



July 8, 2021

Re: Tahoe Forest Hospital District Land Lease

Dear Mr. Kevin Smith:

On behalf of Tahoe Forest Hospital District (“**Tenant**”), I am pleased to present this letter of intent which sets forth the general terms and conditions upon which the Tenant proposes to lease approximately four (4) acres of unimproved land depicted on Exhibit A attached hereto (the “**Premises**”), from Tahoe Truckee Airport District (“**Landlord**”). Such terms and conditions are as follows:

Lease Terms:

- 1 Landlord: Tahoe Truckee Airport District
- 2 Tenant: Tahoe Forest Hospital District
- 3 Premises/Project: Tenant intends to lease the Premises from Landlord and build, at Tenant’s sole cost and expense, a two-story, approximately 20,000 square foot medical building (“**Building**”), a parking lot or structure, and access roads (collectively, the “**Project**”) on terms to be further negotiated between Tenant and Landlord, which terms shall be memorialized in a lease agreement (“**Lease**”) and related documents. The exact size and final configuration of the Premises shall be designated in the Lease.
- 4 Use The Premises shall be used as a medical clinic or for any other lawful use. To be further defined in the Lease. Landlord agrees that, during the Term and any extension thereof, Landlord shall not lease or sell any portion of its larger tract to any occupant to operate a medical facility thereon, other than Tenant.
- 5 Lease Term; Options: The Lease shall terminate at the end of thirty (30) full calendar years following the Rent Commencement Date (as defined below), subject to two (2) options to extend for ten (10) years each. Tenant’s option to extend the Lease for each additional period will be deemed automatically exercised by Tenant unless Tenant gives six (6) months’ notice to Landlord that Tenant will not exercise the option to extend.
- 6 Delivery Date: Landlord shall deliver the Premises to Tenant on _____ (To be negotiated) (“**Delivery Date**”)

- 7 **Delivery Condition:** Landlord shall deliver the Premises to Tenant on the Delivery Date in compliance with all laws and free from any personal property owned by Landlord.
- Landlord represents and warrants that the Premises is under the Jurisdictional Authority of Nevada County. Tenant acknowledges that a zoning clearance would be required to pursue development of the Building and site improvements on the Premises.
- At the expiration of the Term or early termination of the Lease, the Premises and any and all improvements located thereunder (except for Building) shall be delivered and conveyed to Landlord in their as-is, where-is condition, subject to Tenant obligations set forth in the Lease to keep the Premises and all improvements in compliance with all laws; provided however, Tenant shall remove all signs and personal property from the Premises and repair any damage caused by said removal at its sole cost and expense.
- 8 **Rent Commencement Date:** Rent shall commence on the first day of the 9th month following the date that Tenant received all jurisdictional approvals necessary to develop the Project, including, without limitation, development permit approval.
- 9 **Rent:** Tenant's obligation to pay rent shall commence on the Rent Commencement Date of the Term, and shall be paid monthly in advance.
- Fair Market Rent shall be paid for the Premises. Fair Market Rent for the first five (5) years of the Term, and any increases in rent during said period, shall be determined by an appraiser mutually agreed upon by Tenant and Landlord. The appraiser must have at least five (5) years' experience appraising commercial land that is similar to the Premises in Nevada County.
- A new appraisal shall be conducted sixty (60) days prior to the commencement of the each five (5) year segment of the initial term and option terms, and Fair Market Rent for the Premises for said subsequent five (5) year period shall be determined by said appraisal. Since the improvements constructed by Tenant on the Premises remain the property of Tenant until the expiration of the Term, the appraisal shall continue to be based on the land value only of the Premises. The cost of the appraisals shall be paid by Landlord.
- Rent shall be subject to reduction based on value of services or benefits provided by Tenant to Landlord.
- 10 **Security Deposit:** No security deposit will be required of Tenant.
- 11 **Taxes:** If applicable, Tenant shall be obligated to pay taxes assessed or levied on the Premises and all improvements comprising the Premises directly to the applicable governmental agency. Tax exclusions will be further described in the Lease.
- 12 **Utilities:** Tenant shall pay all utilities benefiting the Building and the Building shall be separately metered.
- 13 **Maintenance:** Tenant will be responsible for its own maintenance of the Premises and the Building, and Landlord shall have no obligations in connection therewith. Tenant shall carry the property insurance on the building and CGL insurance.
- 14 **Assignment; Subleasing:** Tenant shall have the right to sublease up to 50% of the Premises without Landlord's consent, provided that said subtenant is using the Premises for medical or medical office purposes. Tenant shall have the right to assign the Lease to (a) any entity controlling, controlled by or under common control with

Tenant, (b) to or in connection with a merger or consolidation or sale of all or substantially all of the assets of Tenant. All other subleases or assignments must be approved by Landlord in its reasonable discretion.

15 Expansion Option

Adjacent to the Premises there is approximately 8 acres of vacant land owned by Landlord ("Contiguous Land") depicted on Exhibit A attached hereto. During the term of the Lease, in consideration for \$1,500.00 per year/acre ("Option Payment") payable as of the execution of the Lease and on the anniversary thereof thereafter, Tenant shall have the option to lease all or a portion of the Contiguous Land as part of the Premises on the same terms and conditions set forth in the Lease. So long as said Option Payment is made, Landlord shall not be permitted to lease any portion of the Contiguous Land to another party.

16 Right of First Offer and Right of First Refusal to Purchase:

In the event that Landlord intends to sell or otherwise dispossess itself of the Premises or the larger tract which the Premises is a part, Landlord shall advise Tenant in writing of such intent and Tenant shall have forty five (45) days to reach an agreement with Landlord. Terms of the right of first offer to be further provided in the Lease. In the event that Landlord receives an offer to buy the Premises or the larger tract which the Premises is a part, which offer Landlord intends to accept, Landlord shall present said offer to Tenant to determine if Tenant would like to match the offer. Tenant shall have forty five (45) days to exercise its right of first refusal to purchase on the same terms as set forth in the offer Landlord intended to accept. Terms of the right of first refusal to be further provided in the Lease.

17 Signage:

Tenant shall be granted the maximum signage in accordance with local ordinances. Tenant will pay for the cost of manufacturing and installation of such signage.

18 Due Diligence:

Tenant shall have 120 days (the "Due Diligence Period") after the execution of the Lease to (i) perform due diligence on the Premises, including without limitation, obtaining soil reports, surveys, and performing environmental studies, and (ii) obtain all governmental and third party approvals necessary to develop the Premises and construct its intended improvements thereon. In the event that, despite the good faith and diligent efforts of Tenant with respect thereto, Tenant is unable to obtain the permits with conditions satisfactory to Tenant, in its reasonable discretion, prior to the expiration of the Due Diligence Period, Tenant shall have the right to extend the Due Diligence Period for up to two (2) additional period(s) of 60 days each by written notice to Landlord given prior to the expiration of then current Due Diligence Period. In the event that Tenant determines that the condition of the Premises is unacceptable to Tenant or Tenant cannot construct its' improvements for any reason or not construct the Building in the manner that Tenant deems acceptable, Tenant shall have the discretionary right to terminate the Lease. During Due Diligence Period, Landlord shall assist Tenant with applications for licenses, permits, zoning modifications and such other approvals that may require Landlord's signature in connection with the development of the Premises. In addition to the rights set forth above, and notwithstanding anything to the contrary, in the event any applicable jurisdiction denies, objects or disapproves of Tenant's proposed development and Tenant is not able to proceed due to said denial, objection or disapproval, Tenant shall be permitted to terminate the Lease.

19 Access:

Landlord shall grant Tenant non-exclusive rights to use Soaring Way and Truckee Airport Road for access to and from the public road to the Premises at no cost to Tenant. All other roads to the Premises will be developed and maintained by Tenant.

20 Brokers

Neither Landlord nor Tenant has employed the services of a real estate broker in connection with the transaction contemplated by this letter who would be entitled to a commission.

21 Confidentiality

Although prior to lease execution Tenant shall have the right to install a sign at the Premises indicating that an urgent care facility/medical services will be coming in the future (subject to Board of Director & jurisdictional approvals), the parties will not disclose the terms contained in this proposal to any person or entity, except their attorneys, accountants, lenders and consultants with a "need to know". Landlord and Tenant shall not issue any press release regarding the transaction without the prior written approval of such release by the other party. The provisions of this Section shall be binding upon the execution of this letter.

This letter does not address all material and essential terms of a lease for the Premises; such terms will be subject to further negotiation. Any obligation of any party with respect to the proposed Lease is dependent on the approval of Tenant's Board of Directors. Except in connection with Section 18, neither party intends that this letter is binding upon either party, and no binding agreement shall exist between the parties for any purpose until a final, definitive fully negotiated Lease and related documents have been mutually executed and delivered. This letter is not subject to an express or implied covenant of good faith and fair dealing by either party, and any good faith negotiation obligation is expressly disclaimed by each party.

Please sign this letter in the space provided below and return it to me on or before 5:00 p.m., July 30, 2021. Upon timely receipt of this executed letter, and approval of Tenant's Board of Directors as to the terms of this letter, Tenant shall instruct its attorneys to commence drafting the Lease and related documents for Landlord's consideration, consistent with the terms outlined above.

Sincerely,



Harry Weis
President & Chief Executive Officer

The undersigned has reviewed the above letter and accepts its contents, and desires to continue negotiations for Tenant's lease of the Premises.

Name: _____
For Landlord

Exhibit A

Premises and Contiguous Land

EXHIBIT A

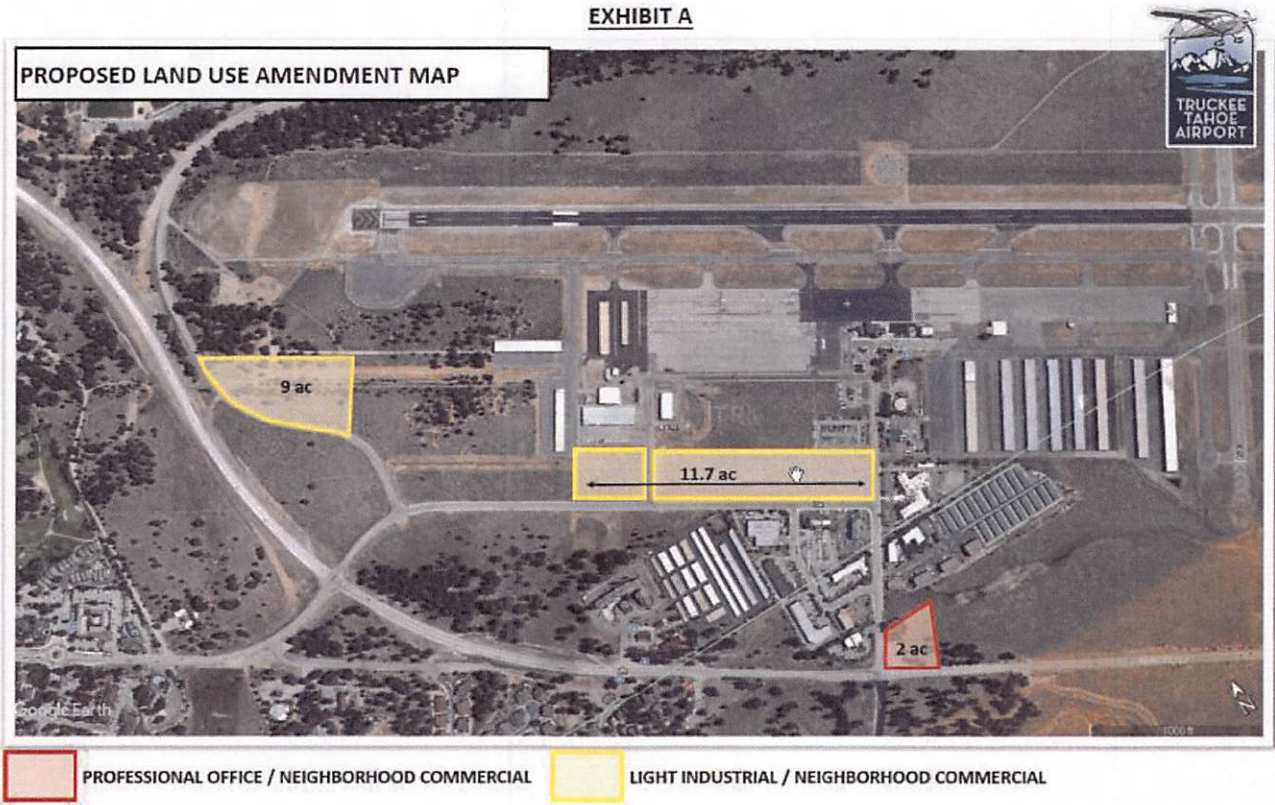


Exhibit B
Intended Phasing

