

24687

THIRD AMENDMENT TO ST. MARY PHYSICIANS CENTER OFFICE LEASE

THIS THIRD AMENDMENT TO ST. MARY PHYSICIANS CENTER OFFICE LEASE (the "**Amendment**") is made and entered into as of June 22, 2016 (the "**Amendment Date**"), by and between HTA – ST. MARY PHYSICIANS CENTER, LLC, a Delaware limited liability company ("**Lessor**"), and CITY OF LONG BEACH, a municipal corporation ("**Lessee**").

RECITALS

A. Lessor (as successor in interest to St. Mary Physicians Center LLC, a California limited liability company) and Lessee are parties to that certain St. Mary Physicians Center Office Lease dated as of March 26, 1996 (the "**Original Lease**"), as amended by that certain St. Mary Physicians Center First Amendment to Office Lease No. 24687, dated as of October 6, 2006 ("**First Amendment**") and by that certain Second Amendment to St. Mary Physicians Center Office Lease dated May 14, 2010 ("**Second Amendment**"; at times referred to collectively with the First Amendment as the "**Prior Amendments**"), for space originally containing 4,332 rentable square feet and as a result of expansion as set forth in the Second Amendment and subsequent re-measurement as set forth herein, currently containing approximately 5,169 rentable square feet (the "**Premises**") and described as Suite No. 401 of the building commonly known as St. Mary Physicians Center located at 1043 Elm Avenue, Long Beach, California (the "**Building**").

B. The Original Lease, as previously assigned or amended as stated above, may be referred to collectively, as the "**Lease**"; and references to the "Lease" shall also be deemed to include the Lease as amended herein after the date of full execution and delivery of this Amendment by both parties hereunder.

C. The term of the Lease commenced on September 1, 1996 and, as extended pursuant to the terms of the First Amendment, has a current expiration date of October 31, 2016.

D. Lessee and Lessor mutually desire that the Lease be further amended on and subject to all the terms and conditions hereinafter set forth in this Amendment.

E. Lessee and Lessor have had no dealings with any real estate broker or agent in connection with this Amendment, except: Aaron Boss with Medical Asset Management/Ensemble ("**Lessor's Broker**") and "NONE" ("**Lessee's Broker**") and together with Lessor's Broker, the "**Broker(s)**").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. **Effective Date.** This Amendment shall become effective upon the date fully executed and delivered by the parties hereunder, as indicated by the Amendment Date in the preamble of this Amendment, and shall continue in effect as expressly provided herein, or until otherwise amended by the parties in writing or until the expiration or sooner termination of the Lease.

2. **Re-measurement.** Notwithstanding anything to the contrary in the Original Lease or the Prior Amendments, the parties acknowledge and agree that the Building, as re-measured, consists of approximately 65,165 rentable square feet, and the Premises, as re-measured, consists of approximately 5,169 rentable square feet.

3. **Extension.** The Lease is hereby modified to extend the Term for a period of 62 months from November 1, 2016 (the "**Extension Date**") to December 31, 2021 ("**Extended Expiration Date**"), unless sooner terminated in accordance with the Lease. That portion of the Term commencing on the Extension Date and ending on the Extended Expiration Date shall be referred to herein as the "**Extended Term**".

4. **Base Rent.** Notwithstanding anything to the contrary in the Second Amendment, as of the Extension Date, the schedule of Monthly Base Rent payable during the Extended Term is the following:

Period during Extended Term	Annual Rate Per Rentable Square Foot*	Monthly Base Rent
November 1, 2016 – October 31, 2017	\$27.00	\$11,630.25**
November 1, 2017 – October 31, 2018	\$27.81	\$11,979.16**
November 1, 2018 – October 31, 2019	\$28.64	\$12,336.68
November 1, 2019 – October 31, 2020	\$29.50	\$12,707.13
November 1, 2020 – December 31, 2021	\$30.39	\$13,090.49

* Based on a twelve month period.

** Monthly Rent for the 2nd and 13th month of the Term ("**Abated Rent Period**") shall be abated and forgiven pursuant to Section 5.

5. **Abated & Forgiven Rent.** Monthly Base Rent in the amount of **\$23,609.41** (\$11,630.25 for month 2 and \$11,979.16 for month 13) ("**Abated Rent**") shall be abated and forgiven during the Abated Rent Period. Such Abated Rent represents a deferment of the Monthly Base Rent payable under Section 4 during such Abated Rent Period and the forgiveness of such Abated Rent shall occur as of the last day of the Term of this Lease. Forgiveness of the Abated Rent is conditioned on Lessee's full performance of its obligations under this Lease. No deferment or abatement of any other rent or charges, including of any Additional Rent, payable under this Lease shall occur during the Abated Rent Period or otherwise. If a Default by Lessee results in the termination of the Lease, then as a part of the recovery set forth in the Lease, Lessor shall be entitled to the recovery of all Abated Rent that was previously abated, and the amount of such Abated Rent shall be deemed immediately due and payable as of the date occurring just prior to such termination of the Lease. The parties hereby agree that the foregoing conditional deferment of the Abated Rent is not intended as a penalty if there is a default under this Lease, but merely as the consequence for the failure of Lessee to meet the required condition for the forgiveness of the Abated Rent.

6. **Base Year; Lessee's Proportionate Share.** As of the Extension Date, the Base Year is deemed to be 2016, and Lessee's proportionate share of Building Expenses in excess of Base Building Expenses is deemed to be **7.932%**, which amount is calculated by dividing the rentable square feet of the Premises by the rentable square feet of the Building. As of the Extension Date, Building Expenses will be grossed up as if the Building were 95% occupied.

7. **Notices.** Lessor's address for notices under the Lease shall be as follows:

16435 North Scottsdale Road, Suite 320
 Scottsdale, AZ 85254
 Telephone: (480) 998-3478
 Fax: (480) 991-0755
 Attn: **Chief Executive Officer**

And with copies by electronic mail to:

SCOTTPETERS@HTAREIT.COM

AND

AMANDAHOUGHTON@HTAREIT.COM

All payments required to be made by Lessee under the Lease shall be delivered as instructed by Lessor in writing.

8. **No Additional Security Deposit.** No additional Security Deposit shall be required in connection with this Amendment.

9. **Condition of Premises.**

9.1 **Existing Condition.** Lessee is currently in possession of the Premises and accepts the same "as is" without any agreements, representations, understandings or obligations on the part of Lessor to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment. All improvements or allowances to have been provided by Lessor to the Premises under the Original Lease or any prior amendment thereto were completed by Lessor and Lessor has no further obligation with respect to such improvements or allowances.

9.2 **Responsibility for Improvements to Premises.** Lessor shall perform improvements to the Premises in accordance with the Work Letter attached hereto as **Exhibit A**.

10. **Allowance.** "**Allowance**" shall mean an amount equal to the lesser of: (i) \$25,845 or (ii) the actual cost of Substantial Completion of the Lessor Work as further set forth in **Exhibit A**.

11. **Option to Terminate.** Upon Lessee experiencing an event of serious and substantial funding disruption or termination for its Women, Infants and Children's (W.I.C.) program such that Lessee is unable to maintain its office at the Premises, and provided that Lessee (i) has not assigned its interest in the Lease or sublet any portion of the Premises; and (ii) is not in Default under the Lease, Lessee shall have the option to terminate the Lease (the "**Termination Option**"). Lessee shall exercise the Termination Option by (A) delivering a 9 month advance written Notice (the "**Termination Notice**") of such election to terminate the Lease and (B) paying to Lessor the Termination Payment (as hereinafter defined) within 30 days of delivery of the Termination Notice. The effective date of the termination of the Lease (the "**Early Termination Date**") if Lessee exercises such Termination Option shall be the date set forth in the Termination Notice, provided that such date shall not be less than 270 days after the date Lessor receives the Termination Notice. If Lessee properly delivers the Termination Notice and makes the Termination Payment in a timely manner, then the Lease shall be deemed to have expired by lapse of time on the Early Termination Date. Lessee shall return the Premises to Lessor on the Early Termination Date in accordance with the terms of the Lease. If Lessee fails to make the Termination Payment in a timely manner, then the Termination Option shall, at Lessor's option, be void. Upon Lessee's delivering the Termination Notice, any and all rights of Lessee to extend the Term or to lease additional space in the Building, whether pursuant to a right of first offer, a right of first refusal, a right of first opportunity, an expansion option, or otherwise, shall immediately be void and of no further force or effect. All obligations of either party to the other which accrue under the Lease on or before the Early Termination Date shall survive such termination. As used herein, "**Termination Payment**" shall mean the sum equal to: (i) the sum of the unamortized balance of the Abated Rent, leasing commissions paid or payable by Lessor in connection with the Lease; and (ii) the total cost of the Allowance, all of which costs and commissions shall be amortized on a straight-line basis over the Term (calculated on a 60-month basis for these purposes) using an interest factor of percent (8%) per annum. If Lessee leases additional space in the Building, then the Termination Payment shall be increased by the gross Rent attributable to the leasing of such additional space as of the Early Termination Date.

12. **Option to Renew.**

12.1 If Lessee duly and timely (i) pays all Rent; (ii) performs each and every covenant, provision, condition and agreement in the Lease on the part of Lessee to be performed; (iii) is not in Default under this Lease; and (iv) has not assigned its interest in the Lease or sublet any portion of the Premises, Lessee shall have the option to extend the Term (the "**Option**") for 60 months (the "**Extension Term**"), which shall commence, if at all, immediately upon the expiration of the Term. The Option shall be exercised by Lessee giving written notice (the "**Option Notice**") to Lessor (in the manner provided in the Lease), no earlier than 12 months and not later than 9 months prior to the expiration of the Term, and must be exercised for the entire Premises. If Lessee fails to give Lessor the Option Notice within the time period and as otherwise specified herein, the Option shall automatically become null and void. Lessee shall promptly execute a written amendment to the Lease memorializing the exercise of the Option, the extension of the Term, the amount of the Base Rent for the Extension Term, and such other amendments as Lessor may reasonably require to the Lease (an "**Extension Amendment**"), which Extension Amendment Lessor may require Lessee to execute prior to the commencement of the Extension Term. To the extent Lessee has not executed an Extension Amendment by the start of the Extension Term, the amount of Rent payable by Lessee as of the start of such Extension Term shall be as set forth in Lessor's initial notice as provided below, subject to any adjustment, if required, after the determination of the amount of fair market rent for such Extension

Term as provided below and the execution of the Extension Amendment. The Extension Amendment shall be subject to the approval of the Long Beach City Council.

12.2 If Lessee properly exercises an option, Base Rent shall be adjusted as of the commencement date of the Extension Term to be equal to the prevailing market rate for space comparable to the Premises in the Building as of such date, as determined by Lessor, the amount of which Lessor shall notify Lessee in writing not less than 3 months after Lessor's receipt of the Option Notice; provided, that in no event shall fair market rent for such Extension Term be less than Base Rent prior to the commencement date of such Extension Term. If Lessee objects to Lessor's determination, Lessee shall, within 15 days after receipt of Lessor's notice, notify Lessor in writing of Lessee's disagreement, whereupon Lessor and Lessee shall meet and attempt to resolve such disagreement. If Lessor and Lessee are unable to agree upon the fair market rent of the Premises within 20 days following Lessor's receipt of Lessee's notice, then (i) Lessee shall either withdraw its Option Notice and thereafter the Option shall be null and void; or (ii) the fair market rent shall be determined by appraisal in the manner provided below. To the extent fair market rent has not been determined by appraisal in the manner provided below and set forth in an executed Extension Amendment, the amount of Rent payable by Lessee as of the start of any Extension Term for which fair market rent is not previously established in an Extension Amendment shall be as set forth in Lessor's initial notice with respect to the fair market rent for any such Extension Term, as provided above, subject to any adjustment, if required, after the determination of the amount of fair market rent for such Extension Term as provided below.

12.3 The process for determining the fair market rent of the Premises by appraisal shall be as follows: The Premises shall be appraised taking into account first class hospital campuses and medical office buildings in, among other things, comparable markets in similar metropolitan areas, by an MAI appraiser chosen by Lessor with no less than 10 years of experience appraising medical office property in the metropolitan area in which the Building is located and the resulting appraisal report (the "**First Appraisal**") shall be forwarded to Lessee. If the First Appraisal is deemed unacceptable by Lessee, then Lessee shall so advise Lessor in writing within 10 Business Days after receipt of the First Appraisal (and Lessee's failure to give notice within such 10 Business Day period shall be deemed Lessee's acceptance of the First Appraisal) and Lessee shall have the right to engage an MAI appraiser with similar qualifications to Lessor's appraiser and the resulting appraisal report (the "**Second Appraisal**") shall be forwarded to Lessor. If Lessor shall deem the Second Appraisal to be unacceptable, then Lessor shall advise Lessee within 10 Business Days after receipt of the Second Appraisal (and Lessor's failure to give notice within such 10 Business Day period shall be deemed Lessor's acceptance of the Second Appraisal), and the first appraiser and second appraiser shall together choose a third MAI appraiser with similar qualifications to theirs who shall appraise the Premises and forward the resulting appraisal report (the "**Third Appraisal**") to Lessor and Lessee. The cost of the First Appraisal shall be borne by Lessor. The cost of the Second Appraisal shall be borne by Lessee. The cost of the Third Appraisal shall be shared equally between Lessor and Lessee. If the Third Appraisal is greater than the higher of the First Appraisal and the Second Appraisal or less than the lower of the First Appraisal and the Second Appraisal, then the fair market rent shall be the average of the First Appraisal and the Second Appraisal. If the Third Appraisal is not greater than the higher of the First Appraisal and the Second Appraisal nor less than the lower of the First Appraisal and the Second Appraisal, then the fair market rent shall be the sum of the First Appraisal, the Second Appraisal and the Third Appraisal, divided by three. After such appraisal procedure is completed and the fair market rent for such Extension Term is established, then Lessee shall promptly make payment to Lessor for any underpayment of Base Rent owing for the prior months. The determination of fair market rent shall include the amount of appropriate annual increases in Base Rent.

13. **Representations and Warranties.** Lessee hereby represents, warrants and agrees that: (1) there exists no breach, default, or event of default by Lessor under the Lease, or any event or condition which, with notice or passage of time or both, would constitute a breach, default or event of default by Lessor under the Lease; (2) the Lease continues to be a legal, valid and binding agreement and obligation of Lessee; (3) Lessee has no current offset or defense to Lessee's performance or obligations under the Lease; and (4) Lessee has not assigned, sublet, transferred, mortgaged or in any other way encumbering its interest in the Lease.

14. **Miscellaneous.**

14.1 This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. The parties hereunder agree that there have been no additional oral or written

representations or agreements regarding the Lease or this Amendment except as expressly provided herein. The parties further agree that any free Rent, Rent abatement (except with respect to an event of casualty or otherwise granted as other than an inducement to enter into the Lease), improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided to Lessee in connection with entering into the Lease have now expired unless specifically set forth in this Amendment, and such incentives as were granted under the Original Lease or any prior amendment thereto shall have no application going forward. In addition, any and all options granted to Lessee under the Original Lease or any prior amendment thereto, including any extension, expansion, reduction, termination or other option whatsoever, or any right of first refusal or right of first offer, have previously been exercised or waived or have expired except as follows: **NONE**. Any such previously exercised, expired or waived option or right shall be of no further force or effect after the date of this Amendment.

14.2 The parties hereby ratify the Lease, including each of any prior amendments thereto. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

14.3 Submission of this Amendment by Lessor is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Lessee. Lessor shall not be bound by this Amendment until Lessor has executed and delivered the same to Lessee.

14.4 This Amendment (and any subsequent amendment or consent provided in connection with the Lease) may be executed in one or more counterparts, which, when placed together, constitute a single binding document as if all signatures were on a single page. In addition, such documents may, once so executed, be delivered by each party hereunder to each other party by facsimile or electronic mail to the extent that a facsimile or electronic mail is included in any party's notice address (or otherwise provided in a writing designating such electronic mail address as a valid notice address) and provided that the delivering party shall have received written confirmation of receipt of such facsimile or electronic delivery. Any copies of such documents delivered as set forth in this Section shall have the full force and effect and shall be treated as if such documents bear original signatures.

14.5 All obligations, covenants and indemnities set forth in the Lease which contemplate the payment of sums or the performance by Lessee following any termination or expiration of the Lease with respect to obligations accrued prior to such termination or expiration, or which may continue to accrue, including specifically, but not limited to, the covenants and indemnities set forth with respect to payments of Rent owed, including any Additional Rent, and Lessee's obligations, covenants and indemnities set forth with respect to indemnity, holdover, surrender of the Premises, brokers, any alterations or Lessee improvements, environmental conditions, and all representations and warranties of Lessee, shall survive the expiration or sooner termination of the Lease. Time is of the essence with respect to Lessee's exercise of any right granted to Lessee and any obligations to be performed hereunder by Lessee, including the payment of Rent.

14.6 The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

14.7 Lessee hereby represents to Lessor that Lessee has dealt with no broker in connection with this Amendment other than: "**NONE**". Lessee agrees to indemnify and hold Lessor, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers other than: "**NONE**" claiming to have represented Lessee in connection with this Amendment. Lessor hereby represents to Lessee that Lessor has dealt with no broker in connection with this Amendment other than **Aaron Boss with Medical Asset Management/Ensemble**. Lessor agrees to indemnify and hold Lessee, its members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Lessor in connection with this Amendment.

14.8 The undersigned signatories of Lessee each represent and warrant to Lessor, and agree, that such individual executing this Amendment on behalf of Lessee is authorized to do so on behalf of Lessee.

14.9 If Lessor retains an attorney or institutes legal proceedings due to Lessee's failure to pay Rent when due or perform any of its other obligations under the Lease, then Lessee shall be required to pay Additional Rent in an amount equal to the reasonable attorneys' fees and costs actually incurred by Lessor in connection therewith. Notwithstanding the foregoing, in any action or proceeding between Lessor and Lessee, including any appellate or alternative dispute resolution proceeding, the prevailing party shall be entitled to recover from the non-prevailing party all of its costs and expenses in connection therewith, including reasonable attorneys' fees actually incurred.

[SIGNATURES CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Amendment as of the Amendment Date.

LESSOR:

HTA – ST. MARY PHYSICIANS CENTER, LLC,
a Delaware limited liability company

By: [Signature]

Name: Amanda Houghton

Its: EVP Asset Management

Dated: 6/22/16

LESSEE:

CITY OF LONG BEACH, a municipal corporation

By: [Signature] Assistant City Manager

Name: Patrick H. West

Title: City Manager

Dated: 6/15/16

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

APPROVED AS TO FORM
6-2-2016
CHARLES PARKIN, City Attorney
By: [Signature]
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

By: _____

Name: _____

Title: _____

Dated: _____

[Redacted]

Lessee's Tax ID Number (FEIN)

Bm6/2/16

EXHIBIT A
WORK LETTER

This Exhibit is attached to and made a part of the **THIRD AMENDMENT TO ST. MARY PHYSICIANS CENTER OFFICE LEASE** (the "**Amendment**"), by and between HTA – ST. MARY PHYSICIANS CENTER, LLC, a Delaware limited liability company ("**Lessor**"), and **CITY OF LONG BEACH**, a municipal corporation ("**Lessee**"), for space in the Building located at 1043 Elm Avenue, Long Beach, California. Capitalized terms used but not defined herein shall have the meanings given in the Amendment.

1. At Lessee's request, Lessor shall perform improvements to the Premises in accordance with the work list to be agreed upon in writing by Lessor and Lessee (collectively, the "**Worklist**") using Building standard methods, materials and finishes. The improvements to be performed in accordance with the Worklist are hereinafter referred to as the "**Lessor Work**." Lessor and Lessee agree that Lessor's obligation to pay for the cost of Lessor Work (inclusive of all direct, indirect, hard and soft costs of the build out, including, but not limited to, actual construction costs, architectural fees, permitting, a construction management fee equal to 5% of the total construction costs, and other related costs) shall be limited to the Allowance and that Lessee shall be responsible for the cost of Lessor Work, plus any applicable state sales or use tax, if any, to the extent that it exceeds the Allowance, unless any costs in excess of the Allowances are due to (i) a delay by Lessor, in which case Lessor shall be responsible for any such costs due to such delay, or (ii) a Lessee Delay, in which case Lessee shall be responsible for any such costs due to such Lessee Delay. Lessor shall enter into a direct contract for the Lessor Work with a general contractor selected by Lessor who is well qualified, in Lessor's sole discretion, to carry out the Lessor Work. In addition, Lessor shall have the right to select and/or approve of any subcontractors (who shall be similarly well qualified in their trades, in Lessor's sole discretion) used in connection with the Lessor Work and any work performed in connection with Section 2 below. Lessor's Work shall comply with the California Labor Code Section 1720 regarding the payment of prevailing wages.

2. All other work and upgrades (other than the Lessor Work), subject to Lessor's approval, not to be unreasonably withheld, shall be at Lessee's sole cost and expense, plus any applicable state sales or use tax thereon, payable upon demand as Additional Rent. Lessee shall be responsible for any Lessee Delay in completion of the Premises resulting from any such other work and upgrades requested or performed by Lessee.

3. Lessor's supervision or performance of any work (other than the Lessor Work) for or on behalf of Lessee shall not be deemed to be a representation by Lessor that such work complies with applicable insurance requirements, building codes, ordinances, laws or regulations or that the improvements constructed will be adequate for Lessee's use.

4. If Lessor's estimate of the cost of the Lessor Work shall exceed the Allowance, Lessor, prior to commencing any Lessor Work, shall submit to Lessee a written estimate setting forth the anticipated cost of the Lessor Work, including, but not limited to, labor and materials, contractor's fees and permit fees. Within 5 business days thereafter, Lessee shall either notify Lessor in writing of its approval of the cost estimate, or specify its objections thereto and any desired changes to the proposed Lessor Work. If Lessee notifies Lessor of such objections and desired changes, Lessee shall work with Lessor to reach a mutually acceptable alternative cost estimate.

5. Subject to Section 1 of this **Exhibit A**, if Lessor's estimate and/or the actual cost of construction of the Lessor Work shall exceed the Allowance (such amounts exceeding the Allowance being herein referred to as the "**Excess Costs**"), Lessee shall pay to Lessor such Excess Costs, plus any applicable state sales or use tax thereon, upon demand. The statements of costs submitted to Lessor by Lessor's contractors shall be conclusive for purposes of determining the actual cost of the items described therein. The parties hereby agree that the Allowance provided to Lessee is in consideration for entering into this Amendment as of the date hereof. Except as expressly provided in this Amendment, Lessor shall not be responsible for providing any additional funds for the construction of the Lessor Work. Lessee shall pay any Excess Costs of the Lessor Work to Lessor or Lessor's contractor prior to, and as a condition of, commencement of the construction of the Lessor Work, or, if such excess costs are incurred after the commencement of the construction, then as a condition of the continuation and completion of such Lessor Work, and any difference between such estimated amount paid and the actual cost of the Lessor Work shall be

reconciled after the completion of the Lessor Work. Notwithstanding anything to the contrary contained herein, as of the date of Substantial Completion of the Lessor Work, Lessee shall have beneficial ownership and use of the Lessee improvements paid for by Lessor, including by application of the Allowance, but Lessor shall be considered the owner of such improvements paid for with the Allowance for federal income tax purposes. The amounts payable by Lessee hereunder constitute Rent payable pursuant to the Lease, and the failure to timely pay same constitutes a default under the Lease.

6. Any portion of the Allowance which is otherwise remaining after the completion of the Lessor Work, shall accrue to the sole benefit of Lessor, it being agreed that Lessee shall not be entitled to any credit, offset, abatement or payment with respect thereto.

7. Lessee is responsible for paying all expenses associated with the acquisition, installation, maintenance and repair of Lessee's telecommunications, moving costs, trade fixtures, equipment, furniture and personal property as well as for the cost of any above Building standard improvements and any Allowance provided hereunder shall not be applicable to such expenses. All of Lessee's trade fixtures and equipment to be built in or attached to the Premises or otherwise connected to mechanical, structural, electrical or plumbing systems in the Building shall be installed by Lessor's contractor as part of the Lessor Work, at Lessee's cost.

8. Lessee acknowledges that the Lessor Work may be performed by Lessor in the Premises during Building business hours subsequent to the Extension Date. Lessor and Lessee agree to cooperate with each other in order to enable the Lessor Work to be performed in a timely manner and with as little inconvenience to the operation of Lessee's business as is reasonably possible. Notwithstanding anything herein to the contrary, any delay in the completion of the Lessor Work or inconvenience suffered by Lessee during the performance of the Lessor Work shall not delay the Extension Date, nor shall it subject Lessor to any liability, except as otherwise provided herein, for any loss or damage resulting therefrom or entitle Lessee to any credit, abatement or adjustment of Rent or other sums payable under the Lease.

9. This Exhibit shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

[SIGNATURES CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Exhibit as of the Amendment Date.

LESSOR:

HTA – ST. MARY PHYSICIANS CENTER, LLC,
a Delaware limited liability company

By: [Signature]

Name: Amanda Houghton

Its: EVP Asset Management

Dated: 6/22/16

LESSEE:

CITY OF LONG BEACH, a municipal corporation

By: [Signature] Assistant City Manager

Name: Patrick H. West

Title: City Manager

Dated: 6/15/16

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

APPROVED AS TO FORM
6-2-2016

CHARLES PARKIN, City Attorney

By: [Signature]

RICHARD ANTHONY
DEPUTY CITY ATTORNEY

By: _____

Name: _____

Title: _____

Dated: _____

[Redacted]

Lessee's Tax ID Number (FEIN)

Am 6-21-16