

ST. MARY PHYSICIANS CENTERFIRST AMENDMENT TO MEDICAL OFFICE LEASE NO. 24687**24687**

**THIS FIRST AMENDMENT TO MEDICAL OFFICE LEASE**, dated for reference purposes only October 6, 2006, is entered into by and between St. Mary Physicians Center, LLC ("Lessor") and City of Long Beach, a municipal corporation ("Lessee") pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on November 14, 2006.

**RECITALS**

A. Lessor and Lessee are parties to that certain Medical Office Lease dated March 26, 1996 (the "Lease") with respect to Suite 401 in the building commonly known as St. Mary Physicians Center (the "Building"), located at 1043 Elm Avenue, Long Beach, California 90813.

B. The current Premises is Suite 401 and consists of 4,332 rentable square feet. The current monthly Base Rent is \$9,938.23. The Termination Date of the Lease is October 31, 2006.

C. Lessor and Lessee desire to extend the Termination Date of the Lease to October 31, 2016.

D. Lessor and Lessee desire to amend the Lease on the terms and conditions set forth in this First Amendment.

NOW, THEREFORE, with reference to the recitals set forth above and considered incorporated herein, and for good and valuable consideration, the receipt, legal sufficiency and adequacy of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. The Termination Date of the Lease is October 31, 2016 (the "Extended Term"). The Lease shall continue on the same terms and conditions, except as indicated below, including Lessee's Option To Terminate with six (6) months notice pursuant to Paragraph 51 of the Lease.

2. Monthly Base Rent during the Term of the Lease shall be as follows:

Year 1	11/1/06-10/31/07	\$8,880.60/month
Year 2	11/1/07-10/31/08	\$9,140.52/month
Year 3	11/1/08-10/31/09	\$9,400.44/month
Year 4	11/1/09-10/31/10	\$9,703.68/month
Year 5	11/1/10-10/31/11	\$10,006.92/month
Year 6	11/1/11-10/31/12	\$10,310.16/month
Year 7	11/1/12-10/31/13	\$10,613.40/month
Year 8	11/1/13-10/31/14	\$10,916.64/month

Year 9	11/1/14-10/31/15	\$11,263.20/month
Year 10	11/1/15-10/31/16	\$11,609.76/month

3. Lessor, at Lessor's sole cost and expense, shall (a) replace all carpeting throughout the Premises with carpet of similar quality, selected by Lessee from samples provided by Lessor, and (b) repaint the interior walls and trim of the Premises in color(s) selected by Lessee from samples provided by Lessor. Lessor shall also provide Lessee with an allowance of \$1,500 for the moving of furniture, fixtures and equipment.

4. The Base Year pursuant to Paragraph 4.3.3 of the Lease shall be 2007. Operating expenses for 2007 through 2016 shall be grossed up as if the building were 90% occupied. Lessee shall not pay any increases in property taxes due to a transfer, refinancing, or change of ownership.

5. Lessee shall not be obligated to pay any of the costs associated with the security guard, except as such costs are included in building operating expenses. Tenant shall pay its pro rata share of any increase in the building operating expenses over the Base Year per paragraph 4.3 of the Lease.

6. Lessee shall have the option (the "Renewal Option") of renewing the Lease for an additional five (5) years (the "Option Term") from November 1, 2016 through and including October 31, 2021. To exercise the Renewal Option, Lessee shall notify Lessor in writing at least six (6) months, but not more than twelve (12) months prior to the expiration of the Extended Term that it elects to exercise said option. Lessee shall have no right to exercise the Renewal Option if this Lease has been terminated prior to the expiration of the Extended Term, or if Lessee is then in material default in the performance of any of its material obligations under this Lease at the time Lessee provides notice of its decision to exercise its Renewal Option.

If the Renewal Option is exercised, the Base Year pursuant to Paragraph 4.3.3 shall be 2017, and Monthly Base Rent shall be as follows:

Year 1	11/1/16-10/31/17	\$11,956.32/month
Year 2	11/1/17-10/31/18	\$12,302.88/month
Year 3	11/1/18-10/31/19	\$12,692.76/month
Year 4	11/1/19-10/31/20	\$13,082.64/month
Year 5	11/1/20-10/31/21	\$13,472.52/month

If the Renewal Option is exercised, the Lease shall be automatically extended pursuant to authorization by the City Council of the City of Long Beach and execution of an amendment by the City Manager of the City of Long Beach and Lessor with the same force and effect as during the Extended Lease Term, including all covenants, agreements, terms, provisions and conditions contained in this Lease, and in any addendum or amendment to this Lease, except for Base Rent outlined above.

7. Lessor shall pay CRESA Partners a leasing commission of \$35,754.60 upon full execution of this First Amendment.

8. Any conflict between specific issues of this First Amendment and the Lease documents shall be controlled by this First Amendment.

9. Except as expressly modified by this First Amendment, the Lease shall continue in full force and effect in accordance with its terms.

10. This First Amendment may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement.

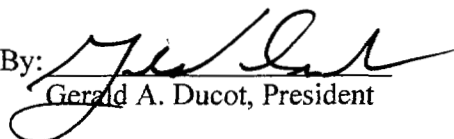
IN WITNESS WHEREOF, Lessor and Lessee have executed this First Amendment as of the date First written above.

**LESSOR:**

St. Mary Physicians Center, LLC  
a California limited liability company

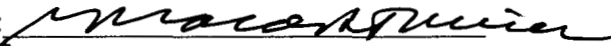
By: Elm Long Beach, LP  
a California limited partnership  
Manager

By: Lazar-Ducot Associates, Inc.  
a California corporation  
General Partner

By:   
Gerald A. Ducot, President

**LESSEE:**

City of Long Beach,  
A municipal corporation

By:   
Its: City Manager

APPROVED AS TO FORM

4/14, 2014  
ROBERT E. SHANNON, City Attorney

By   
DEPUTY CITY ATTORNEY