



Adventist Health Howard Memorial  
1 Marcela Drive | Willits, CA 95490

Adventist Health Mendocino Coast  
700 River Drive | Fort Bragg, CA 95437

Adventist Health Ukiah Valley  
275 Hospital Drive | Ukiah, CA 95482

September 22, 2022

Jessica Grinberg, Chair  
Amy McColley, Vice Chair  
Mendocino Coast Health Care District  
775 River Drive  
Fort Bragg, CA 95437

Dear Ms. Grinberg and Ms. McColley:

I am writing to thank the Mendocino Coast Health Care District ("District") for its cooperation and support to allow us to relocate the Adventist Health Ambulance Service into the AJ Gray Building. We believe the community will be better served by the change in use of the AJ Gray Building related to this relocation. The collaboration on this project, is the latest among many examples of the support of the district for healthcare along the Mendocino Coast. This change implicates operating expense obligations under the Lease we executed on May 5, 2020 ("Lease") and this letter describes how we have agreed to handle this issue going forward.

As you are aware, Adventist Health Mendocino Coast ("Adventist Health") leased from the District both the Patient Services Building and the AJ Gray Building at 775 River Drive. Under the terms of the Lease those portions of 775 River Drive used by the Mendocino Coast Healthcare Foundation ("Foundation") immediately prior to the Commencement Date were carved out. As a consequence of the relocation of the Ambulance Services, the Foundation will no longer be utilizing the carved-out portion of the AJ Gray Building. Attached as Exhibit A is the floor plan that depicts that portion of the AJ Gray Building the District will have exclusive access to as well as the shared space for its use of the AJ Gray Building.

When we executed the Lease, we also agreed that the maintenance, tax, and utility costs associated with the operation of 775 River Drive would be divided equally between the District and Adventist Health. The thinking was since the Foundation and District would be occupying the building and since the space is not separately metered, this represented a fair approximation of use by each party. However, with the relocation of Adventist Health Ambulance Service into the AJ Gray Building, Adventist Health's use of the building will far exceed what both parties contemplated when entering the Lease. Our Ambulance Service will operate 24 hours a day, 7 days a week. Additionally, as we operate our IT Service out of the AJ Gray Building, which also operates on a 24/7 schedule and by its very nature requires constant consumption of utilities. Home Health and volunteers also use space in the building. In comparison, the District's use of space is limited to the area highlighted as shown on the attached floor plan, which has very little impact on the building's operating costs. Consequently, Adventist Health will not charge the District for 50% of the maintenance, tax, and utility costs associated with the operation of the building as described under the Lease.

We appreciate the relationship and support as we all work to provide the best possible services to Mendocino Coast residents. Please let me know if you have any questions related to the foregoing.

I thank you,

  
Judson Howe  
President, Adventist Health in Mendocino County

Attachment  
JH/dgb

Adventist Health Mendocino Coast – AJ Gray Building

