the Premises (the "Fee Estate") from Landlord at any time during the term of the Lease following the satisfaction of certain conditions precedent.

4. Right of First Refusal. As more particularly set forth in the Lease, Landlord has granted to Tenant a right of first refusal to purchase the Fee Estate.

5. Incorporation of Lease. This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the provisions of the Lease. This Memorandum is subject to all of the provisions of the Lease and in the event of any inconsistency between the provisions of the Lease and this Memorandum, the provisions of the Lease shall prevail.

6. Termination. This Memorandum shall automatically terminate upon the expiration or earlier termination of the Lease.

7. Governing Law. This Memorandum shall be governed by and construed in accordance with the laws of the state of California without regards to its conflict of laws principles.

8. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall constitute an original and all of which shall constitute but one and the same document.

[Remainder of the Page Intentionally Left Blank]

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

LANDLORD:

TULARE LOCAL HEALTHCARE DISTRICT,  
a local health care district of the State of  
California

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

TENANT:

ADVENTIST HEALTH TULARE,  
a California nonprofit religious corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

**ACKNOWLEDGEMENT OF LANDLORD'S SIGNATURE**

STATE OF CALIFORNIA } ss:  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_, a Notary Public, personally appeared

\_\_\_\_\_, who proved to me  
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,  
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true  
and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

**ACKNOWLEDGEMENT OF TENANT'S SIGNATURE**

STATE OF CALIFORNIA } ss:  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_, a Notary Public, personally appeared

\_\_\_\_\_, who proved to me  
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument  
and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,  
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true  
and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

EXHIBIT A TO MEMORANDUM OF LEASE AND OPTION TO PURCHASE

Land Legal Description

Real property in the City and County of Tulare, State of California, described as follows: