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PROMISSORY NOTE¹

Maximum Principal Amount:

¹ Promissory Note only to be used with Loan Agreement.

\$[_____]
[DATE]

Irvine, California

FOR VALUE RECEIVED, [COMPLETE LEGAL NAME OF BORROWER] ("Borrower"), hereby promises to pay to [COMPLETE LEGAL NAME OF LENDER], a California nonprofit [public benefit] corporation ("Lender"), or any subsequent holder of this Promissory Note ("Note"), the principal sum of [AMOUNT Dollars (\$_____)] (the "Principal") in accordance with this Note and the Loan Agreement by and between Lender and Borrower dated as of [DATE OF LOAN AGREEMENT] (the "Loan Agreement"), and all amendments thereto, together with accrued Interest (as defined below) on the unpaid Principal balance. All capitalized terms used in this Note and not specifically defined in this Note shall have the meanings given to those terms in the Loan Agreement.

1. Interest. Interest shall accrue as of the date hereof as provided in this Note. The outstanding Principal balance shall accrue interest (the "Interest") daily at the rate of [_____ percent (_____%)] per annum (the "Stated Rate"). Interest, while calculated at the Stated Rate, shall be calculated by multiplying the unpaid Principal balance times the Stated Rate and dividing the product thereof by twelve (12). Provided, however, in the event that Interest is due under this Note for any partial month, Interest, while calculated at the Stated Rate, shall be calculated by multiplying the unpaid Principal balance times the Stated Rate times the number of days in such month as the unpaid Principal balance was outstanding, and dividing the product thereof by 360. Borrower hereby acknowledges that Lender has agreed to the Stated Rate in light of the commitment of Borrower to assist in Lender's charitable mission by using the Loan in furtherance of the Charitable Purpose.

2. Repayment of Loan. The Principal amount and accrued Interest shall be due and payable in _____ (_____) consecutive monthly installments of Principal and Interest in accordance with the payment schedule attached to this Note as Schedule 1 and incorporated in this Note by reference. Borrower shall pay to Lender the full Principal amount and Interest accruing thereon and all other amounts payable under the Loan Documents (as defined below), not later than [MATURITY DATE], by acceleration or otherwise (the "Maturity Date") at [COMPLETE ADDRESS OF LENDER] unless otherwise specified in writing by Lender.

3. Application of Payments. Lender shall apply all payments received from Borrower pursuant to this Note as follows: first, to the payment of applicable fees, costs and charges other than Interest and Principal, if any, owing under this Note, the Loan Agreement or any of the other Loan Documents; second, to accrued and unpaid Interest then due and owing; and third to the outstanding Principal, except that, after the occurrence and during the continuation of any Event of Default (as defined below), all amounts received shall be applied in such order as Lender, in its sole and absolute discretion, may elect.

4. Security; Support. This Note shall be secured or supported by [(i)] the Security Agreement by Borrower in favor of Lender entered into in connection with this Note (the "Security Agreement"); [(ii)][the Deed of Trust with Fixture Filing, Assignment of Leases and Rents and Security Agreement by Borrower to [COMPLETE NAME OF TRUSTEE], as trustee, for the benefit of Lender entered into in connection with this Note (the "Deed of Trust")]

“**Security Instrument[s]**”²); [(iii)] [the Environmental Indemnity Agreement dated as of [DATE OF INDEMNITY] by the Company in benefit of the Lender entered into in connection with this Note,]³ [and (iv)] a Guaranty by [COMPLETE LEGAL NAME OF GUARANTOR] (the “**Guarantor**”), entered into in connection with this Note (the “**Guaranty**”) pursuant to which the Guarantor is guarantying Borrower’s obligations under this Note and the Loan Documents; [and (v) any and all of the Loan Documents other than this Note, the Security Instrument[s], or [the Guaranty] now or hereafter executed by Borrower and/or others and by or in favor of Lender, which wholly or partially secure or guarantee payment of this Note]; [provided, however, any environmental indemnity or environmental indemnity agreement, executed by the Borrower or any other persons in connection with this Note, shall in no event constitute a Loan Document for purposes of the Security Instrument[s]].⁴ Borrower shall execute all documents requested to be executed by Lender to secure this Note.

5. Prepayment. Borrower shall have the right at any time to prepay the outstanding Principal amount in whole or in part without penalty. Any partial prepayment shall be applied as provided in Section 3 of this Note and shall not extend the Maturity Date.

6. Late Payment Charge. Borrower acknowledges that if any payment provided for by this Note or any other Loan Documents is late by fifteen (15) days or more it would be impracticable or extremely difficult to fix the actual damages resulting to Lender. Therefore, Borrower shall pay to Lender a late payment charge equal to five percent (5%) of such overdue amount for each late payment, as liquidated damages and not as a penalty, to compensate Lender for the expenses of administering the default. This provision shall not, however, be construed as extending the time for payment of any amount under this Note or any other Loan Documents, and acceptance of such late charge by Lender shall in no event constitute a waiver of Borrower’s default with respect to such overdue amount nor prevent Lender from exercising any of the other rights and remedies with respect to such default. Borrower hereby waives the provisions of California Civil Code Section 2954.5 or any similar law hereafter adopted imposing prerequisites to the imposition of late charges.

7. Default Rate. If Borrower fails to timely make any payment under this Note or any other Loan Documents within fifteen (15) days after the date on which it is due, the interest rate on such overdue amount shall accrue interest at the rate of [DEFAULT RATE] percent ([DEFAULT RATE]%) per annum (the “**Default Rate**”) until such overdue amount is paid, but in no event in excess of the Maximum Rate (as defined below). Interest, while calculated at the Default Rate, shall be calculated by multiplying the unpaid Principal balance times the Default Rate and dividing the product thereof by twelve (12). Provided, however, in the event that interest at the Default Rate is due under this Note for any partial month, interest, while calculated at the Default Rate, shall be calculated by multiplying the unpaid Principal balance times the Default Rate times the number of days in such month as the unpaid Principal balance was outstanding, and dividing the product thereof by 360.

² Make plural globally if using both Security Agreement and Deed Of Trust.

³ Optional.

⁴ Use the preceding provision if secured by Deed of Trust.

8. Maximum Interest Rate. Borrower and Lender intend to conform strictly to the applicable usury laws. Notwithstanding any other provisions in this Note, in no event shall Lender ever be deemed to have contracted for or be entitled to receive, collect or apply as interest on this Note, any amount in excess of the maximum amount permitted by applicable law (the “**Maximum Rate**”). In no event, whether by reason of demand for payment, prepayment, acceleration of the maturity of this Note or otherwise, shall the interest contracted for, charged or received by Lender under this Note or otherwise exceed the Maximum Rate. If for any circumstance whatsoever interest would otherwise be payable to Lender in excess of the maximum lawful amount, the interest payable to Lender shall be reduced automatically to the Maximum Rate.

9. Dollars. All amounts payable under this Note are payable in lawful money of the United States of America in immediately available funds.

10. Waiver of Rights. Borrower hereby: (i) waives grace, demand, presentment for payment, notice of nonpayment, protest and notice of protest, notice of dishonor or default, notice of intent to accelerate, notice of acceleration and diligence in collecting and bringing of suit; (ii) agrees that Lender may, without notice to Borrower or any other person and without affecting the liability of Borrower or any other person, accept additional or substitute security for this Note or any other Loan Documents or release any security or any Party liable on this Note or any other Loan Documents; (iii) consents to and waives notice of any renewals, extensions, amendments or modifications of this Note or any other Loan Documents, whether made in favor of Borrower or any other person or persons; (iv) to the maximum extent permitted by law, waives the pleading of any statute of limitations as a defense to any demand against Borrower or any such other Party liable under this Note or any other Loan Documents; and (v) waives any right to challenge the validity or enforceability of this Note any other Loan Documents.

11. Events of Default; Remedies.

a. Events of Default. Events of Default shall include, but not necessarily be limited to, the following (each an “**Event of Default**”):

i. Failure to Make Payment. Borrower fails to make any payment of principal or interest due under this Note, the Security Instrument[s] or in any promissory note, loan agreement or other agreement, document or instrument evidencing, securing or otherwise relating to this Note or the Loan Agreement (collectively, the “**Loan Documents**”), within fifteen (15) days after the date on which it is due.

ii. Other Breaches of Agreement or Loan Documents. Borrower fails to perform or observe in some material respect any other covenant, condition, or agreement to be performed or observed by Borrower under this Note or the other Loan Documents or in connection with any certificate, instrument, or other writing furnished by Borrower in connection with any Loan Documents and such failure shall continue unremedied for a period of thirty (30) days after notice from Lender to Borrower thereof.

iii. Misrepresentations. Any material representation or warranty made by Borrower in any Loan Documents in any certificate, instrument, or other writing furnished to Lender in connection with the Loan shall have been incorrect when made.

iv. Bankruptcy. Borrower's inability to pay its debts as they become due, the assignment for the benefit of creditors, application to any court for the appointment of a trustee or receiver of any of the security interest or any substantial part of its properties, or the commencement any voluntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or other similar law of any jurisdiction;

v. Security Interest. Lender's security interest shall become materially impaired for some reason other than the normal business operations of Borrower or otherwise unenforceable, except by reason of any action by Lender which would constitute a breach of the terms of any Loan Documents, and except as approved in writing by Lender.

vi. Revocation of Tax-Exempt Status. Borrower's status as a charitable organization described in Internal Revenue Code Section 501(c)(3) is revoked by the Internal Revenue Service.

vii. Encumbrances Against Property. Borrower's sale, conveyance, assignment, lease (other than in the ordinary course of business of operating the Property) or other transfer or disposition of all or any part of the Property or any interest therein, or any further pledge, hypothecation, grant of any security interest in, or further encumbrance of all or any part of the Property or any interest therein, whether voluntarily or involuntarily, by operation of law or otherwise, in violation of the provisions of the Loan Documents.

viii. Validity; Enforceability. The validity or enforceability of this Note or any other Loan Document shall be challenged or questioned by any governmental authority having jurisdiction over Borrower or Lender.

ix. Material Adverse Change. In the opinion of Lender, a material adverse change shall have occurred in the business or circumstances of Borrower, as a result of which the ability of Borrower to pay and perform its obligations under this Note is materially and adversely affected.

x. Prohibition. Borrower shall be prevented or prohibited, by action of any Governmental Authority having jurisdiction over Borrower, from making any payment required under this Note in accordance with the terms of this Note or any other Loan Document.

xi. [Death or Incapacity of Guarantor]⁵. Death or incapacity of Guarantor if the Guarantor is an individual.]

b. Remedies. Upon the occurrence and during the continuance of an Event of Default, Lender may, at its election:

⁵ Use only if using a Guaranty and Guarantor is an individual.

i. declare the entire outstanding balance of Principal and Interest immediately due and payable to Lender irrespective of the Maturity Date, together with all costs of collection, including reasonable attorneys' fees and expenses incurred in connection with protection of, and realization on, the Collateral; and/or

ii. exercise any of Lender's other rights and remedies available to it under the Loan Documents; and/or

iii. exercise such rights and remedies as Lender may have at law or in equity, including without limitation, such rights and remedies as Lender may have under the Loan Documents or as Lender may have as a secured creditor under the California Commercial Code.

12. Attorneys' Fees. In the event that any action, including mediation or arbitration, is brought by Lender or Borrower to enforce or interpret the terms of this Note, the Loan Agreement or any other Loan Documents, the prevailing Party in such action shall be entitled to its costs and reasonable attorneys' fees and costs (including allocated costs of in-house counsel) incurred therein from the nonprevailing Party, in addition to such other relief as the court or arbitrator may deem appropriate.

13. Limits. Notwithstanding anything to the contrary contained in this Note, in no event shall Lender be entitled to collect interest at a rate in excess of the maximum rate permitted by law.

14. No Waiver. No delay or omission on the part of Borrower in exercising any right shall operate as a waiver of such right or of any other right under California law, this Note or under any other document or instrument executed or delivered in connection with this Note.

15. Construction and Forum. This Note shall be governed by and construed in accordance with the laws of the State of California. To the extent provided in the Loan Agreement, any action against Lender concerning this Note and the indebtedness evidenced hereby may be brought in any court of competent jurisdiction located in the State of California, and Borrower hereby accepts the nonexclusive jurisdiction of any such court and waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action.

16. Assignment. Borrower may not assign its duties under this Note without Lender's prior written consent. Lender may assign this Note, and the holder of this Note shall become the Lender.

17. Incorporation of Loan Agreement. This Note constitutes the Note issued under the Loan Agreement, to which the Loan Agreement reference is hereby made for a statement of the terms and conditions under which the Loan evidenced hereby was made. The terms and conditions set forth in the Loan Agreement are hereby incorporated into this Note and made a part hereof.

[Signature page follows]

[Signature page]

IN WITNESS WHEREOF, in evidence of Borrower's intent to be bound by this Note, Borrower hereby executes this Note as of the date first set forth above at _____, California.

BORROWER:

[COMPLETE LEGAL NAME OF BORROWER]

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

SCHEDULE 1
PAYMENT SCHEDULE
(SEE ATTACHED)