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AMENDED AND RESTATED LEASE

35432

THIS AMENDED AND RESTATED LEASE is made and entered, in duplicate, as of October 15, 2019, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on October 15, 2019 ("Effective Date"), by and between MWN COMMUNITY HOSPITAL, LLC, a California limited liability company, whose address is 211 E. Ocean Blvd, Suite 550, Long Beach, CA 90802 ("Tenant") and the CITY OF LONG BEACH, a municipal corporation ("Landlord" or "City"). This lease amends and restates in its entirety that certain Lease dated March 27, 2019 by and between Landlord and Tenant.

In consideration of the faithful performance of the terms, covenants and conditions herein, the parties agree as follows:

1. Leased Premises. Landlord hereby leases to Tenant and Tenant hereby accepts "as is" and leases from Landlord the real property described in Exhibit "A" attached hereto and incorporated herein by this reference ("Real Property"), commonly known as 1720 Termino Avenue, 1760 Termino Avenue and 4111 E. Wilton Street, Long Beach, CA 90804, and any and all improvements and fixtures located thereon or thereunder ("Improvements"), which include without limitation a main hospital building ("Hospital Building"), a professional medical office building ("Professional Office Building"), underground storage tanks ("USTs") and other components as depicted on Exhibit "B" attached hereto (the Real Property and the Improvements, collectively, the "Premises"). It is intended that the Premises leased hereunder shall be the same premises previously leased by the City to Long Beach Memorial Medical Center.

A. Tenant acknowledges that it has not received and Landlord has not made any warranty, express or implied, or representation as to the condition of the Premises. Landlord shall have no responsibility to bring the Premises into compliance with any laws, rules or regulations (including but not limited to any

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building or occupancy codes, or certification/accreditation requirements) or to bring the Premises into "move in" condition. Landlord shall have no liability to Tenant and Tenant shall have and make no claim against Landlord for any damage, injury, loss of use, or loss of business caused by the condition of the Premises.

B. Landlord owns certain medical equipment located at the Premises more particularly listed on Exhibit "C-1" attached hereto and incorporated herein by reference (the "City Equipment"), and has the right to purchase certain medical equipment located at the Premises more particularly listed on Exhibit "C-2" (the "Memorial Equipment", and together with the City Equipment, the "Medical Equipment"). Tenant, at Tenant's sole option, shall instruct Landlord in writing not later than ten (10) business days after the Effective Date whether Tenant intends to purchase all or a portion the Memorial Equipment. Tenant's failure to so provide written notice shall be deemed Tenant's election to not purchase the Memorial Equipment and Landlord and Tenant shall thereafter reasonably cooperate with Long Beach Memorial Medical Center ("Memorial") to have the Memorial Equipment promptly removed from the Premises at no cost to Tenant. If Tenant elects to purchase all or a portion of the Memorial Equipment, then Tenant shall pay, on Landlord's behalf, for the Memorial Equipment in an amount up to \$328,675 (or portion thereof if Tenant purchases less than all of the Memorial Equipment), either to the current owner of the Memorial Equipment or to Landlord as reimbursement in the amount that Landlord actually paid to purchase the Memorial Equipment, upon which payment, Tenant shall own the Memorial Equipment (or portion thereof) free and clear of any liens or encumbrances. Landlord hereby leases the City Equipment to Tenant for its exclusive use at the Premises only and without any additional payment by Tenant to Landlord. Tenant acknowledges that Landlord makes no representation or warranty regarding the condition of the Medical Equipment or its fitness for use, and Tenant hereby releases Landlord from all liability resulting from

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Tenant's use of the Medical Equipment. Neither Landlord nor Tenant shall be under any obligation to maintain, repair or replace the Medical Equipment.

C. Landlord and Tenant acknowledge that the chain of title to a portion of the Premises may contain a gap. Landlord, at its cost and expense, shall take whatever actions necessary in order to provide marketable and insurable title to the Premises in connection with the Market Sale Option or the Tenant Sale Option (each as defined in Section 28). Landlord shall indemnify, defend and hold harmless Tenant and its agents, representatives, officers, shareholders, affiliates, directors and employees and its successors and assigns, from any failure to provide marketable and insurable title to the Premises, such that in the event Landlord exercises the Tenant Sale Option or the Market Sale Option, Tenant shall be entitled to the difference (the "Indemnification Amount") between (i) the value of the Premises with marketable and insurable title and (ii) the value of the Premises without marketable and insurable title, as determined and applied in accordance with Section 28.

2. Term.

A. The term of this Lease shall begin on the Effective Date. The term of this Lease shall expire on the forty-fifth (45<sup>th</sup>) anniversary of the date on which (i) a license is issued to Tenant by the California Department of Public Health ("CDPH") for the operation of a general acute care hospital, and (ii) Tenant actually opens and operates the hospital pursuant to such license (the "Opening Date") (as may be extended, the "Term"), subject to two (2) extension options of ten (10) years each exercisable by Tenant upon written notice delivered to Landlord at least one hundred eighty (180) days prior to the then-current expiration date, unless sooner terminated as provided herein. After the Opening Date and expiration date are established, the parties shall memorialize such dates pursuant to a written amendment to this Lease, and thereafter each anniversary of Opening Date shall

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be the "Anniversary Date".

3. Use.

A. Tenant shall use the Premises for (i) subject to the issuance of the OSHPD Approvals (as defined below), an acute care hospital with emergency care (only such portion of the Premises that are licensed by CDPH as a general acute care hospital, the "Hospital"), and other health care services as determined by Tenant or as may be required pursuant to Tenant's licensure as an acute care hospital, and (ii) medical office buildings. Tenant shall make a good faith effort to provide sobering beds, medical detox beds, recuperative care and psychiatric beds at the Premises, subject to and in accordance with appropriate licensure and regulatory approvals. Tenant makes no representation or warranty as to whether it will be able to use the Premises for the uses described in this Section 3.

B. Tenant shall not use or permit the use of the Premises for any purpose not expressly permitted hereunder or approved in writing by the City Manager on behalf of Landlord.

C. Subject to the issuance of the OSHPD Approvals, Tenant shall obtain and maintain all licenses and permits required by any federal, state, county, or local government or agency for the uses permitted hereunder that Tenant undertakes and for accreditation by all operations on the Premises. Tenant shall use the Premises and operate and manage all facilities thereon in substantial compliance with all laws, ordinances, rules, and regulations applicable to the Premises, the facilities and operations thereon (including but not limited to those relating to earthquake retrofits). If Landlord believes that Tenant has violated this Section, Landlord shall provide notice of its belief and proposed cure to Tenant. Tenant shall have a reasonable amount of time after receiving the notice to respond and/or to cure the breach.

D. Tenant shall have exclusive control, possession, occupancy,

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use, and management of the Premises. Tenant shall have full and complete charge, authority and control of the administration, management and operation of Tenant’s business at the Premises. Tenant shall have the sole right and authority to determine all business, technical and professional policies relating to the operation of the Tenant’s business or the Premises, with no restrictions, qualifications or supervision by Landlord. Tenant shall determine the financial policy of its business and shall have complete power to fix, control and regulate the charges and collections made for services therein.

E. So long as this Lease has not been terminated, Landlord covenants that Tenant shall and may peaceably and quietly have, hold, and enjoy the Premises for the Term, subject to the terms of this Lease, without molestation, hindrance, or disturbance by or from Landlord or by anyone claiming by or through Landlord or having title to the Premises paramount to Landlord, and free of any encumbrance created or suffered by Landlord.

F. Tenant shall at all times as long as the City’s Sexual Assault Response Team (“SART”) is in existence continue to sublease a portion of the Premises to SART upon terms and conditions similar to those contained in the sublease with SART existing as of the Effective Date.

G. Beginning on the Effective Date and continuing until the Seismic Work Completion Date, Tenant shall make a good faith effort to hire former employees of Community Hospital, but shall have no liability or obligation if any such former employees are not hired. Tenant does not guaranty, represent or warrant that it will be able to hire any such employees.

H. Tenant’s compliance with this Section 3 shall be deemed to be compliance with the use restriction contained in that certain Corporation Grant Deed recorded in the Official Records of Los Angeles County as Instrument No. 83-511177 (“Corporation Grant Deed”), and Landlord shall not enforce said restriction

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against Tenant or any of its valid sublessees and assignees hereunder for so long as this Lease is in effect. Prior to the Opening Date, Landlord shall take such actions as are reasonably necessary to terminate the restrictions related to "non-profit" operations contained in the Corporation Grant Deed.

4. Rent.

A. Tenant shall pay to Landlord as base rent during the Term the sum of One Dollar (\$1.00) per year ("Base Rent"), in advance, without setoff, deduction, demand, or notice. If this Lease terminates prior to its natural expiration for any or no reason, then Tenant shall not be entitled to any refund of the rent already paid. Tenant shall pay Base Rent on the Anniversary Date each year to the address of Landlord shown herein for notices.

B. Beginning on the Opening Date and continuing annually, in arrears, until the fifth (5<sup>th</sup>) Anniversary Date, Tenant shall pay to Landlord as additional rent, an amount ("Percentage Rent", and together with the Base Rent or additional rent, if any, the "Rent") equal to twenty percent (20%) of Hospital Net Profits (as defined in Section 28).

C. Tenant shall pay as additional rent any other sum(s) that Tenant must pay under this Lease shall also be deemed additional rent.

5. Taxes. Tenant acknowledges that this Lease may create a possessory interest subject to taxation and that Tenant may be liable for payment of taxes levied on such interest. Tenant shall promptly pay, prior to delinquency, all taxes, assessments, charges, and fees, however designated, levied or assessed against the Premises, Improvements, fixtures, equipment (including without limitation the Medical Equipment) and personal property on the Premises. Tenant shall furnish to Landlord satisfactory annual evidence of exemption from or payment of said taxes, assessments, charges and fees promptly on written demand from Landlord.

6. Relocation. Tenant agrees that nothing in this Lease shall create any

1 right in Tenant to any relocation assistance or payment pursuant to the provisions of Title  
2 1, Division 7, Chapter 16 of the Government Code, or any successor statute, from Landlord  
3 on the termination or expiration of this Lease.

4 7. Insurance.

5 A. As of the Effective Date or Opening Date, as applicable, and  
6 throughout the Term or holding over, Tenant shall procure and maintain, at its cost,  
7 from insurance companies admitted to write insurance in the State of California or  
8 from non-admitted insurers that are on California's List of Eligible Surplus Lines  
9 Insurers ("LESLI") and that have a minimum rating of or equivalent to A.-VIII by A.M.  
10 Best Company:

11 i. As of the Effective Date, commercial general liability  
12 insurance (equivalent in coverage scope to Insurance Services Office, Inc.  
13 ["ISO"] similar to form CG 00 01 11 85 or 1188), in an amount not less than  
14 Ten Million Dollars (\$10,000,000) per occurrence and general aggregate.  
15 Such insurance shall include (as may be applicable to Tenant's operations,  
16 products and completed operations) underground storage tank liability  
17 (\$1,000,000 per occurrence), sexual molestation liability in conjunction with  
18 a malpractice incident (otherwise \$1,000,000 per occurrence), and fire legal  
19 liability (\$1,000,000 per occurrence). This insurance shall be endorsed to  
20 include Landlord, its officials, employees and agents as additional insureds  
21 (by an endorsement equivalent in coverage scope to ISO form CG 20 26 11  
22 85) and to waive the insurers' rights of subrogation against Landlord, its  
23 officials, employees and agents.

24 ii. As of the Opening Date, hospital professional liability  
25 insurance, including as may be applicable to Tenant's operations, medical  
26 professionals' liability, nurses' professional liability, pharmacists' professional  
27 liability, and other professional and errors and omissions liability coverages  
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in an amount not less than Ten Million Dollars (\$10,000,000) per occurrence and in aggregate.

iii. As of the Effective Date, workers' compensation insurance as required by the State of California and employer's liability insurance with minimum limits of One Million Dollars (\$1,000,000) per accident. The policy shall be endorsed by the insurer to waive the insurer's rights of subrogation against Landlord, its officials, employees and agents.

iv. As of the Effective Date, automobile liability insurance (equivalent in coverage scope to ISO form CA 00 01 06 92) in an amount not less than One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage covering Auto Symbol 1 ("Any Auto").

v. As of the Opening Date, any other insurance that may be required by the Joint Commission for Accreditation of Healthcare Organizations or similar accreditation authority and state and federal regulatory authorities for continued accreditation and licensing of the Premises.

vi. As of the Effective Date, "All Risk" property insurance in an amount not less than Fifty-Four Million Dollars (\$54,000,000) (subject to verification of valuation), which insurance includes debris removal and boiler and machinery coverage, to cover the full replacement value of all buildings and structures on the Premises. Landlord shall be a named insured under this coverage.

vii. As of the date of any Construction, "All Risk" property insurance, including debris removal and builders risk coverage during the course of any Construction on the Premises, in an amount sufficient to cover the full replacement value of buildings and structural improvements constructed or erected on or about the Premises by Tenant. Landlord shall



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be named as an additional insured under a standard loss payable endorsement.

viii. As of the Effective Date, "All Risk" property insurance, in an amount sufficient to cover the full replacement value of Tenant's personal property and equipment on the Premises, whether owned, leased, or in the care, custody or control of Tenant, and of Landlord's personal property and equipment on the Premises including but not limited to furnishings and the Medical Equipment. Landlord shall be named as an additional insured under a standard loss payable endorsement, as its interests may appear.

B. Tenant shall procure and maintain or cause to be procured and maintained the insurance required in Subsection 7.A by Tenant's on-site contractors, subtenants, and permittees, as may be applicable to their respective operations, subject to the following:

i. Tenant's contractors, subtenants, and permittees shall provide Commercial General Liability insurance as required under Subsection 7.A.(i) in less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate, with the exception of any contractor or subcontractor operating a parking garage on the Premises, as stated in sub-Section 7.A.(iii). This insurance shall be endorsed to include Landlord, its officials, employees and agents as additional insureds (by an endorsement equivalent in scope to ISO form CG 20 26 11 85) and endorsed to waive the insurer's rights of subrogation against Landlord, its officials, employees and agents. All other applicable insurance requirements under Subsection 7.A. shall also apply.

ii. Tenant's contractors, subtenants and service providers involving medical, surgical, pharmaceutical or other medical-related services or operations on the Premises shall provide medical professionals' liability,

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nurses' professional liability, pharmacists' professional liability, and other professional and errors and omissions liability, as applicable to their respective operations, in an amount not less One Million Dollars (\$1,000,000) per occurrence and in aggregate.

iii. If any parking structure on the Premises is operated by a contractor, subtenant or permittee of Tenant, then that operator shall provide garage liability in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) general aggregate in place of the commercial general liability requirement under Subsection 7.A.(i). Such insurance shall include garage keepers legal liability insurance in an amount not less than One Million, Dollars (\$1,000,000) per occurrence This insurance shall be endorsed to include Landlord, its officials, employees and agents as additional insureds with respect to the operations of the operator or use of the Premises by the operator and endorsed to waive the insurer's right of subrogation against Landlord, its officials, employees and agents.

iv. If Tenant commences development or Construction on the Premises, then Landlord reserves the right to require additional coverages from Tenant's contractors and subcontractors, including but not limited to coverage for explosion, collapse, and underground ("CXCU") hazards, environmental impairment liability, design professionals' liability, and construction management errors and omissions liability.

C. If Tenant fails to procure or maintain any insurance required herein, then, following not less than three (3) business days' prior written notice to Tenant, Landlord may, at Landlord's sole discretion, procure and maintain such insurance on behalf of Tenant at Tenant's sole expense, and Tenant shall pay the cost of such insurance to Landlord as additional rent.

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D. If Landlord exercises its discretion with respect to the procurement or maintenance of insurance for and on behalf of Tenant hereunder, then Tenant shall pay the cost of insurance as additional rent, within fifteen (15) days after receipt of an invoice therefore.

E. Tenant shall provide to Landlord all policy information requested by Landlord and shall provide copies of policies to Landlord upon request.

F. On execution of this Lease or as otherwise stated herein, Tenant shall deliver to Landlord certificates of insurance and endorsements required herein, including the certificates and endorsements of Tenant's subtenants, permittees, contractors and subcontractors for approval as to sufficiency and form. The certificates and endorsements for each insurance policy shall contain the signatures of persons authorized by that insurer to bind coverage on its behalf. Tenant shall provide Landlord with certificates of insurance and endorsements for renewal policies within thirty (30) days after such renewal policies are issued by the insurer and received by the Tenant. A binder of insurance shall be provided to Landlord within thirty (30) days after the existing policy expires until the renewal policy is issued.

G. All insurance required herein shall be separately endorsed to endeavor to provide at least thirty (30) days prior written notice of cancellation or ten (10) days prior written notice if cancellation is due to nonpayment of premiums, nonrenewal, and to provide that coverage shall be primary and not contributing to any other insurance or self-insurance maintained by Landlord, its officials, employees, and agents.

H. Any self-insurance program, self-insured retention or deductible must be reasonably approved in writing by Landlord, or designee, and shall protect Landlord, its officials, employees and agents in the same manner and to the same extent as they would have been protected had the policy or policies not

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contained such retention or deductible provisions.

I. With respect to damage to property, Landlord and Tenant hereby waive all rights of subrogation, one against the other, but only to the extent that collectible commercial insurance is available for such damage.

J. Such insurance as required herein shall not be deemed to limit Tenant's liability in any way under this Lease. The procuring or maintaining of insurance shall not be construed as performance of the indemnity provisions of this Lease. Landlord makes no representations that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's liability or obligations hereunder or otherwise.

K. Any modification or waiver of any insurance requirement shall be made only with the written approval of Landlord's Risk Manager or designee.

8. Surrender of Premises. On the expiration or sooner termination of this Lease, Tenant shall deliver to Landlord possession of the Premises. Landlord shall take and have ownership of all permanent improvements to the Premises, at no cost to it, at the termination or expiration of this Lease. Except for the Medical Equipment, Tenant shall remove its equipment, supplies and other items from the Premises.

9. Assignment and Subleases.

A. Except as described and approved herein, Tenant shall not assign or transfer this Lease or any interest herein or any right hereunder, nor delegate any duties hereunder without the prior written approval of the City Manager. Tenant shall not grant any franchise, easement, right of way in, on, over, under or across the Premises. Any attempted assignment, transfer, delegation, or grant shall be void and any assignee, transferee, delegate, or grantee shall acquire no right or interest by reason of such attempted assignment, transfer, delegation, or grant. Notwithstanding the foregoing provisions of this Subsection 9.A. to the contrary, Tenant may, without Landlord's approval or consent assign this Lease in

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its entirety to any Affiliate of Tenant (as defined below) subject to the following conditions: (A) such assignment is not a subterfuge by Tenant to (1) avoid its obligations under this Lease or (2) adversely affect the ability of Tenant to satisfy its obligations under this Lease; (B) the Affiliate shall continue to use the Leased Premises for the permitted use set forth in this Lease; (C) Tenant gives Landlord prior notice of any such assignment; (D) any such assignment shall be subject and subordinate to all of the terms and provisions of this Lease, and any assignee under an assignment of this Lease shall assume, in a written document reasonably satisfactory to Landlord and delivered to Landlord prior to the effective date of such assignment, all the obligations of Tenant under this Lease; and (E) such assignment shall not relieve Tenant from any of its obligations under this Lease. As used herein: (x) an "Affiliate" shall mean (I) a parent or subsidiary of Tenant, (II) any person or entity which controls, is controlled by or is under common control with Tenant, (III) any entity which purchases all or substantially all of the assets and/or stock or ownership interests of Tenant, or (IV) any entity into which Tenant is merged or consolidated; and (y) "control" shall mean the possession, direct or indirect, of the power to cause the direction of the management and policies of a person or entity, or ownership of any sort, whether through the ownership of voting securities, by contract or otherwise.

B. Notwithstanding the above, Tenant may sublease portions of the Premises without the prior written approval of Landlord provided that the sublesee shall use the subleased portions of the Premises consistent with Section 3 of this Lease.

10. Tenant Default. The occurrence of any one or more of the following acts shall constitute a default by Tenant, if such breach, failure or action is not cured within thirty (30) days after Landlord gives notice to Tenant of said failure, provided that if the default cannot reasonably be cured in thirty (30) days, then Tenant shall not be in default

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if Tenant begins to cure within said period, diligently proceeds to cure to completion, and cures to completion within a reasonable time thereafter; provided, however, that in no event shall such cure period exceed one hundred eighty (180) days:

A. (i) With respect to the construction and completion of the Seismic Work, and subject to obtaining the OSHPD Approvals, Tenant's material noncompliance with applicable State requirements and deadlines, and the construction plans approved by OSHPD (as each may be amended from time to time), or (ii) failure to secure and maintain all necessary permits and licenses to operate an acute care hospital with emergency and urgent care services at the Premises, or (iii) failure to open and operate the Hospital pursuant to a valid license on or before June 30, 2020;

B. Subject to obtaining the OSHPD Approvals, failure to comply with the use restrictions contained in Section 3;

C. Failure to pay rent or any other amounts payable by Tenant to Landlord hereunder, if any, when due;

D. Any attempted or actual assignment, transfer or sublease except as described and approved in this Lease;

E. Failure to maintain the insurance required herein or to cause Tenant's contractors and subcontractors to maintain such insurance;

F. An assignment by Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; a final and non-appealable adjudication that Tenant is bankrupt; the appointment of a receiver of the properties of Tenant if the receiver is not discharged within one hundred eighty (180) days; the filing of an involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within one hundred eighty (180) days after filing. In the event of any of the foregoing, no notice that an event of default has occurred shall be required from Landlord;

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G. Any material failure to comply with any applicable license, permit, law, rule, ordinance or regulation applicable to the Premises; or

H. Any failure to perform any other material term, covenant, or condition of this Lease not specifically identified in this Section.

11. Landlord Remedies.

A. Following the occurrence of a default by Tenant under Sections 10.A, 10.B, 10.D, and 10.F (which includes the failure to cure in the allowed time) (each, a "Fundamental Default"), Landlord's sole and exclusive remedy shall be to terminate this Lease and Tenant's right to possession of the Premises by any lawful means and Tenant shall immediately surrender possession of the Premises to Landlord and Landlord shall have no further obligations to Tenant under this Lease; provided that, with respect to defaults under Sections 10.A, 10.B, 10.C, 10.D, 10.E, 10.G and 10.H only, following Tenant's receipt of written notice from Landlord of the occurrence of any default by Tenant thereunder, Landlord shall be obligated to follow the procedures set forth in Section 28, it being the intention of the parties that even in the event of such a default by Tenant, Tenant shall still be entitled to reimbursement of the Net Hospital Capital Costs pursuant to the Net Hospital Capital Costs Payment, the Tenant Sale Option or the Market Sale Option. If Tenant defaults under Section 10.F Landlord shall have no obligation to make the Hospital Capital Costs Payment or exercise the Market Sale Option or Tenant Sale Option pursuant to Section 28 and Landlord's Seismic Work Reimbursement Obligation shall immediately terminate.

B. Following the occurrence of any default by Tenant under this Lease other than a Fundamental Default (which includes the failure to cure in the allowed time), Landlord's sole and exclusive remedy shall be to reduce subsequent Seismic Work Annual Payment(s) (which shall also reduce the Seismic Work Reimbursement Cap) on a dollar for dollar basis by the amount of Landlord's

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reasonably documented damages resulting from such default, including reasonable attorneys' fees and any other reasonable costs, established in accordance with this Subsection B ("Tenant Default Offset Damages"); provided that Landlord shall first provide written notice to Tenant specifying the amount of Tenant Default Offset Damages (the "Damages Notice"). Tenant shall notify Landlord in writing no later than thirty (30) days following Tenant's receipt of the Damages Notice from Landlord that either: (x) Tenant accepts the Tenant Default Offset Damages or (y) Tenant disputes an item or items comprising the Tenant Default Offset Damages as stated in the Damages Notice. The failure by Tenant to give Landlord written notice of Tenant's acceptance or dispute of the Tenant Default Offset Damages within such 30-day period shall be deemed to constitute Tenant's acceptance of the Tenant Default Offset Damages. The parties shall use all commercially reasonable efforts to resolve any such dispute, but if such dispute cannot be resolved by the parties within sixty (60) days after Tenant gives notice of such dispute, then Landlord and Tenant shall jointly appoint an arbitrator who shall have not less than ten (10) years' experience in healthcare and real estate matters, who shall be in good standing with the American Arbitration Association or other comparable organization, and who shall have no prior relationship, attorney/client or otherwise, with any of the parties (the "Arbitrator"). Such Arbitrator shall review the information presented by both parties and shall render a decision within thirty (30) days of his or her appointment. Alternatively, if the parties agree that the dispute involves purely accounting issues, such dispute shall be referred for resolution to the "Selected Accountants" (as defined below). The determination of the Arbitrator and/or the Selected Accountants, as applicable, regarding such dispute, which shall be made as expeditiously as reasonably possible, shall be conclusive and binding on each party. One-half of the fees of the Arbitrator and/or the Selected Accountants, as applicable, shall be borne by Tenant and one-half shall be borne by Landlord and such fees



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shall not be included as Hospital Capital Costs. Notwithstanding the foregoing, if the Tenant Default Offset Damages exceeds One Million Dollars (\$1,000,000), then, the foregoing dispute resolution process utilizing the Arbitrator and/or Selected Accountants shall not be available, and Landlord's recovery of such Tenant Default Offset Damages shall be pursuant to the California Civil Code (or any successor thereto) or otherwise under applicable law, including reasonable attorneys' fees and any other reasonable costs. Notwithstanding the occurrence of any one or more such defaults at any time or from time-to-time, (i) Landlord shall not be entitled to recover any Seismic Work Annual Payments made by Landlord to Tenant prior to the date of the subject default, nor shall Landlord suspend or terminate any of Landlord's obligations under this Lease, including, without limitation, any Seismic Work Annual Payments due and payable on or after the date of the subject default (except for the reduction in Seismic Work Annual Payments as permitted above); and/or (ii) none of Tenant's rights under this Lease shall be forfeited, terminated or suspended, including, without limitation, Tenant's rights pursuant to Section 28.

12. Landlord's Default. Landlord shall not be considered to be in default under this Lease unless Tenant has given notice specifying the default and Landlord has failed for thirty (30) days from receipt of notice to cure the default, if it is curable within that time period, or to institute and diligently pursue reasonable corrective or ameliorative acts for defaults not so curable within such thirty (30) day period and complete such cure within ninety (90) days.

13. Tenant Remedies. Upon the occurrence of any default by Landlord (which includes the failure to cure in the allowed time), in addition to any other rights or remedies of Tenant hereunder, by law or in equity, Tenant shall have any or all the following rights and remedies:

A. Tenant shall be entitled to recover from Landlord all amounts which Tenant is entitled to recover pursuant to the California Civil Code (or any

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successor thereto) or otherwise under applicable law, including reasonable attorneys' fees and any other reasonable costs.

B. Tenant may seek an injunction to require Landlord to comply with the terms of this Lease.

C. Notwithstanding anything in this Lease to the contrary, in the event that Landlord fails, for any reason, to make a Seismic Work Annual Payment as described in Section 27 (a "Non-Payment Event"), then Tenant's only remedy shall be to enforce Landlord's obligation to make the Net Hospital Capital Costs Payment, the Market Sale Option or the Tenant Sale Option as described in Section 28, which remedy may include a Court-ordered sale of the Premises and shall include recovery from Landlord of reasonable attorneys' fees and any other reasonable costs incurred by Tenant in connection with such enforcement.

14. Notices. All notices required hereunder shall be in writing and personally delivered, delivered by nationally recognized overnight courier, or deposited in the U.S. Postal Service, first class, postage prepaid, return receipt requested, as follows:

To Tenant: MWN Community Hospital, LLC  
211 E. Ocean Blvd., Suite 550  
Long Beach, CA 90802  
Attention: CEO

With a copy to Tin Kin Lee, Esq.  
1811 Fair Oaks Ave.  
South Pasadena, CA 91030

To Landlord: City of Long Beach  
411 West Ocean Boulevard  
Long Beach, CA 90802  
Attn: City Manager

With a copy to the City Attorney at the address shown for Landlord. Change of address shall be given in the same manner as stated for other notices. Notice shall be deemed given on the date that is three (3) business days after such notice is deposited in the mail or on the date personal delivery or delivery by overnight courier is made (or

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refused), whichever first occurs.

15. Indemnification.

A. Tenant shall indemnify, protect and hold harmless Landlord, its Boards, Commissions, and their officials, employees and agents (“Indemnified Parties”), from and against any and all liability, claims, demands, damage, loss, obligations, causes of action, proceedings, awards, fines, judgments, penalties, costs and expenses, including attorneys’ fees, court costs, expert and witness fees, and other costs and fees of litigation, arising or alleged to have arisen, in whole or in part, out of or in connection with (1) the use of the Premises by Tenant, its officers, employees, agents, subcontractors, or anyone under Tenant’s control, or (2) Tenant’s breach or failure to comply with any of its obligations contained in this Lease (collectively “Claims” or individually “Claim”).

B. In addition to Tenant’s duty to indemnify, Tenant shall have a separate and wholly independent duty to defend Indemnified Parties at Tenant’s expense by legal counsel approved by Landlord, from and against all Claims, and shall continue this defense until the Claims are resolved, whether by settlement, judgment or otherwise. No finding or judgment of negligence, fault, breach, or the like on the part of Tenant shall be required for the duty to defend to arise. Landlord shall promptly notify Tenant in writing of any Claim, shall tender the defense of the Claim to Tenant, and shall assist Tenant, as may be reasonably requested, in the defense.

C. If a court of competent jurisdiction determines that a Claim was caused by the negligence, breach or willful misconduct of any one or more of the Indemnified Parties, Tenant’s costs of defense and indemnity shall be (1) reimbursed in full if the court determines negligence, breach or willful misconduct by any one or more of the Indemnified Parties, or (2) reduced by the percentage of negligence, breach or willful misconduct attributed by the court to any one or more

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of the Indemnified Parties.

D. The provisions of this Section 15 shall survive the expiration or termination of this Lease.

16. Landlord's Right to Re-enter on Termination or Expiration. Tenant shall peaceably deliver possession of the Premises to Landlord on the date of expiration or sooner termination of this Lease. Subject to Section 11 (Landlord Remedies), on giving notice of termination to Tenant, Landlord shall have the right to re-enter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without instituting summary or regular legal proceedings. Termination of this Lease and re-entry of the Premises by Landlord shall in no way alter or diminish any obligation of Tenant under this Lease.

17. Nondiscrimination. Subject to applicable laws, rules and regulations, Tenant shall not discriminate against any person or group on account of race, color, creed, religion, sex, sexual orientation, AIDS, AIDS relation condition, HIV status, age, disability or handicap, Vietnam Era veteran status, marital status, ancestry, or national origin in the use, operation or maintenance of the Premises or in the employment of any individual.

18. Utilities. Landlord shall not provide any utilities in its capacity as landlord and shall not pay for the installation or use of any utilities serving the Premises. Tenant shall pay for the installation and use of all utilities, of whatsoever kind, to or for the benefit of the Premises, including but not limited to electricity, water, sewer, gas, refuse, recycling, and telephone.

19. Waiver by Tenant. Landlord shall not be liable for and Tenant hereby waives, to the extent permitted by law, all claims against Landlord, its officials, employees and agents for loss, theft, and damage to equipment, furnishings, furniture, trade and other fixtures, records, and all personal property of Tenant, its employees, invitees, subtenants, and all other persons in or about the Premises, or for loss or damage to Tenant's business, or for loss of income from Tenant's business or use of the Premises, or for injury to or death

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of persons on or about the Premises from any cause, in each case except to the extent caused by Landlord's negligence or willful misconduct.

20. Brokers. By signing this Lease, each party represents that it has had no contacts or dealings regarding the execution of this Lease through a broker or agent or any other person who can claim a right to a commission or fee.

21. Force Majeure. Except as to the payment of Rent, in any case where either party is required to do any act, the inability of that party to perform or delay in performance of that act caused by or resulting from fire, flood, earthquake, explosion, acts of God, war, strikes, lockouts, or any other cause beyond the reasonable control of that party and not due to that party's fault or neglect (each, a "Force Majeure Event") shall be excused and shall not be a default hereunder. The following shall not be considered cause beyond the reasonable control of the party: (i) Financial inability to perform, (ii) increased costs resulting from existing (whether known or unknown) conditions at the Premises, (iii) failure by the City for any reason to appropriate funds to cover the Landlord's Seismic Work Reimbursement Obligation and Seismic Work Annual Payments, and/or (iv) failure for any reason to obtain the OSHPD Approvals.

22. Americans with Disabilities Act. Tenant shall have and be allocated the sole responsibility to comply with the Americans with Disabilities Act of 1990 ("ADA"), as and when amended, with respect to the Premises and Tenant's use of and operation of the Premises. Tenant shall defend, indemnify and hold Landlord harmless from and against all claims of any failure to comply or violation of ADA. The provisions of this Section 22 shall survive termination of this Lease.

23. Condemnation. If the whole of the Premises or improvements on the Premises is taken by right of eminent domain or otherwise for any public or quasi-public use, then when possession is taken thereunder by the condemnor or when Tenant is deprived of practical use of the Premises or Improvements, whichever date is earlier, this Lease shall terminate. Landlord hereby waives any right which it may possess to take the

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Premises by right of eminent domain or otherwise for any public or quasi-public use. If there is a partial taking so that the remaining portion of the Premises or Improvements cannot be restored to an economically feasible operation or a comparable kind to that which existed prior to the taking, then this Lease shall, at Tenant's option, terminate as of the date when possession was taken by condemnor or when Tenant was deprived of practical use of the Premises, whichever date is earlier. In the event of any condemnation or taking hereinbefore mentioned of all or a part of the Premises, Tenant shall be entitled to receive the award made for the value of the estate vested by this Lease in Tenant, and Landlord hereby expressly assigns to Tenant any and all right, title and interest of Landlord now or hereafter arising in or to any such award relating to the estate vested by this Lease. Notwithstanding the foregoing, within 90 days following Tenant's receipt of any condemnation award, Landlord shall pay to Tenant all or a portion of a condemnation award actually received by Landlord in an amount equal to the difference between (x) the Hospital Capital Costs, less (y) any condemnation award actually received by Tenant.

24. No Waiver of Rights. The failure or delay of either party to insist on strict enforcement of any term, covenant or condition herein, or to exercise any right, power, privilege, or option arising from any default shall not impair any such right, power, privilege or option or be construed or operate as or be deemed a waiver of any term, covenant or condition of this Lease, of any default, or of any right or remedy (including indemnity) that such party may have and shall not be deemed a waiver of any subsequent or other default of any term, covenant or condition hereof. Landlord's approval of any act by Tenant requiring Landlord's approval shall not be deemed to waive Landlord's approval of any subsequent act of Tenant where approval is required. The receipt and acceptance by Landlord of Rent, delinquent or timely, shall not constitute a waiver of any default. Any waiver of any default by a party shall be in writing. Failure on the part of a party to require exact and complete compliance hereof shall not be construed or deemed in any manner as changing this Lease, nor shall the conduct of the parties be deemed to change this

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Lease. No right, power, privilege, option, or remedy of a party shall be construed as being exhausted by the exercise thereof in one or more instances.

25. Right of Entry. Landlord shall have the right to enter the Premises at all reasonable times and without interruption of Tenant's business operations to inspect the Premises or any portion thereof, upon reasonable prior notice, to determine whether or not Tenant is complying with the terms, covenants and conditions of this Lease, to serve, post, or keep posted any notices or other signs, or for any other purpose deemed reasonable or necessary by Landlord. Landlord shall also have the right to enter at any time in the case of emergencies.

26. Maintenance.

A. Landlord shall have no responsibility to perform the improvement, repair or maintenance of the Premises or any part thereof (including but not limited to seismic upgrades or work required by any legislation relating to earthquake retrofitting). Subject to Sections 27 and 28, Tenant shall at Tenant's sole cost (i) improve and repair the Premises as necessary, and (ii) maintain the Premises, including all improvements, fixtures, USTs and equipment in good repair, in a clean, orderly and safe operating condition and in substantial compliance with applicable laws, rules, regulations, permit and licenses. Within 30 days following the Effective Date, Landlord shall provide Tenant with copies of all service agreements, contracts and test results in its possession related to maintenance, capital replacement and condition of the Premises.

B. Tenant shall perform all tests, inspections and maintenance to the underground storage tanks ("USTs") on the Premises to ensure the same remain in good condition and shall otherwise comply with directives from all applicable state regulatory agencies with jurisdiction over the USTs.

27. Seismic Compliance.

A. The Hospital currently requires significant rehabilitation in order

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to comply with all seismic requirements imposed by the California Office of Statewide Health Planning and Development (“OSHPD”) or as otherwise may be applicable to the Hospital only (“Seismic Work”). For purposes of clarification, Seismic Work shall include only seismic work necessary to operate the Hospital, and specifically shall not include seismic work on any other non-Hospital Improvements or any other Improvements not necessary to operate the Hospital located on the Premises. In furtherance of the Seismic Work, Landlord shall request and support the written approval of OSHPD that (a) the January 1, 2020 seismic compliance deadline for Seismic Work at the Hospital is extended, (b) the deadline for completion of the Seismic Work shall be July 1, 2025 or later, and (c) the proposed value of the Seismic Work does not exceed 50 percent (50%) of the value of the Improvements subject to the Seismic Work and the Seismic Work otherwise complies with the exemption contained in Public Resources Code Section 2621.7(c) (collectively, the “OSHPD Approvals”). Tenant shall provide Landlord with evidence of available cash funds sufficient to cover projected Seismic Work costs or any other financial information to the extent necessary to comply with OSHPD requests.

B. Upon receipt of the OSHPD Approvals, Tenant shall promptly thereafter begin the Seismic Work and diligently pursue the Seismic Work to completion in accordance with Tenant’s workplan and timelines submitted to and approved by OSHPD, as may be amended from time-to-time (the “Seismic Work Completion Date”). Tenant shall be solely responsible for the management and completion of the Seismic Work.

C. Notwithstanding anything to the contrary contained in this Lease, Landlord agrees to reimburse Tenant (“Landlord’s Seismic Work Reimbursement Obligation”) for fifty percent (50%) of the Seismic Work Costs (as defined below), not to exceed Twenty-Five Million Dollars (\$25,000,000) in aggregate (“Seismic Work Reimbursement Cap”). As used herein, “Seismic Work



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Costs” means the aggregate documented actual costs and expenses incurred by Tenant and/or by Tenant-affiliated entities in connection with any and all aspects of the Seismic Work, excluding (i) overhead costs of Tenant and Tenant-affiliated entities, (ii) any seismic Construction to Improvements other than the Hospital unless required by OSHPD as part of the Seismic Work for the Hospital, and (iii) any and all costs associated with any non-seismic Construction at the Premises. Beginning on the first anniversary of the Effective Date and continuing on each anniversary of the Effective Date thereafter, Landlord shall reimburse Tenant in an amount equal to fifty percent (50%) of the Seismic Work Costs expended during the twelve (12) month period immediately preceding the subject anniversary date (the “Seismic Work Annual Payment(s)”); provided that, Landlord’s obligation to pay Seismic Work Annual Payments shall automatically cease when the aggregate Seismic Work Annual Payments actually paid by Landlord to Tenant equals the Seismic Work Reimbursement Cap. Each Seismic Work Annual Payment shall be payable ninety (90) days after Tenant submits to Landlord reasonably detailed documentation of Seismic Work costs. The first five (5) Seismic Work Annual Payments shall not exceed One Million Dollars (\$1,000,000) each and thereafter Seismic Work Annual Payments shall not exceed Two Million Dollars (\$2,000,000) each. In the event the stipulated Seismic Work Annual Payment is less than fifty percent (50%) of the Seismic Work Costs expended during the twelve (12) month period immediately preceding the subject Seismic Work Annual Payment, then the shortfall in any given year shall carry over to following years until paid in full, subject to the Seismic Work Reimbursement Cap. Notwithstanding the foregoing, after establishment of the total Seismic Work Costs, Landlord may, at its discretion, reimburse Tenant the entirety of the remaining Landlord’s Seismic Work Reimbursement Obligation in a lump sum. The Seismic Work Reimbursement Obligation and all Seismic Work Annual Payments resulting therefrom shall be paid

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solely from moneys made available to City from an appropriation of funds applicable to a fiscal year. The obligation of City to make any Seismic Work Annual Payment is subject in all respects to the making of an appropriation of funds for making such payment. The City Council shall have the absolute and unconditional right, to be exercised in its discretion, for any reason, not to appropriate such funds.

D. Beginning on the Effective Date and continuing until the Seismic Work Completion Date, Landlord shall in good faith and using commercially reasonable efforts pursue and apply for donations, grants, rebates, tax credits, quality assurance fee reimbursements or other funds (private or public) to be applied only towards the Seismic Work and/or the ongoing costs of operating an acute care facility at the Hospital (collectively, the "Hospital Grant Funds"), and used for no other purpose unless specifically required otherwise by the respective funding entity, which Hospital Grant Funds shall not limit, reduce or otherwise affect Landlord's Seismic Work Reimbursement Obligation and/or the Seismic Work Reimbursement Cap; provided that, if the Hospital Grant Funds actually received and applied towards the Seismic Work and/or the ongoing costs of operating an acute care facility at the Hospital exceed Five Million Dollars (\$5,000,000) in the aggregate, then (i) any additional Hospital Grant Funds secured by Landlord and paid to Tenant in excess of \$5,000,000 without the assistance of Tenant (strictly ministerial actions by Tenant including execution of applications and/or providing information required by a funding entity shall not constitute assistance hereunder) shall reduce the Seismic Work Reimbursement Cap on a dollar-for-dollar basis, and (ii) any additional Hospital Grant Funds secured by Landlord and paid to Tenant in excess of \$5,000,000 with the assistance of Tenant shall reduce the Seismic Work Reimbursement Cap by an amount equal to fifty percent (50%) of such additional Hospital Grant Funds. In furtherance of the foregoing, Landlord will seek to obtain Hospital Grant Funds from MemorialCare for the Community Hospital Long Beach

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Foundation (“Foundation”) to assist with deferred maintenance obligations to the Hospital building. Any such amounts paid by MemorialCare will be deemed Hospital Grant Funds. It is understood and agreed that Foundation’s grant to the City in the amount of \$1,000,000 towards Seismic Work Costs shall not limit, reduce or otherwise affect Landlord’s Seismic Work Reimbursement Obligation and/or the Seismic Work Reimbursement Cap. If Landlord and/or Tenant fail or are otherwise unable to secure Hospital Grant Funds, such failure shall not constitute a default of either under this Lease, and for purposes of clarification, the Seismic Work Reimbursement Cap shall neither decrease or increase as a result of such failure, and any such failure shall not limit, reduce or otherwise affect Landlord’s Seismic Work Reimbursement Obligation. All Hospital Grant Funds shall be paid directly to, or credited directly against amounts owed by, Tenant, including, without limitation, payment of Seismic Work.

28. Net Hospital Capital Costs Payment, Tenant Sale Option and Market Sale Option.

A. If, acting in good faith and in its reasonable discretion, Tenant determines at any time during the Term that there is no longer “Economic Justification” for Tenant to operate at the Premises, then Tenant may terminate this Lease by issuing to Landlord a written Lease termination notice (the “Lease Termination Notice”) evidencing Tenant’s intent to terminate this Lease and setting forth the effective date of such termination (the “Lease Termination Date”), which Lease Termination Date shall be no earlier than one hundred eighty (180) days after the date of the Lease Termination Notice. The Lease Termination Date may be extended by the mutual written agreement of the parties. Landlord shall have no further obligation to make any Seismic Work Annual Payments after receipt of the Lease Termination Notice. This Lease shall immediately terminate on the Lease Termination Date, except for those provisions which expressly survive termination.

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As used herein, "Economic Justification" shall include, without limitation, (i) Tenant's determination at any time based on reputable third-party consultant cost estimates (including, without limitation, from Ninyo & Moore and/or MGAC) that the aggregate costs to complete the Seismic Work will exceed Fifty Million Dollars (\$50,000,000) plus five percent (5%) (i.e., \$52.5 million); (ii) Tenant's inability in good faith to secure financing to complete the Seismic Work; (iii) any or all of the OSHPD Approvals are denied or delayed by OSHPD such that MWN is unable to timely or cost-effectively perform the Seismic Work as reasonably determined by MWN; (iv) the California Department of Public Health ("CDPH") fails or refuses to extend in writing the "suspension" period pertaining to the Hospital's existing license issued to Long Beach Memorial Medical Center for a period of time deemed reasonably sufficient by Tenant to complete the regulatory surveys required for Tenant's licensure of the Hospital; (v) Landlord fails, for any reason (including, without limitation, nonappropriation of funds by the City Council), to make a Seismic Work Annual Payment when due as described in Section 27 and such payment remains unmade after thirty (30) days written notice from Tenant of Landlord's failure to make such payment, as the same may be extended in writing by Tenant in Tenant's sole and absolute discretion, and/or (vi) Tenant's receipt of written notice from Landlord of the occurrence of any default by Tenant under this Lease pursuant to Section 10.A, 10.B, 10.C, 10.D, 10.E, 10.G and/or 10.H (each, without limitation, an "Economic Justification Event"); provided that, Tenant's failure to issue a Lease Termination Notice at any time following the occurrence of any Economic Justification Event shall not act as a waiver of, or preclude Tenant from exercising, Tenant's right to terminate this Lease and issue a Lease Termination Notice at a subsequent date based on one or more of the same Economic Justification Events that may have previously occurred.

B. The Lease Termination Notice shall include Tenant's

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calculation of the estimated cumulative Net Hospital Capital Costs through the Lease Termination Date, and within thirty (30) days after the Lease Termination Date, Tenant shall deliver to Landlord a written statement (the "Termination Date Cost Statement") setting forth its good faith calculation of the cumulative Net Hospital Capital Costs through the Lease Termination Date, which shall include the actual (and not estimated) Net Hospital Capital Costs incurred from the date of the Lease Termination Notice through the Lease Termination Date. Tenant shall reasonably cooperate with Landlord and provide to Landlord such information as Landlord may reasonably request in connection with Landlord's review of the Termination Date Cost Statement, including, without limitation, promptly making available to Landlord: (i) a copy of all workpapers, financial information and any other books and records utilized by Tenant in the preparation of the Termination Date Cost Statement, and (ii) all personnel of Tenant and all outside advisors involved in the preparation of the Termination Date Cost Statement; provided that, notwithstanding anything to the contrary contained in this Lease, in connection with the Termination Date Cost Statement, Tenant shall not have any obligation to provide, and Landlord shall not have any right to request or otherwise dispute, any information relating to Net Hospital Capital Costs that has already been reported in any "Accepted Cost Statement" as defined below (collectively, "Non-Disputable Items"). Landlord shall notify Tenant in writing no later than thirty (30) days following Landlord's receipt of the Termination Date Cost Statement from Tenant that either: (x) Landlord accepts the Termination Date Cost Statement or (y) Landlord disputes an item or items reflected on the Termination Date Cost Statement, provided that Non-Disputable Items shall not be disputable by Landlord. The failure by Landlord to give Tenant such notice within such period shall be deemed to constitute Landlord's acceptance of the Cost Statement. The parties shall use all commercially reasonable efforts to resolve any such dispute, but if such dispute cannot be

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resolved by the parties within sixty (60) days after Landlord gives notice of such dispute, it shall be referred to a nationally recognized independent public accounting firm mutually agreed upon by Landlord and Tenant, which accounting firm does not then currently provide substantive services to either party, has not provided substantive services to either party in the three (3) years immediately preceding such selection, and shall not be engaged to provide substantive services to either party until the conclusion of all matters that may require the services of such accounting firm pursuant to this Section (the "Selected Accountants"). The determination of the Selected Accountants regarding such dispute, which shall be made as expeditiously as reasonably possible, shall be conclusive and binding on each party. One-half of the fees of the Selected Accountants shall be borne by Tenant and one-half shall be borne by Landlord and such fees shall not be included as Hospital Capital Costs.

C. Upon its acceptance by Landlord or determination by the Selected Accountants, the Termination Date Cost Statement shall be deemed final and non-reviewable (the "Final Termination Date Cost Statement), and within sixty (60) days thereafter (the "Landlord Election Period"), Landlord may pay to Tenant in cash by wire transfer the Net Hospital Capital Costs set forth in the Final Termination Date Cost Statement (the "Net Hospital Capital Costs Payment").

D. If Landlord declines or fails to make the Net Hospital Capital Costs Payment as set forth above, then Landlord shall either, (i) offer to sell the Premises and all Improvements (but excluding mineral rights) to Tenant (the "Tenant Sale Option") for the Option Price (as defined below) and otherwise upon commercially reasonable and customary terms and conditions which do not materially alter the terms of such sale required by this Lease, or (ii) sell the Premises and all Improvements (but excluding mineral rights) to the highest bidder on the open market ("Market Sale Option") upon commercially reasonable and customary

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terms and conditions which do not materially alter the terms of such sale required by this Lease. Landlord shall exercise the Tenant Sale Option or the Market Sale Option by providing written notice of such exercise to Tenant no later than the expiration of the Landlord Election Period (the "Exercise Notice"); provided that failure by Landlord to pay the Net Hospital Capital Costs Payment or provide the Exercise Notice on or prior to the expiration of the Landlord Election Period shall be deemed to be Landlord's election of the Market Sale Option. For the avoidance of doubt, and notwithstanding anything to the contrary set forth in this Lease, following Tenant's issuance of a Lease Termination Notice, unless otherwise agreed upon by Tenant and Landlord in writing, Tenant's rights with respect to the Net Hospital Capital Costs Payment, the Tenant Sale Option and the Market Sale Option as set forth herein shall be fully vested and shall not be subject to forfeiture or cancellation, in whole or in part, for any reason, including, without limitation, the restoration of Economic Justification.

E. Within ninety (90) days after (1) Tenant's receipt of the Exercise Notice or (2) Landlord is deemed to have exercised the Market Sale Option due to the expiration of the Landlord Election Period, whichever occurs earlier, Landlord and Tenant shall each respectively commission an appraisal of the Premises (at the respective expense of Landlord and Tenant, it being understood that such appraisal expenses shall not constitute Hospital Capital Costs), taking into account (i) the Allowed Use (as defined below) and building code required improvements necessary (including, without limitation, for the Allowed Use), if any, to the Premises and the Improvements necessary therefor, and if applicable, (ii) any defect in marketable and insurable title to the Premises, in which event, such appraisal shall specify, and be reduced by, the Indemnification Amount related thereto. All appraisers shall be MAI members of the American Institute of Real Estate Appraisers or a successor organization in the event the American Institute of Real

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Estate Appraisers ceases to exist with at least ten (10) years of commercial real property appraisal experience. Both appraisals must be completed and exchanged between Landlord and Tenant respectively within ninety (90) days after appointment of the appraisers. The two appraisal values shall be averaged and the resulting value shall be the "Appraised Value", unless the higher of the two appraisals exceeds the lesser by fifteen percent (15%) or more, in which case the two appraisers shall appoint a third appraiser, also an MAI member of the American Institute. In order to select such third appraiser, if the two appraisers do not agree, the appraisers shall obtain a list of five (5) appraisers from the President of the American Institute of Real Estate Appraisers and shall alternately strike names from such list until one remains to become the third appraiser. The third appraiser shall be appointed by the first two appraisers within fourteen (14) days after notice from either of the parties to this Lease that the appointment of a third appraiser is necessary. The cost of such third appraiser shall be shared equally by the parties to this Lease. The third appraiser shall complete and submit the required appraisal to both parties within ninety (90) days after appointment. All appraisals shall be in the form of written reports supported by facts and analysis, and shall take into account the appraisal prepared by R.P. Laurain & Associates, Inc. dated November 30, 2018, indicating an appraised value of the Premises of \$17,030,000. The two of the three appraisals arriving at values closest to each other shall be averaged and that value shall be the "Appraised Value". Disagreements between the parties or their respective appraisers as to the method of appraisal shall be resolved by a third appraiser, appointed in the manner described in this Subsection E.

F. If, pursuant to the Exercise Notice, Landlord exercises the Tenant Sale Option, the purchase price for the Premises (the "Option Price") shall be an amount equal to (x) the Appraised Value, plus (y) recording fees, title insurance fees, transfer taxes, etc. normally paid by sellers of real property in Los



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Angeles County through escrow and as listed on an escrow closing statement approved by both Landlord and Tenant, less (z) the Net Hospital Capital Costs; provided, however that in no event shall the Option Price be less than zero. Within thirty (30) days after the establishment of the Option Price, (i) Landlord shall deliver a grant deed to a third-party escrow agent mutually acceptable to Landlord and Tenant, which deed shall convey to Tenant all of Landlord's right, title and interest in the Premises and the Improvements (excluding mineral rights) to Tenant with recorded restrictions requiring the Premises to be used for non-acute health care-related purposes (but which will not prohibit acute care if Tenant and/or other buyer or operator chooses in its sole discretion to provide such care) which may include an urgent care facility (the "Allowed Use"); provided that, title to the Premises shall be free from any liens, encumbrances or security interests of any kind or nature other than the Permitted Exceptions except with respect to liens secured by deeds of trust securing loans made to Tenant, mechanics' liens relating to work pursuant to any agreements to which Tenant is a party, judgment liens against Tenant, and delinquent taxes, and (ii) Tenant shall deliver funds in the amount of the Option Price, if any, to said escrow. Landlord and Tenant shall each execute whatever documents are reasonably necessary to open escrow and consummate the conveyance of the Premises and shall evenly share any and all costs associated with such conveyance; provided, however that Tenant shall be solely responsible for the costs of title insurance; and provided further that Landlord's share of costs shall be taken exclusively out of the proceeds of sale and Landlord shall have no obligation to pay such costs in the event there are no such proceeds. If not previously terminated in accordance with Section 28.A., this Lease shall immediately terminate upon the close of the Tenant Sale Option escrow, except for those provisions which expressly survive termination. Concurrently with the close of the Tenant Sale Option escrow, Landlord shall cause the removal of the use

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restriction contained in the Corporation Grant Deed and shall replace the same with the applicable Allowed Use restriction described above.

G. If, pursuant to the Exercise Notice or the expiration of the Landlord Election Period, Landlord exercises (or is deemed to have exercised) the Market Sale Option, then within thirty (30) days after issuing the Exercise Notice or the date on which Landlord is deemed to have elected the Market Sale Option, as applicable, Landlord shall market the entirety of Landlord's fee interest in the Premises (excluding any mineral rights) for sale at a price no less than the Appraised Value and subject to the Allowed Use, shall make commercially reasonable efforts to promptly open an escrow for the sale of the Premises to the highest bidder ("Buyer"), and shall thereafter make commercially reasonable and prompt good faith efforts to close the sale of the Premises to Buyer in accordance with the terms and conditions of a standard form purchase and sale agreement; provided, however, that in no event shall Landlord be obligated to accept a purchase price less than an amount equal to fifty percent (50%) of the Appraised Value unless Tenant is the highest bidder. For the avoidance of doubt, Landlord shall be obligated to accept a purchase price less than an amount equal to fifty percent (50%) of the Appraised Value where Tenant is the highest bidder. If not previously terminated in accordance with Section 28.A., this Lease shall immediately terminate upon the close of the Market Sale Option escrow, except for those provisions which expressly survive termination. Should such proposed sale fail for any reason, Landlord shall thereafter be obligated to re-list the Premises as necessary until a sale is completed. Tenant shall be permitted in its sole and absolute discretion to bid for the Premises and, subject to this Subsection G, to purchase the Premises on the same terms as other bidders if Tenant is the highest bidder. Within thirty (30) days of the close of escrow for the Premises, Landlord shall pay to Tenant in cash by wire transfer an amount equal to the sum of the Net Proceeds of Sale plus the

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Indemnification Amount (if applicable); provided however that in no event shall such amount exceed the sum of the Net Hospital Capital Costs plus the Indemnification Amount (if applicable); provided further that, if Tenant is the Buyer, the net cash to be paid by Tenant for the Premises shall be the amount, if any, by which the purchase price exceeds the sum of the Net Hospital Capital Costs plus the Indemnification Amount (if applicable). In no event shall Landlord's payment obligations to Tenant in the event of a Market Sale Option exceed the sum of the Net Proceeds of Sale plus the Indemnification Amount (if applicable).

H. For purposes of this Lease, the following terms shall have the following definitions:

i. "Net Hospital Capital Costs" shall mean (a) all Hospital Capital Costs, minus (b) Hospital Net Profits actually received by Tenant during the corresponding measuring period, minus (c) reasonable and documented costs and expenses actually incurred by Landlord after the Effective Date pertaining to the Hospital only (expressly excluding any non-Hospital portions of the Premises), provided however that such costs and expenses shall not exceed One Hundred Fifty Thousand Dollars (\$150,000) annually ("Landlord Hospital Costs Annual Cap"). Beginning on the first anniversary of the Effective Date and continuing on each anniversary of the Effective Date thereafter, the Landlord Hospital Costs Annual Cap shall be adjusted by the percent change in the CPI for All Urban Consumers, All Items, Base Period 1982-84=100, for the Los Angeles-Riverside-Orange County, CA area (July to July), as published by the United States Department of Labor, Bureau of Labor Statistics.

ii. "Hospital Capital Costs" shall mean all costs and expenses actually incurred by Tenant or its affiliates after the Effective Date pertaining to the startup and continued operation of the Hospital only

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(expressly excluding any non-Hospital portions of the Premises), including, without limitation, (a) all Seismic Work Costs (as reduced by all Seismic Work Annual Payments actually received by Tenant), (b) building repair, maintenance and equipment costs, (c) restoration costs in connection with any casualty, (d) all real and personal property taxes, (e) interest on financing incurred by Tenant to secure funds for Hospital Capital Costs, and (f) all Hospital Net Losses (as reduced by Hospital Net Profits); but expressly excluding (1) costs and expenses exclusively related to any non-Hospital portions of the Premises, and (2) non-cash items such as depreciation or amortization. It is acknowledged that Health Source MSO Inc., a California corporation ("Health Source"), is affiliated with Tenant and will be providing management and administrative services to Tenant to operate the Hospital, in consideration for which, Health Source will be paid a commercially reasonable management fee based on the Hospital's gross revenues actually collected. All such commercially reasonable management fees paid to Health Source will be included as Hospital Capital Costs.

iii. "Hospital Net Losses" shall be defined by reference to specific line items contained in annual financial data filed by Tenant with, and as required to be collected by, OSHPD.

iv. "Hospital Net Profits" shall be defined by reference to specific line items contained in annual financial data filed by Tenant with, and as required to be collected by, OSHPD; provided, however that (i) subject to Section 28.I, any grants that Tenant receives from external funding sources and that does not reduce the Seismic Work Reimbursement Cap shall be included as Hospital Net Profits regardless of whether such grants are included in such financial data, and (ii) any and all revenues and expenses generated from or relating to proton beam and other radiation therapy

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services performed at the Community Hospital Long Beach Foundation’s property adjacent to the Premises (the “Foundation Property”) shall be excluded from the calculation of Hospital Net Profits.

v. “Net Proceeds of Sale” shall mean all funds actually received by Landlord resulting from the sale of the Premises (net of any brokerage commissions, recording fees, title insurance fees, transfer taxes, etc. normally paid by sellers of real property in Los Angeles County through escrow and as listed on an escrow closing statement approved by both Landlord and Buyer) and after deducting any reasonable and documented costs associated with holding the Premises for sale actually incurred by Landlord from and after exercise of the Market Sale Option, including, but not limited to property taxes, property assessments, and environmental remediation, maintenance, and security costs. In the event the Premises, or any portion thereof, have been encumbered in any manner for purposes of collateralization of Tenant’s loans or any other Tenant purposes, any and all costs associated with those liens or other obligations shall also be a deduction in the calculation of Net Proceeds of Sale but only if and to the extent such liens or encumbrances are paid in whole or in part from such sale proceeds.

I. Notwithstanding anything to the contrary in this Lease, the parties acknowledge and agree that to the extent any specific costs, losses, revenues or profits included within financial data to be filed by Tenant with OSHPD are otherwise already included within the definition of, or credited or debited towards, Net Hospital Capital Costs, such specific costs, losses, revenues or profits shall not be included twice, it being the intention of the parties that neither party have any cost, loss, revenue or profit double-counted to its benefit or detriment, as applicable.

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J. Within sixty (60) days after the end of each calendar year following the Effective Date, Tenant shall deliver to Landlord a written statement (each, a "Cost Statement") setting forth its good faith calculation of the cumulative Net Hospital Capital Costs to the date of such Cost Statement. Tenant shall reasonably cooperate with Landlord and provide to Landlord such information as Landlord may reasonably request in connection with Landlord's review of the subject Cost Statement, including promptly making available to Landlord: (i) a copy of all workpapers, financial information and any other books and records utilized by Tenant in the preparation of the Cost Statement, and (ii) all personnel of Tenant and all outside advisors involved in the preparation of the Cost Statement; provided that, notwithstanding anything to the contrary contained in this Lease, in connection with each Cost Statement, Tenant shall not have any obligation to provide, and Landlord shall not have any right to request or otherwise dispute, any information relating to Net Hospital Capital Costs that has already been reported in any "Accepted Cost Statement" as defined below (collectively, "Non-Disputable Items"). Landlord shall notify Tenant in writing no later than thirty (30) days following Landlord's receipt of the Cost Statement from Tenant that either: (x) Landlord accepts the Cost Statement or (y) Landlord disputes an item or items reflected on the Cost Statement, provided that Non-Disputable Items shall not be disputable by Landlord. The failure by Landlord to give Tenant such notice within such period shall be deemed to constitute Landlord's acceptance of the Cost Statement. The parties shall use all commercially reasonable efforts to resolve any such dispute, but if such dispute cannot be resolved by the parties within thirty (30) days after Landlord gives notice of such dispute, it shall be referred to the Selected Accountants. The determination of the Selected Accountants regarding such dispute, which shall be made as expeditiously as reasonably possible, shall be conclusive and binding on each party. One-half of the fees of the Selected Accountants shall be borne by Tenant and one-half shall

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be borne by Landlord. Following its acceptance by Landlord or determination by the Selected Accountants, a Cost Statement shall be deemed final and non-reviewable (each, an "Accepted Cost Statement").

K. The provisions of this Section 28 shall survive the expiration or termination of this Lease.

29. Construction.

A. Tenant shall perform all Seismic Work, any alteration, construction, demolition, development, expansion, reconstruction, redevelopment, repair, restoration, or other work affecting the Premises, including new construction (any of the foregoing, including Seismic Work, "Construction"), in each case without Landlord's consent, as Tenant shall consider in its sole discretion to be necessary or appropriate. Notwithstanding the foregoing, Tenant's right to perform Construction without the consent of Landlord hereunder shall pertain to Landlord in its capacity as Landlord only, and nothing herein shall diminish Landlord's right, acting in its capacity as a regulatory agency, from approving and/or permitting Construction in accordance with standard municipal practice. To the extent that Tenant commences any Construction, Tenant shall complete it with reasonable diligence and within a reasonable period. Tenant shall pay for all undisputed costs of Construction when and as required by the persons that perform such Construction. All improvements that Tenant constructs on the Premises shall become part of the Premises.

B. Prior to beginning any Construction valued at more than Five Hundred Thousand Dollars (\$500,000.00), Tenant shall provide written notice of such proposed Construction to Landlord. Nothing contained in this Lease shall be deemed to release Tenant from the duty to keep the Premises free of liens.

C. Tenant shall insert the following statement into all contracts entered by Tenant relating to the Premises, its use and its operation, relating to

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maintenance or Construction on the Premises: "This contract shall in no way bind the City of Long Beach, its officials or employees, nor obligate them for any costs or expenses whatsoever under this contract".

D. Tenant shall give notice to Landlord of the commencement of Construction to enable Landlord to post and record Notice(s) of Nonresponsibility.

E. Within one (1) year after Construction is completed, Tenant shall ensure that the Premises are free of any mechanic's or materialman's liens for any work done, labor performed or material furnished by or for Tenant. Tenant shall defend, indemnify and hold Landlord, its officials and employees harmless from and against all claims, demands, liens, damage, causes of action, loss, liability, costs, and expenses (including court costs and reasonable attorney's fees) of whatsoever kind for any such work done, labor performed, or materials furnished on the Premises at Tenant's request or to Tenant for Construction on the Premises. The provisions of this Subsection E shall survive termination of this Lease.

F. If a mechanic's or materialman's lien is imposed on the Premises as a result of maintenance or Construction on the Premises, Tenant shall: (i) record a valid release of lien within an appropriate or reasonable amount of time; or (ii) take all necessary legal actions to remove the lien if the contractor refuses to do so; or (iii) procure and record a lien release bond in accordance with California Civil Code Section 3143 issued by a surety authorized to do business in California.

G. All Construction shall be performed in conformance with all code, statutory and permit requirements.

H. All improvements to the Hospital Building, which main building is a registered historic landmark, shall be subject to Chapter 16.52 of the Long Beach Municipal Code pertaining to historic landmarks.

I. Within a reasonable time after completion of any Construction on the Premises Tenant shall deliver to City, at no cost to City, complete sets of "as-



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built” drawings and/or plans and specifications for the improvements on the Premises. The provisions of this Subsection I shall survive termination of this Lease.

30. Prevailing Wages. All Construction is a “public work” and subject to the provisions of Labor Code Sections 1720 et seq. and the requirements of Title 8 of the California Code of Regulations Sections 16000 et seq., which govern the payment of prevailing wage rates on public works projects. Such Construction may also be subject to the provisions of applicable Federal laws, rules and regulations regarding prevailing wages and public works. Tenant, contractors and subcontractors of any tier shall be governed by and required to comply with these statutes and regulations in connection with such work. Pursuant to Labor Code Section 1771, Tenant, all contractors and subcontractors of any tier shall pay not less than the prevailing wage rates to all workers employed in execution of such work. Tenant, contractors and subcontractors shall comply with applicable statutes and regulations, including but not limited to Labor Code Section 1771, 1775, 1777.5, 1813 and 1815. No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a). No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Such work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

31. Casualty. If any casualty occurs that is not a Substantial Casualty, then Tenant shall, except as otherwise provided in this paragraph, restore the Premises with reasonable promptness or take such other actions that Tenant deems to be reasonable under the circumstances. If the casualty is a Substantial Casualty, then Tenant may, by notice to Landlord given within four (4) months after the casualty elect to terminate this Lease effective thirty (30) days after such notice (a “Casualty Termination”). Upon any Casualty Termination, Tenant shall receive from any property insurance proceeds an

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amount equal to all amounts expended by Tenant with respect to the Premises, including without limitation, construction, architecture, engineering, maintenance and repair. Unless Tenant has validly elected a Casualty Termination, this Lease shall not terminate. Tenant shall be solely responsible for negotiating and adjusting any property insurance proceeds. For purposes of this Section 31, "Substantial Casualty" shall mean a casualty that: (a) renders twenty percent (20%) or more of the Premises not capable of being used or occupied; (b) occurs less than five (5) years before the end of the Term and renders ten percent (10%) or more of the Premises not capable of being used or occupied; (c) requires restoration whose cost Tenant reasonably estimates in writing would exceed \$1,000,000; or (d) pursuant to law, prevents the Premises from being restored to the same bulk, and for the same use(s), as before the casualty.

32. Removal of Tenant's and Other's Property. Except as to the Medical Equipment, other property owned by Landlord or property in which Landlord may have an interest, upon termination of this Lease (whether by lapse of time or otherwise) Tenant shall cause all other property upon the Premises, whether or not such property be owned by Tenant or by third parties to be removed from the Premises prior to the end of the Term and shall cause to be repaired any damage occasioned by such removal as described elsewhere herein provided, however, that if any of such property cannot with due diligence be removed prior to expiration or sooner termination of this Lease, then Tenant's obligation hereunder shall be to remove it in the most expeditious manner and as rapidly as possible following the expiration or sooner termination of this Lease. If the property is not so removed from the Premises, it shall be deemed abandoned and Section 33 relating to abandoned property shall apply.

33. Abandoned Property. If Tenant abandons the Premises or is dispossessed by process of law or otherwise or if the property is not removed as required by Section 32, then title to such property left on the Premises forty-five (45) days after such abandonment or dispossession shall be deemed to have been transferred to Landlord.

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Landlord shall have the right to remove, store and dispose of said property without liability therefore to Tenant or to any person claiming under Tenant, and shall have no duty to account therefor. Tenant hereby designates Landlord's City Manager as Tenant's attorney in fact to execute and deliver such documents as may be reasonably required to dispose of such abandoned property and transfer title thereto. Tenant shall pay the cost of removal, storage, sale or destruction as additional rent. Tenant hereby agrees to and shall defend, indemnify and hold Landlord, its officials and employees harmless from and against all claims, demands, damage, loss, liability, causes of action, costs and expenses arising from or attributable to Landlord's removal, storage and disposal of such property that is not owned by Tenant.

34. Encumbrances. Tenant shall not encumber the Premises by any mortgage, deed of trust or other encumbrance of any kind, except that a leasehold mortgage or deed of trust entered into by Tenant and secured by this Lease shall be permitted.

35. Hazardous Materials.

A. Tenant shall conduct all aspects of its operation and use of the Premises in substantial accordance with all federal and state laws, rules and regulations relating to any Regulated Substance as hereafter defined and shall obtain and maintain in good standing all licenses and permits relating to Regulated Substances.

B. Tenant shall use, store, transport and dispose of Regulated Substances in substantial accordance with all federal and state laws, rules and regulations relating thereto. Tenant shall obtain and maintain in good standing all licenses and permits related to the use, storage, transportation, and disposal of Regulated Substances, and shall use commercially reasonable best efforts to assure that Tenant's employees, agents, and contractors comply with the terms of this Lease relating to Regulated Substances.

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C. Tenant shall comply with all applicable requirements of the Clean Water Act (33 U.S.C. 1251 et seq.), including either obtaining its own industrial permit or complying with the applicable provisions of Landlord's NPDES permit (No. CAS004003, as amended or renewed from time to time).

D. As used in this Lease, "Regulated Substance" means any substance, material, or item the use, storage, or disposal of which is regulated under federal or state law, rule or regulation and includes but is not limited to:

i. Any "biohazardous waste" as defined in California Health and Safety Code Section 117635;

ii. Any "hazardous substance" as defined in California Health and Safety Code Section 108125 or the Comprehensive Environmental response, Compensation, and Liability Act of 1980 ("CERCLN") (42 U.S.C. Sections 9601 et seq.);

iii. Any "medical waste" as defined in California Health and Safety Code Section 117690;

iv. Any "pharmaceutical" as defined in California Health and Safety Code Section 117747;

v. Any "sharps waste" as defined in California Health and Safety Code Section 117755;

vi. Any "solid waste" as defined in California Public Resources Code Section 40191;

vii. Any substance regulated under the Radiation Control Law in California Health and Safety Code Section 114960 et seq.;

viii. Any substance regulated under the Atomic Energy Act of 1954, as amended (42 U.S.C.A. Section 2011 et seq.); and

ix. Any substance the active ingredient of which is regulated under the Federal Insecticide, Fungicide and Rodenticide Act

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('FIFRA") (7 U.S.C. Sections 136 et seq.).

E. Tenant shall, at Tenant's sole expense and with counsel reasonably acceptable to Landlord, defend, indemnify and hold harmless Landlord, its officers, employees and agents with respect to all claims, demands, damage, loss, liability, causes of action (including but not limited to remedial or enforcement actions), proceedings (including but not limited to administrative proceedings), costs and expenses (including attorney's, consultant's and expert's fees and court costs) arising from or related to the presence, release or investigation of a Regulated Substance at the Premises caused by Tenant and arising from or related to any alleged violation of any environmental law, rule, or regulation by Tenant, Tenant's employees, contractors, agents, or invitees.

F. Landlord shall release (and not bring any action against) Tenant, its officers, employees and agents with respect to any and all claims, demands, damages, loss, liability, causes of action (including but not limited to remedial or enforcement actions), and proceedings (including but not limited to administrative proceedings): (1) arising from or related to the presence, release or investigation of a Regulated Substance at the Premises first arising or occurring prior to the Effective Date; and/or (2) arising from or related to any alleged violation of any environmental law, rule, or regulation by Landlord, Landlord's employees, contractors, agents, or invitees.

G. The provisions of this Section 35 shall survive termination of this Lease.

36. Miscellaneous.

A. Notwithstanding anything to the contrary in this Lease, Tenant shall have the exclusive right to contest, at its sole cost, by appropriate legal proceedings diligently conducted in good faith, the amount or validity of any real estate taxes or prohibited lien; the valuation, assessment, or reassessment

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(whether proposed, phased, or final) of the Premises for real estate taxes; the amount of any real estate tax; the validity of any law or its application to the Premises; the terms or conditions of, or requirements for, any Approval; or the validity or merit of any claim against which this Lease requires Tenant to indemnify Landlord (any of the foregoing, a "Contest"). Tenant may defer payment or performance of the contested obligation pending outcome of the Contest, provided that: (i) such deferral or noncompliance shall not constitute a criminal act by Landlord or subject Landlord to a significant risk of any fine or penalty, (ii) such deferral or noncompliance creates no significant risk of a lien, charge, or other liability of any kind against the Premises, (iii) such deferral or noncompliance will not place the Premises in significant danger of being forfeited or lost, (iv) such Contest shall be without cost, liability, or expense to Landlord, (v) Tenant shall prosecute such Contest with reasonable diligence and in good faith, (vi) if required for such Contest, Tenant shall have paid the contested amount (under protest, as applicable), and (vii) if such Contest relates to any real estate tax, then such Contest shall suspend its collection from Landlord and the Premises. At Tenant's request and at Tenant's sole cost and expense, Landlord shall cooperate in any such Contest as reasonably required by Tenant.

B. Each party shall bear its own costs and expenses in connection with this Lease and enforcement thereof, including but not limited to attorney's fees and court costs.

C. This Lease shall be binding on and inure to the benefit of the parties and their successors, heirs, personal representatives, and subtenants, and all of the parties shall be jointly and severally liable hereunder.

D. Up to once per year, each party to this Lease (a "Requesting Party") may require the other party (a "Certifying Party") to execute, acknowledge, and deliver to the Requesting Party (or directly to a designated third party) up to four

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original counterparts of an estoppel certificate with respect to this Lease containing such assurances as the Requesting Party reasonably requests (an "Estoppel Certificate"). The Certifying Party shall sign, acknowledge, and return such Estoppel Certificate within fifteen (15) days after request, even if the Requesting Party is in Default. Any Estoppel Certificate shall bind the Certifying Party. Each party shall execute and deliver such further documents, and perform such further acts, as may be reasonably necessary to achieve the parties' intent in entering into this Lease.

E. Whenever either party may seek or claim damages against the other party (whether by reason of a breach of this Lease by such party, in enforcement of any indemnity obligation, for misrepresentation or breach of warranty, or otherwise), neither Landlord nor Tenant shall seek, nor shall there be awarded or granted by any court, arbitrator, or other adjudicator, any speculative, consequential, collateral, special, punitive, or indirect damages, whether such breach shall be willful, knowing, intentional, deliberate, or otherwise. The parties intend that any damages awarded to either party shall be limited to actual, direct damages sustained by the aggrieved party. Neither party shall be liable for any loss of profits suffered or claimed to have been suffered by the other.

F. This Lease constitutes the entire understanding between the parties and supersedes all prior negotiations, agreements and understandings, oral or written, with respect to the subject matter hereof.

G. This Lease may not be amended except in a writing duly executed by both parties and authorized by Landlord's City Council (including an extension of term not expressly authorized by the terms of this Lease).

H. This Lease shall be governed by and construed under the laws of the state of California, and no choice of laws or principles thereof shall apply.

I. The captions and numbers herein and the grouping of the provisions of this Lease into separate sections and paragraphs are for the purpose

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of convenience only and shall not be considered a part hereof and shall have no effect on the interpretation of this Lease.

J. If any term, covenant, or condition of this Lease is found to be invalid, ineffective, void, or unenforceable for any reason by a court of competent jurisdiction, the remaining terms, covenants and conditions shall remain in full force and effect.

K. Time is of the essence in this Lease and all of its provisions, subject to Force Majeure. No notice to Tenant shall be required to restore "time is of the essence" after waiver by Landlord or Tenant of any default.

L. This Lease shall not be recorded, provided that upon request by either, the parties shall promptly execute, acknowledge, and deliver duplicate originals of a memorandum of this Lease in recordable form (the "Memorandum of Lease"). Either party may record such Memorandum of Lease. Any taxes imposed upon such recording shall be paid by the party that caused such recordation to occur. If the parties amend this Lease, then the parties shall have the same rights and obligations regarding a memorandum of such amendment as they do for the Memorandum of Lease.

M. The relationship of the parties hereto is that of landlord and tenant, and the parties agree that nothing contained in this Lease shall be deemed or construed as creating a partnership, joint venture, principal-agent relationship, association, or employer-employee relationship between them or between Landlord or any third person or entity.

N. This Lease is created as a joint effort between the parties and fully negotiated as to its terms, covenants and conditions. This Lease shall not be construed against either party as the drafter.

O. This Lease is created for the benefit of the parties only and is not intended to benefit any third person or entity.



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P. Wherever this Lease states that a party shall not unreasonably withhold approval: (a) such approval shall not be unreasonably delayed or conditioned; (b) no withholding of approval shall be deemed reasonable unless withheld by a written notice specifying reasonable grounds, in reasonable detail, for such withholding, and indicating specific reasonable changes in the proposal under consideration that would make it acceptable; and (c) if a party grants its consent (or fails to object) to any matter, this shall not waive its rights to require such consent for any further or similar matter. Any consent or approval which is not stated to be able to be withheld or granted in a party's sole discretion shall be subject to the reasonableness standard described above.

Q. If Tenant is a corporation, each person signing this Lease on behalf of that corporation represents and warrants that he/she is authorized to sign this Lease on behalf of the corporation.

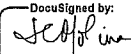
R. This Lease may be executed in counterparts. Neither party shall be bound by this Lease unless and until both parties shall have executed and delivered at least one counterpart of this Lease.

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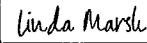
IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

MWN COMMUNITY HOSPITAL LLC, a California limited liability company

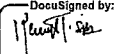
December 2, 2019

By:   
John Molina  
Manager

December 2, 2019

By:   
Linda Marsh  
Manager

December 2, 2019

By:   
Kenneth Sim, M.D.  
Manager

"Tenant"

CITY OF LONG BEACH, a municipal corporation

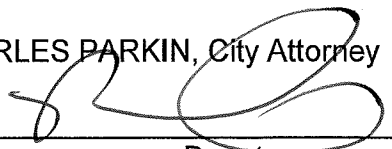
12/6, 2019

By:   
City Manager

"Landlord"

This Lease is approved as to form on December 4, 2019.

CHARLES PARKIN, City Attorney

By:   
Deputy

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EXHIBIT A

PREMISES

LEGAL DESCRIPTION & DEPICTION

PARCEL 1:

ALL THAT PORTION OF LOT 39 OF ALAMITOS TRACT, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36 PAGES 37, ET SEQ. OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WESTERLY OF THE WESTERLY LINE OF THE FORMER 80 FOOT RIGHT-OF-WAY QUITCLAIMED TO ALAMITOS LAND COMPANY AND RECORDED IN BOOK 7292 PAGE 112 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER, AND SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THAT CERTAIN RIGHT-OF-WAY, 80 FEET WIDE, COMMONLY KNOWN AS THE OUTER TRAFFIC CIRCLE, AS DEDICATED BY ORDINANCE NO. C-1913 ADOPTED MAY 13, 1941 BY THE CITY COUNCIL OF THE CITY OF LONG BEACH, AND SOUTHERLY OF THE SOUTHERLY LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE, AS ESTABLISHED BY ORDINANCE NO. C-1323 ADOPTED NOVEMBER 30, 1934 BY SAID CITY COUNCIL.

EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBONS AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY PARTS OF SAID LAND LYING MORE THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID LAND OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND, OR ANY PORTION OF SAID LAND WITHIN FIVE HUNDRED (500) FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER, AS RESERVED BY THE CITY OF LONG BEACH, IN DEED RECORDED MAY 6, 1983 AS INSTRUMENT NO. 83-511177.

PORTION OF APN 7253-016-901

PARCEL 2:

LOT 9 OF EASTERN HEIGHTS TRACT, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 12 PAGE 27 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS AND OTHER MINERALS WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM SAID LAND, AND ALSO EXCEPTING AND RESERVING THE SOLE AND EXCLUSIVE RIGHT TO DRILL SLANTED WELLS FROM ADJACENT LANDS IN, TO AND THROUGH THE SUBSURFACE OF SAID LAND FOR THE PURPOSE OF RECOVERING SAID RESERVED PRODUCTS FROM SAID LAND AND FROM OTHER PROPERTIES, PROVIDED, HOWEVER, THAT THE SURFACE OF SAID LAND AND THAT PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE SHALL NEVER BE USED FOR THE EXPLORATION, DEVELOPMENT, EXTRACTION OR REMOVAL OF SAID RESERVED PRODUCTS, AS EXCEPTED AND RESERVED BY LONG BEACH UNIFIED SCHOOL DISTRICT OF LOS ANGELES, IN DEED RECORDED JANUARY 2, 1957 AS INSTRUMENT NO. 94.

APN 7253-016-902

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1 PARCEL 3:

2 A PARCEL OF LAND IN LOT 39 OF ALAMITOS TRACT, IN THE CITY OF LONG BEACH, COUNTY  
3 OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 36 PAGE 37  
4 THROUGH 44 INCLUSIVE OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY  
5 RECORDER OF SAID COUNTY, BEING A PART OF THE ABANDONED RIGHT-OF-WAY OF THE  
6 PACIFIC ELECTRIC RAILWAY COMPANY, AS SAID RIGHT-OF-WAY WAS DESCRIBED IN DEED  
7 RECORDED IN BOOK 1786 PAGE 9 OF DEEDS, DESCRIBED AS FOLLOWS:  
8 BEGINNING AT A POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF SAID  
9 ABANDONED RIGHT-OF-WAY WITH THE SOUTH LINE OF SAID LOT 39, SAID POINT BEING  
10 NORTH 89 ° 58 ' 45 " EAST 659.41 FEET, MORE OR LESS, FROM THE SOUTHWEST CORNER OF  
11 SAID, LOT 39; THENCE ALONG SAID SOUTH LINE, NORTH 89 ° 58 ' 45 " EAST N 84 .32 FEET TO  
12 THE NORTHEASTERLY LINE OF SAID ABANDONED RIGHT-OF-WAY; THENCE NORTH 18 N ° 26 ' 05 " WEST ALONG SAID NORTHEASTERLY LINE 207.22 FEET TO THE SOUTHWESTERLY LINE OF  
13 THE OUTER TRAFFIC CIRCLE AS DESCRIBED IN THE DEED TO THE CITY OF LONG BEACH,  
14 RECORDED APRIL 25, 1941 AS INSTRUMENT NO. 1145 IN BOOK 18379 PAGE 173, OFFICIAL  
15 RECORDS; THENCE ALONG SAID SOUTHWESTERLY LINE NORTHWESTERLY ON THE ARC OF A  
16 CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 580 FEET AND A CENTRAL ANGLE  
17 OF 15 ° 51 ' 16 ", A DISTANCE OF 160.49 FEET TO THE SOUTHWESTERLY LINE OF SAID  
18 ABANDONED RIGHT-OF-WAY; THENCE SOUTH 18 ° 26 ' 05 " EAST THEREON 319.33 FEET TO  
19 THE POINT OF BEGINNING.

20 EXCEPT THEREFROM ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS IN AND UNDER  
21 SAID LAND BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF, WITHOUT,  
22 HOWEVER, ANY RIGHT OF ENTRY TO THE SURFACE OF SAID LAND FOR THE PURPOSE OF  
23 DRILLING FOR, MINING OR OTHERWISE EXTRACTING SAID GAS, OIL, MINERALS OR OTHER  
24 HYDROCARBON SUBSTANCES, AS RESERVED IN DEED RECORDED MARCH 17, 1971 AS  
25 INSTRUMENT NO. 21.

26 PORTION OF APN 7253-016-901

27 PARCEL 4:

28 LOTS 10, 11, 12, 13 AND 14 OF THE EASTERN HEIGHTS TRACT, COUNTY OF LOS ANGELES,  
STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 12, PAGE 27 OF MAPS, IN THE  
OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN 7253-016-900

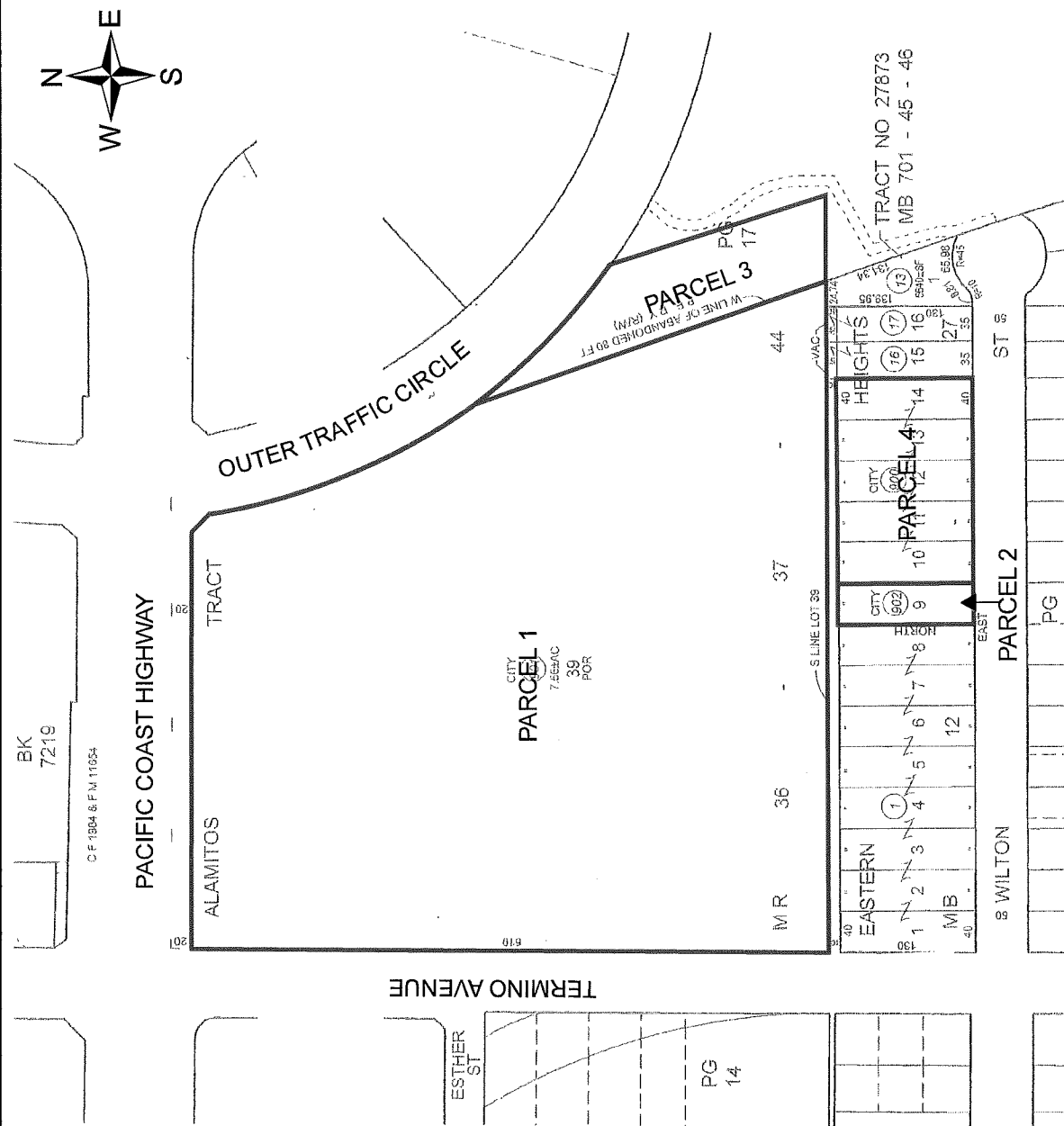
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EXHIBIT B  
PREMISES  
DEPICTION

OFFICE OF THE CITY ATTORNEY  
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333 West Ocean Boulevard, 11th Floor  
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Reference No.: 1013008  
County: Los Angeles



- Legend**
- PARCEL 1
  - PARCEL 2
  - PARCEL 3
  - PARCEL 4

This map may or may not be a survey of the land depicted hereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. North American Title expressly disclaims any liability for alleged loss or damage which may result from reliance upon this map.

Map Not  
To Scale

Tax ID: 7253-016-900, 7253-016-901, 7253-016-902  
Short Legal: A Portion of Lot 39 Tract Map Bk36 Pg37 & Lots 9, 10, 11, 12, 13 & 14 of Tract Map Bk12 Pg27