

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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LEASE
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THIS LEASE is made and entered, in duplicate, as of April 29, 2011 for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on March 22, 2011, by and between LONG BEACH MEMORIAL MEDICAL CENTER, a California nonprofit public benefit corporation, whose address is 1720 Termino Avenue, Long Beach, CA 90804 ("Tenant") and the CITY OF LONG BEACH, a municipal corporation ("Landlord").

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 premises described and depicted (i) in Exhibit "A" attached hereto and incorporated herein by this reference, commonly known as 1720 Termino Avenue, Long Beach, CA 90804, and (ii) in Exhibit "B" attached hereto and incorporated herein by this reference (collectively, the "Premises").

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 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 shall have no obligation to remove or account for any furniture, fixtures, equipment and other personal property (collectively, the "Personal Property") located on the Premises as of the Commencement Date.

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Landlord has no interest in any of the Personal Property and makes no representations or warranties as to title or fitness for use. Tenant shall arrange for purchase or disposal of such Personal Property with the legal owner(s) of such Personal Property.

C. Landlord and Tenant acknowledge that the chain of title to a portion of the Premises may contain a gap. Landlord agrees within a reasonable time after execution of this Lease to commence necessary actions to address the gap in the chain of title, which may include a quiet title action.

2. Term.

A. The term of this Lease shall begin at 12:01 a.m. on April 29, 2011 (the "Commencement Date"), and shall end at midnight on April 28, 2066, unless sooner terminated as provided herein. April 29 of each year shall be the "Anniversary Date".

B. If during the term of this Lease, any law, rule, or regulation becomes effective, the provisions of which so restrict the uses to which the Premises can be put, or if Tenant determines, in its sole discretion, that it is financially unable to meet the requirements of any such law, rule or regulation such that Tenant is unable to use or successfully operate the Premises in the manner contemplated herein, then Tenant may terminate this Lease with thirty (30) days prior notice to Landlord.

3. Use.

A. Tenant shall use the Premises for (i) an acute care hospital with emergency care and other health care services normally provided by a community hospital and (ii) a medical office building. In the event that Tenant determines, in its sole discretion, that it is not economically practical for Tenant to accomplish the seismic retrofit of the Premises for such purposes, Tenant shall use the Premises for other health and/or wellness-related uses and provide

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emergency and/or urgent care services to the extent permissible under applicable laws and regulations of the State of California without obtaining any approval from Landlord. Tenant may also use the Premises for any other lawful uses which are approved in advance in writing by the City Manager or designee, which approval may be granted or withheld in the City's sole discretion. Such uses which require the consent of the City Manager and have been approved by the City Manager shall require an appraisal of the Premises and, if necessary, an adjustment to the monthly base rent. This Lease shall be amended to add additional, approved uses.

B. The Premises must be operated by a nonprofit public benefit corporation that is exempt from federal taxation under Internal Revenue Code Section 501(c)(3). 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. 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, use, and management of the Premises. Tenant shall have full and complete charge, authority and control of the administration, management and operation of

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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. If at any time Tenant is or foreseeably will be unable legally or economically, as determined by Tenant in Tenant's sole discretion, to use the Premises as required by this Section 3, then Tenant may terminate this Lease by providing written notice of termination to Landlord one hundred twenty (120) days prior to the termination date.

G. 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, and Landlord shall not enforce said restriction against Tenant or any of its valid assignees hereunder for so long as this Lease is in effect.

4. Rent.

A. Tenant shall pay to Landlord as base rent during the term of this Lease the sum of One Dollar (\$1.00) per year ("Rent"), in advance, without setoff, deduction, demand, or notice. If this Lease terminates prior to its natural

1 expiration for any or no reason, then Tenant shall not be entitled to any refund of
2 the rent already paid. Tenant shall pay base rent on the Anniversary Date each
3 year to the address of Landlord shown herein for notices.

4 B. Tenant shall pay as additional rent any sum not otherwise
5 identified in this Section 4 but authorized to be spent or advanced by Landlord
6 under this Lease (and actually spent by Landlord), whether or not designated as
7 additional rent. Any other sum(s) that Tenant must pay under this Lease shall also
8 be deemed additional rent.

9 5. Taxes. Tenant acknowledges that this Lease may create a
10 possessory interest subject to taxation and that Tenant may be liable for payment of
11 taxes levied on such interest. Tenant shall promptly pay, prior to delinquency, all taxes,
12 assessments, charges, and fees, however designated, levied or assessed against the
13 Premises, the buildings, improvements, fixtures, equipment and personal property on the
14 Premises. Tenant shall furnish to Landlord satisfactory evidence of exemption from or
15 payment of said taxes, assessments, charges and fees promptly on demand from
16 Landlord.

17 6. Relocation. Tenant agrees that nothing in this Lease shall create
18 any right in Tenant to any relocation assistance or payment pursuant to the provisions of
19 Title 1, Division 7, Chapter 16 of the Government Code, or any successor statute, from
20 Landlord on the termination or expiration of this Lease.

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23 7. Insurance.

24 A. Concurrent with the execution of this Lease and throughout
25 the original and any extension term or holding over, Tenant shall procure and
26 maintain, at its cost, from insurance companies admitted to write insurance in the
27 State of California or from non-admitted insurers that are on California's List of
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1 Eligible Surplus Lines Insurers ("LESLI") and that have a minimum rating of or
2 equivalent to A.-VIII by A.M. Best Company, except as set forth in sub-Section
3 7(M) below:

4 i. As of the first Anniversary Date, commercial general
5 liability insurance (equivalent in coverage scope to Insurance Services
6 Office, Inc. ["ISO"] form CG 00 01 11 85 or 1188), in an amount not less
7 than Ten Million Dollars (\$10,000,000) per occurrence and general
8 aggregate. Such insurance shall include (as may be applicable to Tenant's
9 operations, products and completed operations) environmental impairment
10 liability, underground storage tank liability, sexual molestation liability,
11 garage keepers legal liability, and fire legal liability, and shall not limit or
12 exclude coverage for contractual liability, independent contractors liability,
13 or cross liability protection. This insurance shall be endorsed to include
14 Landlord, its officials, employees and agents as additional insureds (by an
15 endorsement equivalent in coverage scope to ISO form CG 20 26 11 85)
16 and to waive the insurers' rights of subrogation against Landlord, its
17 officials, employees and agents.

18 ii. As of the Commencement Date, hospital professional
19 liability insurance, including as may be applicable to Tenant's operations,
20 medical professionals' liability, nurses' professional liability, pharmacists'
21 professional liability, and other professional and errors and omissions
22 liability coverages in an amount not less than Ten Million Dollars
23 (\$10,000,000) per occurrence and in aggregate.

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

iv. As of the first Anniversary Date, automobile liability insurance (equivalent in coverage scope to ISO form CA 00 01 06 92) in an amount not less than Two Million Dollars (\$2,000,000) combined single limit per accident for bodily injury and property damage covering Auto Symbol 1 ("Any Auto")

v. As of the Commencement 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 first Anniversary Date, "All Risk" property insurance, including debris removal and boiler and machinery coverage, in an amount not less than Eighty-Five Million Dollars (\$85,000,000) to cover the full replacement value of all buildings and structures on the Premises. Landlord shall be a named insured under this coverage. The \$85,000,000 minimum coverage may be adjusted immediately and retroactively to the Commencement Date of Operation, at the sole discretion of Landlord's Risk Manager or designee, after completion of an appraisal of the Premises by Landlord's Risk Manager or agent thereof.

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

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viii. As of the first Anniversary 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 equipment. Landlord shall be named as an additional insured under a standard loss payable endorsement, as its interests may appear.

ix. As of the First Anniversary Date, business interruption insurance providing that the rent and additional rent due Landlord shall be paid for a period of up to twelve (12) months if the Premises are destroyed or rendered inaccessible.

B. Tenant shall procure and maintain or cause to be procured and maintained the insurance required in sub-Section 7(A) above 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) above in less than One Million Dollars (\$1,000,000) per occurrence and Two (\$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 sub-Section 7(A) shall also apply.

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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, 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 sub-Section 7(A)(i) above. 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 Landlord may, at Landlord's sole discretion, procure and maintain

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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. The phrase "fails to procure or maintain" shall be determined by Landlord's Risk Manager or designee, in his/her sole discretion.

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. If Tenant fails to pay the invoice, when due, interest shall accrue and be due on the unpaid amount at the rate of two percent (2%) per month, or the maximum allowed by law, whichever is greater, commencing on the sixteenth (16th) day after the date of the invoice and compounded monthly.

E. Tenant shall provide to Landlord all policy information requested by Landlord and shall make available to Landlord during Tenant's normal business hours all books, records and other information relating to insurance 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 original 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 the existing policy expires.

G. All insurance required herein shall be separately endorsed to

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require 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, or reduction in coverage or limits (other than reduction of limits due to claims paid) 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 approved separately in writing by Landlord's Risk Manager, 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 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. Not more frequently than every three (3) years or upon any new construction or development on the Premises or upon any assignment, transfer or sublease approved by Landlord in accordance with the provisions of this Lease (excluding the subleases for the Professional Office Building which Landlord has assigned to Tenant), if in the opinion of Landlord's Risk Manager or designee, the amount, scope, or types of coverages specified herein are not adequate, Tenant shall amend its insurance as required by Landlord's Risk Manager or designee unless Tenant establishes that any such amendments are not reasonably based on the insurance, or actuarially-certified self-insurance, maintained by similar entities in the same geographic region. Such amendments may include but are not limited to coverage for earthquake and flood, if available from responsible insurance companies at reasonable cost. The phrase "responsible insurance companies at reasonable cost" shall be determined by

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Landlord's Risk Manager or designee, in his/her sole discretion.

K. 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.

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

M. Landlord hereby approves Tenant's self-insurance program pursuant to sub-Section 7(H) and hereby waives any requirement that any of Tenant's LESLI insurers have a minimum or equivalent rating of A.-VIII by A.M. Best Company, provided that (1) Tenant notifies Landlord of any material changes made to said self-insurance programs or self-insurance retention prior to any Anniversary Date, and (2) Tenant notifies Landlord of any change in LESLI insurers made prior to any Anniversary Date.

8. Surrender of Premises. On the expiration or sooner termination of this Lease, Tenant shall deliver to Landlord possession of the Premises, broom clean and in good condition, casualty and reasonable wear and tear excepted. 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. Tenant shall remove its equipment, supplies and other items from the Premises.

9. Assignment.

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. Tenant shall not grant any franchise, easement, right of way in, on, over, under or across the Premises. Any attempted

1 assignment, transfer, delegation, or grant shall be void and any assignee,
2 transferee, delegate, or grantee shall acquire no right or interest by reason of such
3 attempted assignment, transfer, delegation, or grant.

4 B. Notwithstanding the above, Tenant may: (i) assign or transfer
5 this Lease or any interest herein or any right hereunder, or delegate any duties
6 hereunder, to any entity that is exempt from federal taxation under Internal
7 Revenue Code Section 501(c)(3) with the prior written approval of the City
8 Manager or designee, which shall not unreasonably be withheld, or (ii) sublease
9 portions of the Premises without the prior written approval of the City Manager or
10 designee provided that the subleases are to health care providers who shall use
11 the subleased portions of the Premises consistent with Section 3 of this Lease.

12 10. Default. The occurrence of any one or more of the following acts
13 shall constitute a default by Tenant, if such breach, failure or action is not cured within
14 thirty (30) days after Landlord gives notice to Tenant of said failure, provided that if the
15 default cannot reasonably be cured in thirty (30) days, then Tenant shall not be in default
16 if Tenant begins to cure within said period, diligently proceeds to cure to completion, and
17 cures to completion within one hundred eighty (180) days:

18 A. A breach of the use restrictions contained in this Lease;

19 B. Failure to pay rent when due if the failure continues uncured
20 for twenty (20) business days after Landlord provides notice of non-payment;

21 C. Any attempted assignment, transfer or sublease except as
22 described and approved in this Lease;

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

25 E. To the extent permitted by the United States Bankruptcy
26 Code, insolvency of Tenant, which shall be deemed to include an assignment by
27 Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in
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1 bankruptcy; an adjudication that Tenant is bankrupt; the appointment of a receiver
2 of the properties of Tenant if the receiver is not discharged within ninety (90) days;
3 the filing of an involuntary petition of bankruptcy and failure of Tenant to secure a
4 dismissal of the petition within ninety (90) days after filing; attachment of or the
5 levying of execution on the leasehold interest and failure of Tenant to secure
6 discharge of the attachment or release of the levy of execution within ninety (90)
7 days. In the event of any of the foregoing, no notice that an event of default has
8 occurred shall be required from Landlord;

9 F. Failure to comply with any applicable law, rule, ordinance or
10 regulation except as described in this Lease; or

11 G. Any failure to perform any other term, covenant, or condition
12 of this Lease not specifically identified in this Section or in elsewhere in this Lease.

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

17 A. Terminate Tenant's right to possession of the Premises by
18 any lawful means, in which case this Lease shall terminate and Tenant shall
19 immediately surrender possession of the Premises to Landlord. In such event
20 Landlord shall be entitled to recover from Tenant all amounts which Landlord is
21 entitled to recover pursuant to Section 1951.2 of the California Civil Code (or any
22 successor thereto), including, but not limited to: the worth at the time of award of
23 the amount by which the unpaid rent and additional rent for the balance of the term
24 after the time of award exceeds the amount of such loss that Tenant proves could
25 be reasonably avoided; Landlord shall not be entitled to recover any other amount
26 necessary to compensate Landlord for all the detriment proximately caused by
27 Tenant's failure to perform its obligations under this Lease or which in the ordinary
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course of things would be likely to result therefrom, including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including brokerage commissions and any necessary repair, renovation and alteration of the Premises, reasonable attorneys' fees, and any other reasonable costs.

B. In the event of the abandonment of the Premises by Tenant, and without terminating or effecting a forfeiture of this Lease or otherwise relieving Tenant of any obligation hereunder in the absence of express written notice of Landlord's election to do so, Landlord may, but need not, relet the Premises or any portion thereof at any time or from time to time and for such terms and upon such conditions and rental as Landlord in its discretion may deem proper, with the right to make alterations or repairs to the Premises. If Landlord relets the Premises or any portion thereof, then rent received by Landlord from such reletting shall be applied: first, to the payment of any indebtedness other than rent hereunder from Tenant to Landlord; second, to the payment of any cost of reletting; third, to the payment of the cost of any alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future amounts as the same may become due and payable hereunder. Should the rent for such reletting, during any month for which the payment of rent is required hereunder, be less than the rent payable during that month by Tenant hereunder, then Tenant shall pay such deficiency to Landlord immediately upon demand therefor by Landlord. Such deficiency shall be calculated and paid monthly. Tenant shall also pay to Landlord as soon as ascertained, any reasonable costs and expenses incurred by Landlord in such reletting or in making such alterations and repairs not covered by the rentals received from such reletting. Landlord may execute any lease made pursuant hereto in its own name, and the lessee thereunder shall be under no obligation to see to the application by Landlord of any proceeds to Landlord, nor shall Tenant

1 have any right to collect any such proceeds. Landlord shall not by any re-entry or
2 other act be deemed to have accepted any surrender by Tenant of the Premises
3 or Tenant's interest therein, or be deemed to have terminated this Lease, or to
4 have relieved Tenant of any obligations hereunder, unless Landlord shall have
5 given Tenant express written notice of Landlord's election to do so as set forth
6 herein. Election by Landlord to proceed pursuant to this paragraph shall be made
7 upon written notice to Tenant and shall be deemed an election of the remedy
8 described in California Civil Code Section 1951.4 (lessor may continue a lease in
9 effect after lessee's breach and abandonment and recover rent as it becomes due,
10 if lessee has the right to sublet or assign, subject only to reasonable limitations). If
11 Landlord elects to pursue such remedy, unless Landlord relets the Premises,
12 Tenant shall have the right to sublet the Premises and to assign its interest in this
13 Lease. Landlord may elect to terminate the prosecution of such remedy at any
14 time by written notice to Tenant, and the right of Tenant to assign shall terminate
15 upon receipt by Tenant of such notice, and Landlord's remedies thereafter shall be
16 governed by clause (C) below.

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

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

25 13. Notices. All notices required hereunder shall be in writing and
26 personally delivered, delivered by nationally recognized overnight courier, or deposited in
27 the U.S. Postal Service, first class, postage prepaid, as follows:
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To Tenant: Memorial Health Services
2801 Atlantic Avenue, PO Box 22694
Long Beach, California 90801-5694
Attention: Barry Arbuckle
President and Chief Executive Officer
Facsimile No. (562) 933-9052

With copies to: Memorial Health Services
2801 Atlantic Avenue, PO Box 22694
Long Beach, California 90801-5694
Attention: General Counsel
Facsimile No. (562) 933-9052

To Landlord: City of Long Beach
333 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 refused), whichever first occurs.

14. Indemnification.

A. Tenant shall defend, indemnify, and hold harmless Landlord, its officials, employees and agents (collectively in this Section 14 "Landlord") from and against any and all causes of actions, damage, proceedings, claims, demands, loss, liens, costs and expenses alleging injury to or death of persons, or damage to property, including property owned by City, or any other claim of damage brought, made, filed against, imposed on or sustained by the indemnified parties, or any of them, and arising from or attributable to or caused, directly or indirectly (collectively or individually, a "claim"):

i. by the use of the Premises or any equipment or materials located thereon, or from operations conducted thereon by Tenant, its employees, invitees, agents, or by any person or persons acting on

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behalf of Tenant and with Tenant's knowledge and express consent;

ii. by reason of or arising out of the condition or state of repair or maintenance of the Premises;

iii. by the construction, improvement or repair of the improvements and facilities on the Premises by Tenant, its officers, employees, contractors, agents or invitees, or by any person or persons acting on behalf of Tenant and with Tenant's knowledge and express consent; or

iv. by reason of injury to or death of employees of Tenant or others as a result of Tenant's failure or refusal to comply with the provisions of Section 6300 et seq. of the California Labor Code or any federal, state or local regulations or laws pertaining to the safety of the Premises or of equipment located upon the Premises; but

v. provided that, notwithstanding anything in the foregoing to the contrary, Tenant shall have no obligation to indemnify, defend or hold harmless Landlord from any claim to the extent arising from the negligence, willful misconduct or intentional act of Landlord.

B. With respect to any claim, Landlord shall notify Tenant thereof, shall tender to Tenant the defense thereof, and shall assist Tenant as may reasonably be requested in the defense thereof. Tenant shall defend such claim, shall conduct or have conducted the necessary investigations related thereto, and Tenant shall indemnify Landlord, unless and until Tenant demonstrates that the indemnity does not apply. Payment of a claim by Landlord or entry of judgment shall not be a condition precedent to recovery under this indemnity.

C. Landlord shall defend, Indemnify and hold harmless Tenant against any: (a) wrongful act, wrongful omission, or negligence of Landlord (and

1 anyone claiming by or through Landlord) or its partners, members, directors,
2 officers, officials, employees, agents or contractors; (b) breach or default by the
3 Landlord under this Lease; or (c) breach of any representation or warranty made
4 by Landlord in this Lease, provided that Landlord shall not be required to
5 indemnify Tenant for Tenant's intentional acts or omissions or negligence.

6 15. Landlord's Right to Re-enter on Termination or Expiration. Tenant
7 shall peaceably deliver possession of the Premises to Landlord on the date of expiration
8 or sooner termination of this Lease. On giving notice of termination to Tenant, Landlord
9 shall have the right to re-enter and take possession of the Premises on the date such
10 termination becomes effective without further notice of any kind and without instituting
11 summary or regular legal proceedings. Termination of the Lease and re-entry of the
12 Premises by Landlord shall in no way alter or diminish any obligation of Tenant under the
13 Lease.

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

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

25 18. Waiver by Tenant.

26 A. Landlord shall not be liable for and Tenant hereby waives, to
27 the extent permitted by law, all claims against Landlord, its officials, employees
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1 and agents for loss, theft, and damage to equipment, furnishings, furniture, trade
2 and other fixtures, records, and all personal property of Tenant, its employees,
3 invitees, subtenants, and all other persons in or about the Premises, or for loss or
4 damage to Tenant's business, or for loss of income from Tenant's business or use
5 of the Premises, or for injury to or death of persons on or about the Premises from
6 any cause, in each case except to the extent caused by Landlord's negligence or
7 willful misconduct.

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

11 20. Force Majeure. Except as to the payment of rent, in any case where
12 either party is required to do any act, the inability of that party to perform or delay in
13 performance of that act caused by or resulting from fire, flood, earthquake, explosion,
14 acts of God, war, strikes, lockouts, or any other cause beyond the reasonable control of
15 that party and not due to that party's fault or neglect shall be excused and shall not be a
16 default hereunder. Financial inability to perform shall not be considered cause beyond the
17 reasonable control of the party.

18 21. Americans with Disabilities Act. Except as to tenant improvements
19 made by Landlord, Tenant shall have and be allocated the sole responsibility to comply
20 with the Americans with Disabilities Act of 1990 ("ADA"), as and when amended, with
21 respect to the Premises and Tenant's use of and operation on the Premises. Tenant shall
22 defend, indemnify and hold Landlord harmless from and against all claims of any failure
23 to comply or violation of ADA except those attributable to tenant improvements made by
24 Landlord.

25 22. Condemnation.

26 A. If the whole of the Premises or improvements on the Premises
27 is taken by right of eminent domain or otherwise for any public or quasi-public use,
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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. 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.

B. If there is a taking by right of eminent domain, the rights and obligations of the parties with reference to the award and the distribution thereof shall be determined in accordance with this Section. The award shall belong to and be paid to Landlord, except that Tenant shall first receive from the award a sum attributable to the sum of: the value of Tenant's leasehold estate; and the cost of all improvements made by Tenant; and Tenant's loss of business income.

23. 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

1 parties be deemed to change this Lease. No right, power, privilege, option, or remedy of
2 a party shall be construed as being exhausted by the exercise thereof in one or more
3 instances.

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

11 25. Maintenance.

12 A. Landlord shall have no responsibility for the repair or
13 maintenance of the Premises or any part thereof (including but not limited to
14 seismic upgrades or work required by any legislation relating to earthquake
15 retrofitting). Tenant shall at Tenant's sole cost maintain the Premises, including all
16 improvements and equipment in good repair, in a clean, orderly and safe operating
17 condition and in substantial compliance with applicable laws, rules, regulations,
18 permit and licenses.

19 26. Construction of Work.

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

8 B. Tenant shall insert the following statement into all contracts
9 entered by Tenant relating to the Premises, its use and its operation, relating to
10 maintenance or Construction on the Premises:

11 "This contract shall in no way bind the City of Long Beach, its
12 officials or employees, nor obligate them for any costs or expenses
13 whatsoever under this contract."

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

16 D. Within one (1) year after Construction is completed, Tenant
17 shall ensure that the Premises are free of any mechanic's or materialman's liens
18 for any work done, labor performed or material furnished by or for Tenant. Tenant
19 shall defend, indemnify and hold Landlord, its officials and employees harmless
20 from and against all claims, demands, liens, damage, causes of action, loss,
21 liability, costs, and expenses (including court costs and reasonable attorney's fees)
22 of whatsoever kind for any such work done, labor performed, or materials
23 furnished on the Premises at Tenant's request or to Tenant for Construction on the
24 Premises.

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

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

7 G. All improvements to the main building on the Premises, which
8 main building is a registered historic landmark, shall be subject to Chapter 16.52 of
9 the Long Beach Municipal Code pertaining to historic landmarks.

10 H. Within a reasonable time after completion of any Construction
11 on the Premises Tenant shall deliver to City, at no cost to City, complete sets of
12 "as-built" drawings and/or plans and specifications for the improvements on the
13 Premises.

14 27. Casualty. If any casualty occurs that is not a Substantial_Casualty,
15 then Tenant shall, except as otherwise provided in this paragraph, restore the Premises
16 with reasonable promptness or take such other actions that Tenant deems to be
17 reasonable under the circumstances. If the casualty is a Substantial Casualty, then
18 Tenant may, by notice to Landlord given within four (4) months after the casualty elect to
19 terminate this Lease effective thirty (30) days after such notice (a "Casualty
20 Termination"). Upon any Casualty Termination, Tenant shall receive from any property
21 insurance proceeds an amount equal to all amounts expended by Tenant with respect to
22 the Premises, including without limitation, construction, architecture, engineering,
23 maintenance and repair. Unless Tenant has validly elected a Casualty Termination, this
24 Lease shall not terminate. Tenant shall be solely responsible for negotiating and
25 adjusting any property insurance proceeds. For purposes of this Section 28, Substantial
26 Casualty shall mean a casualty that: (a) renders twenty percent (20%) or more of the
27 Premises not capable of being used or occupied; (b) occurs less than five (5) years
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1 before the end of the Term and renders ten percent (10%) or more of the Premises not
2 capable of being used or occupied; (c) requires restoration whose cost Tenant
3 reasonably estimates in writing would exceed \$1,000,000; or (d) pursuant to law,
4 prevents the Premises from being restored to the same bulk, and for the same use(s), as
5 before the casualty.

6 28. Removal of Tenant's and Other's Property. Except as to property
7 owned by Landlord or property in which Landlord may have an interest, upon termination
8 of this Lease (whether by lapse of time or otherwise) Tenant shall cause all other
9 property upon the Premises, whether or not such property be owned by Tenant or by
10 third parties to be removed from the Premises prior to the end of the Lease term or any
11 extension term and shall cause to be repaired any damage occasioned by such removal
12 as described elsewhere herein provided, however, that if any of such property can not
13 with due diligence be removed prior to expiration or sooner termination of this Lease,
14 then Tenant's obligation hereunder shall be to remove it in the most expeditious manner
15 and as rapidly as possible following the expiration or sooner termination of this Lease. If
16 the property is not so removed from the Premises, it shall be deemed abandoned and
17 Section 30 of this Lease relating to abandoned property shall apply.

18 29. Abandoned Property. If Tenant abandons the Premises or is
19 dispossessed by process of law or otherwise or if the property is not removed as required
20 by Section 29 above, then title to such property left on the Premises forty-five (45) days
21 after such abandonment or dispossession shall be deemed to have been transferred to
22 Landlord. Landlord shall have the right to remove, store and dispose of said property
23 without liability therefore to Tenant or to any person claiming under Tenant, and shall
24 have no duty to account therefore. Tenant hereby designates Landlord's City Manager as
25 Tenant's attorney in fact to execute and deliver such documents as may be reasonably
26 required to dispose of such abandoned property and transfer title thereto. Tenant shall
27 pay the cost of removal, storage, sale or destruction as additional rent. Tenant hereby
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1 agrees to and shall defend, indemnify and hold Landlord, its officials and employees
2 harmless from and against all claims, demands, damage, loss, liability, causes of action,
3 costs and expenses arising from or attributable to Landlord's removal, storage and
4 disposal of such property that is not owned by Tenant.

5 30. Waiver of Jury Trial. Landlord and Tenant hereby waive their
6 respective rights to trial by jury of any contract or tort claim, counterclaim, cross-
7 complaint, or any other cause of action in any action, proceeding, or hearing brought by
8 either party against the other on any matter in any way connected with this Lease, with
9 the relationship of the parties, including but not limited to the enforcement of any law,
10 rule, ordinance, or regulation.

11 31. Encumbrances. Tenant shall not encumber the Premises by any
12 mortgage, deed of trust or other encumbrance of any kind without the prior written
13 approval of the City Manager or designee.

14 32. Hazardous Materials.

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

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

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regulated under the Federal Insecticide, Fungicide and Rodenticide Act ('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: (1) first arising or occurring during the Term of this Lease; or (2) arising from or related to any alleged violation of any environmental law, rule, or regulation by Tenant, Tenant's employees, contractors, agents, or invitees. This indemnification shall include but not be limited to losses attributable to diminution in the value of the Premises.

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 Term of this Lease; 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. Landlord shall, at no cost or expense to Tenant, promptly remediate and clean up (or cause to be remediated or cleaned up) any environmentally hazardous condition which resulted from the occupation or use of the Premises or any personal property, equipment or fixtures located on

1 the Premises prior to the Commencement Date. Such clean up and removal work
2 shall include any testing, investigation and the preparation and implementation of
3 any remedial action plan required by any governmental body having jurisdiction.

4 G. Landlord shall reimburse Tenant for fifty percent (50%) of any:
5 (1) costs and expenses (including attorney's, consultant's and expert's fees and
6 court costs) actually and reasonably incurred by Tenant for defending against any
7 and all claims, demands, damages, loss, liability, causes of action (including but
8 not limited to remedial or enforcement actions), and proceedings related to the
9 presence, release or investigation of a Regulated Substance at the Premises first
10 arising or occurring prior to the Term of this Lease, but not to the extent that
11 liability is related to any alleged violation of any environmental law, rule, or
12 regulation by Landlord, Landlord's employees, contractors, agents, or invitees,
13 and/or (2) liability judgments and/or settlements against Tenant arising from or
14 related to the presence, release or investigation of a Regulated Substance at the
15 Premises first arising or occurring prior to the Term of this Lease, but not to the
16 extent that liability is related to any alleged violation of any environmental law, rule,
17 or regulation by Landlord, Landlord's employees, contractors, agents, or invitees.
18 Tenant shall obtain approval from Landlord, which shall not be unreasonably
19 withheld, before incurring any expenses that Landlord will reimburse and that
20 relate to the investigation of a Regulated Substance at the Premises first arising or
21 occurring prior to the Term of this Lease; provided, however, that prior approval
22 from Landlord shall not be required for any costs and expenses actually and
23 reasonably incurred by Tenant to conduct such investigation as required by: (i)
24 any governmental body having jurisdiction; or (ii) any entity in connection with any
25 financing transaction related to the Premises.

26 H. Landlord shall, at Landlord's sole expense and with counsel
27 reasonably acceptable to Tenant, defend, indemnify and hold harmless Tenant, its
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1 officers, employees and agents with respect to all claims, demands, damage, loss,
2 liability, causes of action (including but not limited to remedial or enforcement
3 actions), proceedings (including but not limited to administrative proceedings),
4 costs and expenses (including attorney's, consultant's and expert's fees and court
5 costs) arising from or related to any alleged violation of any environmental law,
6 rule, or regulation by Landlord, Landlord's employees, contractors, agents, or
7 invitees. This indemnification shall include but not be limited to losses attributable
8 to diminution in the value of the Premises.

9 I. Subsections E, F, G and H of this Section 34 shall survive the
10 termination or expiration of this Lease.

11 33. Miscellaneous.

12 A. Notwithstanding anything to the contrary in this Lease, Tenant
13 shall have the exclusive right to contest, at its sole cost, by appropriate legal
14 proceedings diligently conducted in good faith, the amount or validity of any real
15 estate taxes or prohibited lien; the valuation, assessment, or reassessment
16 (whether proposed, phased, or final) of the Premises for real estate taxes; the
17 amount of any real estate tax; the validity of any law or its application to the
18 Premises; the terms or conditions of, or requirements for, any Approval; or the
19 validity or merit of any claim against which this Lease requires Tenant to indemnify
20 Landlord (any of the foregoing, a "Contest"). Tenant may defer payment or
21 performance of the contested obligation pending outcome of the Contest, provided
22 that: (i) such deferral or noncompliance shall not constitute a criminal act by
23 Landlord or subject Landlord to a material risk of any fine or penalty, (ii) such
24 deferral or noncompliance creates no material risk of a lien, charge, or other
25 liability of any kind against the Premises, (iii) such deferral or noncompliance will
26 not place the Premises in material danger of being forfeited or lost, (iv) such
27 Contest shall be without cost, liability, or expense to Landlord, (v) Tenant shall
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1 prosecute such Contest with reasonable diligence and in good faith, (vi) if required
2 for such Contest, Tenant shall have paid the contested amount (under protest, as
3 applicable), and (vii) if such Contest relates to any real estate tax, then such
4 Contest shall suspend its collection from Landlord and the Premises. At Tenant's
5 request and at Tenant's sole cost and expense, Landlord shall cooperate in any
6 such Contest as reasonably required by Tenant.

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

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

13 D. Up to twice a year, each party to this Lease (a "Requesting
14 Party") may require the other party (a "Certifying Party") to execute, acknowledge,
15 and deliver to the Requesting Party (or directly to a designated third party) up to
16 four original counterparts of an estoppel certificate with respect to this Lease
17 containing such assurances as the Requesting Party reasonably requests (an
18 "Estoppel Certificate"). The Certifying Party shall sign, acknowledge, and return
19 such Estoppel Certificate within fifteen (15) days after request, even if the
20 Requesting Party is in Default. Any Estoppel Certificate shall bind the Certifying
21 Party. Each party shall execute and deliver such further documents, and perform
22 such further acts, as may be reasonably necessary to achieve the parties' intent in
23 entering into this Lease.

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

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

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

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

16 I. The captions and numbers herein and the grouping of the
17 provisions of this Lease into separate sections and paragraphs are for the purpose
18 of convenience only and shall not be considered a part hereof, and shall have no
19 effect on the interpretation of this Lease.

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

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

27 L. This Lease shall not be recorded, provided that upon request
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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.

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.

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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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.

LONG BEACH MEMORIAL MEDICAL CENTER, a California nonprofit public benefit corporation

4/27, 2011

By: Diana Hendel
Diana Hendel
Chief Executive Officer

4/27, 2011

By: [Signature]
Barry Arbuckle
President

"Tenant"

CITY OF LONG BEACH, a municipal corporation
Assistant City Manager

4.28, 2011

By: [Signature]
City Manager
EXECUTED PURSUANT TO SECTION 901 OF THE CITY CHARTER.

"Landlord"

This Lease is approved as to form on April 28, 2011.

ROBERT E. SHANNON, City Attorney
By: [Signature]
Deputy

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 EXHIBIT A

2 PREMISES

3 LEGAL DESCRIPTION & DEPICTION

4 PARCEL 1:

5 ALL THAT PORTION OF LOT 39, ALAMITOS TRACT, IN THE CITY OF LONG BEACH,
6 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN
7 BOOK 36 PAGE 37 ET. SEQ. OF MISCELLANEOUS RECORDS IN THE OFFICE OF
8 THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, LYING WESTERLY
9 OF THE WESTERLY LINE OF THE FORMER 80-FOOT RIGHT- OF-WAY
10 QUITCLAIMED TO ALAMITOS LAND COMPANY AND RECORDED IN BOOK 7292
11 PAGE 112 OF DEEDS IN THE OFFICE OF THE COUNTY RECORDER, AND
12 SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF THAT CERTAIN RIGHT-OF-
13 WAY, 80 FEET WIDE, COMMONLY KNOWN AS THE OUTER TRAFFIC CIRCLE, AS
14 DEDICATED BY ORDINANCE NO. C1913 ADOPTED MAY 13, 1941 BY THE CITY
15 COUNCIL OF THE CITY OF LONG BEACH, AND SOUTHERLY OF THE SOUTHERLY
16 LINE OF PACIFIC COAST HIGHWAY, 100 FEET WIDE, AS ESTABLISHED BY
17 ORDINANCE NO. C-1323 ADOPTED NOVEMBER 30, 1934 BY SAID CITY COUNCIL:

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

19 PARCEL 2:

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

24 EXCEPT THEREFROM ALL OIL, GAS, ASPHALTUM AND OTHER HYDROCARBONS
25 AND OTHER MINERALS WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR
26 NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM SAID LAND,
27 AND ALSO EXCEPTING AND RESERVING THE SOLE AND EXCLUSIVE RIGHT TO
28 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 A 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,

OFFICE OF THE CITY ATTORNEY
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1 1957 AS INSTRUMENT NO. 94 OF OFFICIAL RECORDS.

2 PARCEL 3:

3 A PARCEL OF LAND IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES,
4 STATE OF CALIFORNIA, BEING THAT PORTION OF THAT CERTAIN UNNAMED 10
5 FOOT WIDE STRIP OF LAND SHOWN ON THE MAP OF EASTERN HEIGHTS TRACT,
6 RECORDED IN BOOK 12 PAGE 27 OF MAPS, IN THE OFFICE OF THE COUNTY
7 RECORDER OF SAID COUNTY, ADJOINING LOTS 1 TO 16 OF SAID TRACT ON THE
8 NORTH AND LYING BETWEEN THE NORTHERLY PROLONGATION OF THE
9 EASTERLY AND WESTERLY LINES OF LOT 9 OF SAID TRACT.

10 EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBONS AND MINERALS OF EVERY
11 KIND AND CHARACTER LYING MORE THAN FIVE HUNDRED (500) FEET BELOW
12 THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO,
13 THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE
14 THAN FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF FOR ANY AND
15 ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF
16 OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID ON OTHER
17 LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF
18 SAID LAND, OR ANY PORTION OF SAID LAND WITHIN FIVE HUNDRED (500) FEET
19 OF THE SURFACE FOR ANY PURPOSE OR WHATSOEVER, AS RESERVED BY THE
20 CITY OF LONG BEACH IN DEED RECORDED MAY 6, 1983 AS INSTRUMENT NO. 83-
21 511177 OF OFFICIAL RECORDS.

22 PARCEL 4:

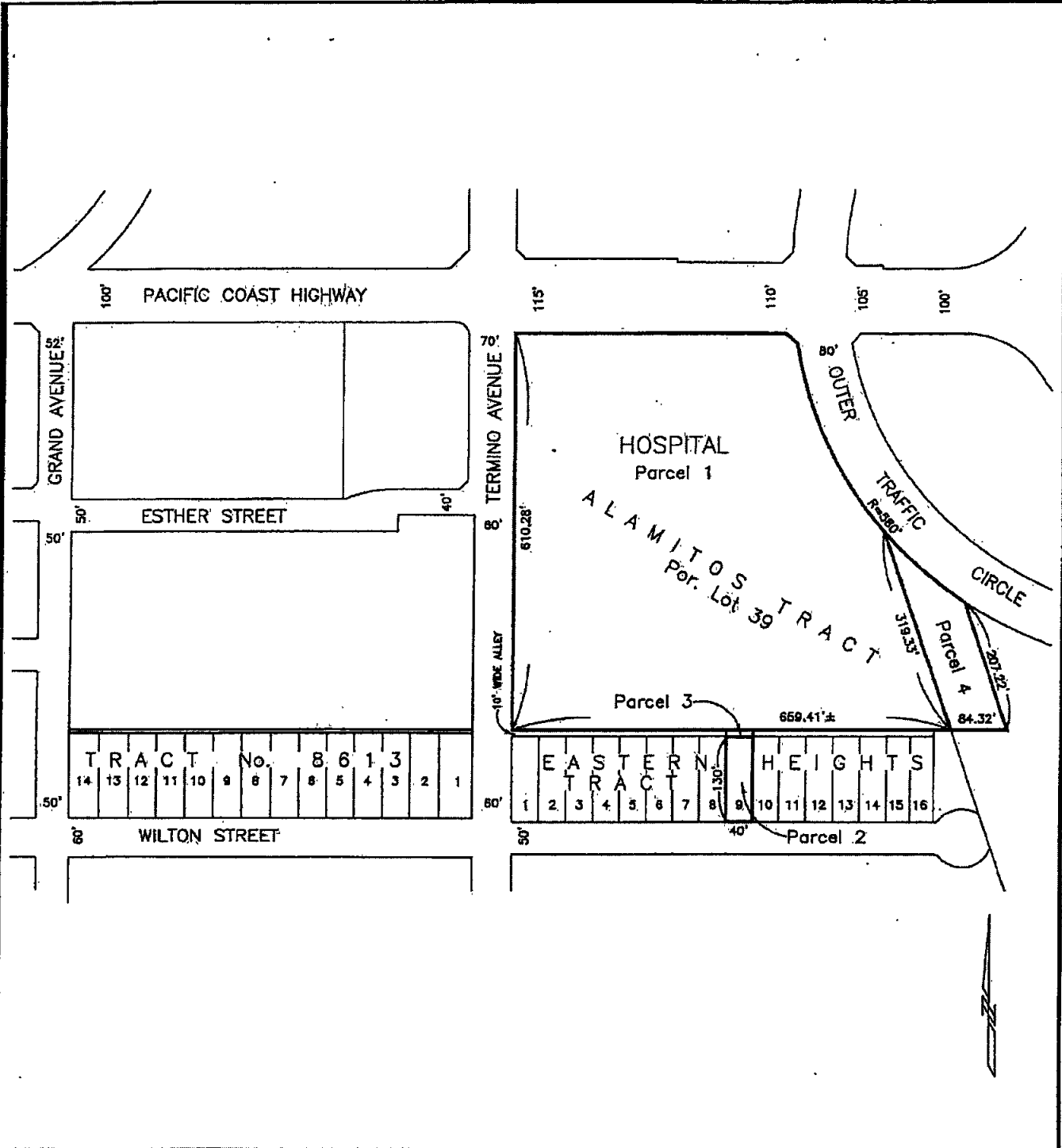
23 A PARCEL OF LAND IN LOT 39 OF ALAMITOS TRACT, IN THE CITY OF LONG
24 BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP
25 RECORDED IN BOOK 36 PAGES 37 THROUGH 44 INCLUSIVE OF MISCELLANEOUS
26 RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,
27 BEING PART OF THE ABANDONED RIGHT-OF-WAY OF THE PACIFIC ELECTRIC
28 RAILWAY COMPANY, AS SAID RIGHT-OF-WAY WAS DESCRIBED IN DEED
RECORDED IN BOOK 1786 PAGE 9 OF DEEDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF
SAID ABANDONED RIGHT-OF-WAY WITH THE SOUTH LINE OF SAID LOT 39, SAID
POINT BEING NORTH 89 DEGREES 58 MINUTES 45 SECONDS EAST 659.41 FEET,
MORE OR LESS, FROM THE SOUTHWEST CORNER OF SAID LOT 39, THENCE
ALONG SAID SOUTH LINE, NORTH 89 DEGREES 58 MINUTES 45 SECONDS EAST
84.32 FEET TO THE NORTHEASTERLY LINE OF SAID ABANDONED RIGHT-OF-
WAY; THENCE NORTH 18 DEGREES 26 MINUTES 05 SECONDS WEST ALONG
SAID NORTHEASTERLY LINE 207.22 FEET OF THE SOUTHWESTERLY LINE OF
THE OUTER TRAFFIC CIRCLE AS DESCRIBED IN THE DEED TO THE CITY OF
LONG BEACH, RECORDED APRIL 25, 1941 AS INSTRUMENT NO. 1145 IN BOOK
18379 PAGE 173 OF OFFICIAL RECORDS; THENCE ALONG SAID
SOUTHWESTERLY LINE NORTHWESTERLY ON THE ARC OF A CURVE CONCAVE
TO THE NORTHEAST HAVING A RADIUS OF 580 FEET AND A CENTRAL ANGLE OF
15 DEGREES 51 MINUTES 16 SECONDS A DISTANCE OF 160.49 FEET TO THE
SOUTHWESTERLY LINE OF SAID ABANDONED RIGHT-OF-WAY; THENCE SOUTH
18 DEGREES 26 MINUTES 05 SECONDS EAST THEREON 319.33 FEET TO THE
POINT OF BEGINNING.

EXCEPT THEREFROM, ALL OIL, GAS, MINERALS AND OTHER HYDROCARBONS IN
AND UNDER SAID LAND BELOW A DEPTH OF 500 FEET FROM THE SURFACE

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1 THEREOF, WITHOUT, HOWEVER, ANY RIGHT OF ENTRY TO THE SURFACE OF
2 SAID LAND FOR THE PURPOSE OF DRILLING FOR, MINING OR OTHERWISE
3 EXTRACTING SAID GAS, OIL, MINERALS OR OTHER HYDROCARBON
4 SUBSTANCES AS RESERVED IN DEED RECORDED MARCH 17, 1971 AS
5 INSTRUMENT NO. 21.
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CITY OF LONG BEACH - CALIFORNIA
 DEPARTMENT OF PUBLIC WORKS, ENGINEERING BUREAU

**COMMUNITY HOSPITAL
 LEASE AREA
 EXHIBIT A**

EXHIBIT B

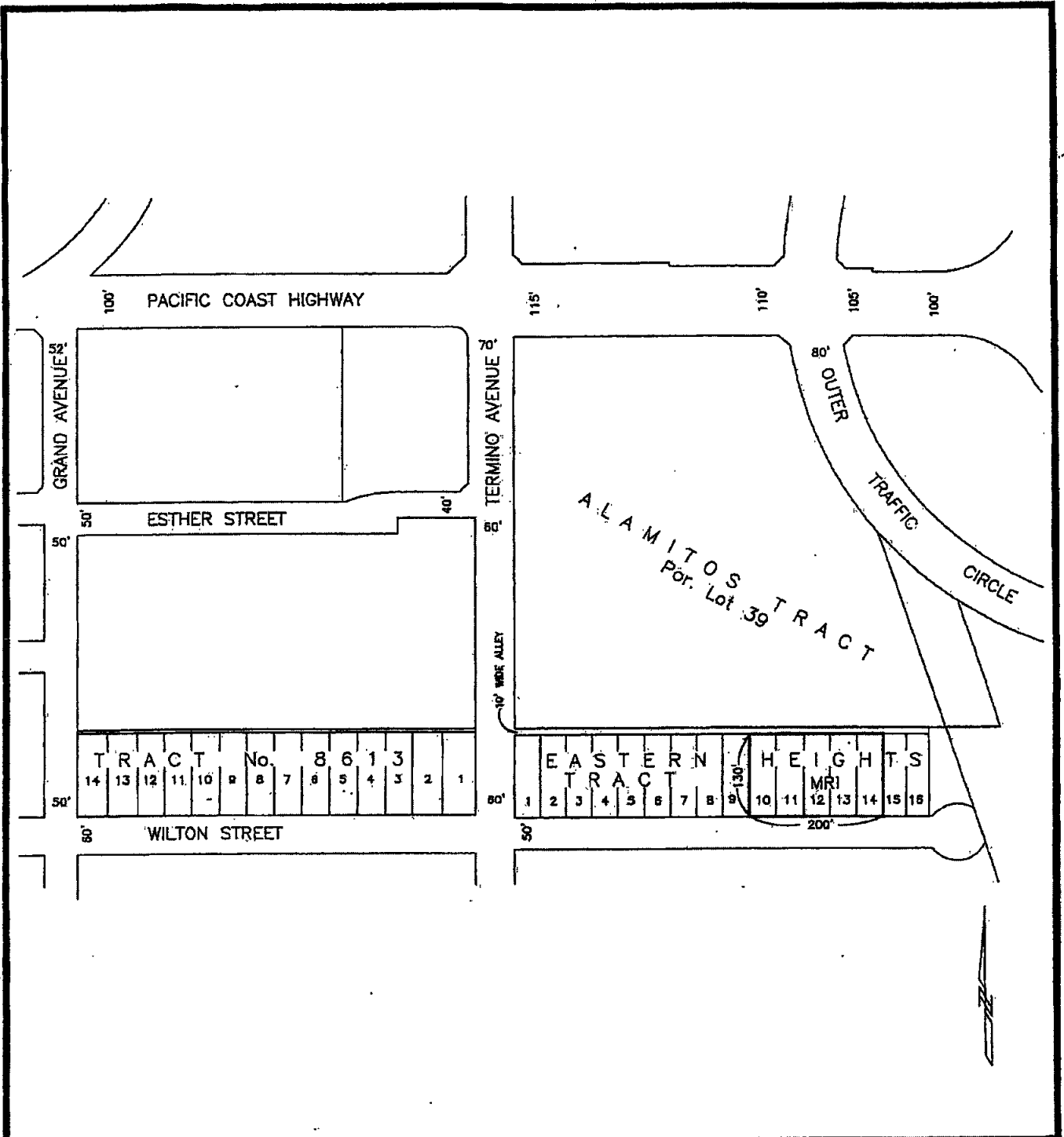
PREMISES

LEGAL DESCRIPTION & DEPICTION

Lots 10, 11, 12, 13 and 14 of the 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.

OFFICE OF THE CITY ATTORNEY
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CITY OF LONG BEACH - CALIFORNIA
DEPARTMENT OF PUBLIC WORKS, ENGINEERING BUREAU

**COMMUNITY HOSPITAL
LEASE AREA
"ADDITIONAL PREMISES"
EXHIBIT B**