

EXECUTIVE SUMMARY OF CONSTRUCTION AGREEMENT

The Construction Agreement governs MPHS' construction of the New Facility and related Improvements after the "Closing" under the Pre-Closing Agreement. It also provides for Sutter Health's guaranty of MPHS' construction obligations. The Construction Agreement generally provides for or governs the following issues/areas:

1. MPHS' construction of the New Facility and related Improvements (garage, medical office building) and Sutter Health's guaranty of MPHS' obligations under the Construction Agreement (Article I and Exhibit B);
2. MPHS' demolition of the Existing Hospital and preparation of the "District's 4.15 Acre Parcel" (the District will retain a 4.15-acre portion of what is now the Existing Hospital Site) (Article II);
3. Indemnity and insurance obligations with respect to construction (Article III);
4. Provisions that define what constitutes a default by either party (specific to construction issues) and that establish remedies for such specific defaults, and coordination of these default and remedy provisions with those in the Master Agreement (Article IV); and
5. The term, and conditions and procedures for early termination, of the Construction Agreement (Article V).