



TO: Paul Garza, MCHCD Chair, Wayne Allen, MCHCD CFO, Paul Katzeff, MCHCD,
Kathy Wylie, Agency Administrator

FROM: Eric Stevens, Adventist Health President Northern California Network

DATE: 11/22/2024

RE: Lease Restructure

Thank you for the continued dialogue in creating a path forward with the restructure of the lease agreement. As we continue to work in good faith with the Healthcare District we have identified 2 minor items which should close out the negotiations and get us to a fresh start in 2025. The first is language in 19.11 and the second is consideration of transferring the Hospice Thrift Store back to the District.

19.11 Economically Unfeasible Notice. If Tenant determines that the Medical Business is no longer economically feasible, Tenant shall, at any time, have the right to deliver a Notice to Landlord proposing either (i) a restructuring of the terms of this Lease, setting forth the terms of such restructuring (the "Restructure Notice") or (ii) a notice of termination ("Termination Notice"). The Lease shall terminate two hundred and seventy days after Landlord receives the Termination Notice. Upon receipt of the Restructure Notice, Landlord and Tenant shall meet and confer in good faith to negotiate a new structure based on Tenant's Restructure Notice. If the parties do not come to an agreement within sixty (60) days following Landlord's receipt of the Restructure Notice, Landlord shall be deemed to have rejected Tenant's Restructure Notice terms and Tenant thereafter shall have the right to terminate this Lease upon two hundred seventy (270) days' Notice of termination to Landlord.

Hospice Thrift Store. Mendocino Coast Healthcare District (MCHCD), has an option to regain full control of operations of the Hospice Thrift Store located at 155 Boatyard Dr., Fort Bragg, CA. MCHCD will inform AH of their decision by February 1, 2025. If affirmed, all financial and operational responsibilities would transfer from AHMC to MCHCD on July 1, 2025.

We look forward to commencing this work and appreciate your continued collaboration in serving our coastal communities.