

1 LEASE TERMINATION AGREEMENT

2 **27140**

3 This Lease Termination Agreement (this "Agreement"), dated as of April 28, 2011,
4 by and between COMMUNITY HOSPITAL OF LONG BEACH, INC., a California public
5 benefit corporation ("Tenant"), and the CITY OF LONG BEACH, a municipal corporation
6 ("Landlord"), is entered into pursuant to a minute order adopted by the City Council of the
7 City of Long Beach at its meeting on March 22, 2011, and with reference to (i) that certain
8 Lease No. 27140 dated as of February 1, 2001 (as amended, the "CHLB Lease"), by and
9 between Landlord and Tenant, and (ii) all amendments thereto. This Agreement is also
10 entered into with reference to the following facts:

11 A. Tenant currently operates an acute care hospital ("Hospital") and provides
12 other health and wellness-related uses on certain City-owned real property which is
13 leased to Tenant pursuant to the CHLB Lease (the "Premises"). Due to recent changes
14 to legal requirements applicable to the Hospital, it is no longer financially feasible for
15 Tenant to operate the Hospital.

16 B. Both Landlord and Tenant desire that operations at the Hospital continue
17 without interruption. To that end, Long Beach Memorial Medical Center, a California
18 nonprofit public benefit corporation ("LBMMC"), shall enter into a long-term lease with the
19 City for the Premises (the "LBMMC Lease"), effective immediately after termination of the
20 CHLB Lease, and continue to operate a hospital on the Premises.

21 C. Landlord is willing to terminate the CHLB Lease upon the terms and
22 conditions contained in this Agreement provided that Tenant remains liable to Landlord
23 for its currently outstanding additional rent obligations.

24 In consideration of the foregoing, and for other valuable consideration, the receipt
25 and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as
26 follows:

27 1. Termination of CHLB Lease. Notwithstanding any contrary provision of the
28 CHLB Lease, the term of the CHLB Lease shall expire at midnight on April 28, 2011 (the

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

1 "Termination Date"). As of the Termination Date, the CHLB Lease shall no longer be of
2 any force and effect, and neither CHLB nor City shall have any obligations to each other
3 thereunder, except with respect to (i) Tenant's indemnification obligations pursuant to
4 Sections 9.B, 13 and 37 of the CHLB Lease, and (ii) Tenant's obligation to pay additional
5 rent as described in Section 3 of this Agreement, both of which shall survive termination
6 of the CHLB Lease.

7 2. Vacation of Premises. Immediately after the Termination Date, the
8 Premises will be leased to LBMMC in "AS IS" condition pursuant to the LBMMC Lease
9 and CHLB's equipment and other personal property shall be transferred to LBMMC.
10 Therefore Landlord acknowledges that Tenant shall not be obligated (i) to deliver the
11 Premises to Landlord in substantially the same condition as the Premises were delivered
12 to Tenant pursuant to Section 8 of the CHLB Lease, or (ii) to remove its equipment,
13 supplies and other items as required by Section 8 of the CHLB Lease.

14 3. Affirmation of Additional Rent Obligations. Tenant acknowledges and
15 agrees that, as of the date hereof, Tenant owes Landlord \$2,054,880.53 in unpaid
16 additional rent required to be paid to Landlord pursuant to Section 4 and Exhibit "D"
17 attached to the CHLB Lease. Tenant affirms its obligation and agrees to continue to
18 make payments in accordance with Schedule "D" of the CHLB Lease, a copy of which is
19 attached as Exhibit "A" hereto and incorporated herein by reference.

20 4. Effectiveness of LBMMC Lease. In the event that, for any reason, the
21 LBMMC Lease is not in effect immediately after the Termination Date, this Agreement
22 shall be of no force or effect, and the CHLB Lease shall instead remain in full force and
23 effect and unmodified hereby.

24 5. Further Assurances. Each party hereto shall execute, acknowledge and
25 deliver to each other party all documents, and shall take all actions, reasonably required
26 by such other party from time to time to confirm or effect the matters set forth herein, or
27 otherwise to carry out the purposes of this Agreement.

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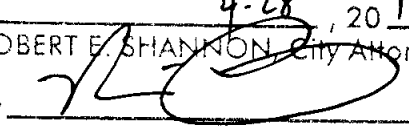
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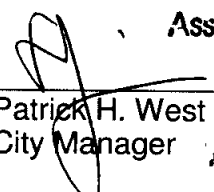
6. Entire Agreement. It is understood that there are no oral agreements between the parties affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations and understanding, if any, between the parties and none will be used to interpret or construe this Agreement.

7. Miscellaneous. This Agreement shall bind, and shall inure to the benefit of, the successors and assigns of the parties. This document may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof. No provision of this Agreement that is held to be inoperative, unenforceable or invalid shall affect the remaining provisions, and to this end all provisions hereof are hereby declared to be severable. Time is of the essence of this Agreement. This Agreement shall be governed by the laws of the State of California.


In witness whereof, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

APPROVED AS TO FORM
4-28, 2011
ROBERT E. SHANNON, City Attorney
By: 
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

"Landlord"
CITY OF LONG BEACH,
a municipal corporation
Assistant City Manager

By: 
Patrick H. West
City Manager
EXECUTED PURSUANT
TO SECTION 901 OF
THE CITY CHARTER

"Tenant"
COMMUNITY HOSPITAL OF LONG BEACH,
INC., a California public benefit corporation

By: 
Name: Nancy Myers
Title: Chair of the Board

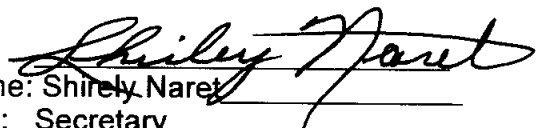
By: 
Name: Shirely Naret
Title: Secretary

EXHIBIT "A"

COMMUNITY HOSPITAL OF LONG BEACH
LEASE AMORTIZATION SCHEDULE

Variables	
Lease Amount	2,288,579.00
Interest Rate	6.00%
Delivery Date	11/09/01
Amortization Period (Years)	25

Year	Beginning Debt Balance	Principal	Interest	Debt Service Payments (May 1 st)	Ending Debt Balance
11/9/2001 ¹	2,288,579.00	-	\$0.00 ²	-	2,288,579.00
5/1/2002	2,288,579.00	-	65,809.98 ²	-	2,354,184.93
5/1/2003	2,354,184.93	-	141,251.10	141,251.10 ³	2,354,184.93
5/1/2004	2,354,184.93	-	141,251.10	141,251.10 ³	2,354,184.93
5/1/2005	2,354,184.93 ⁴	\$42,909.07	141,251.10	184,160.16	2,311,275.87
5/1/2006	2,311,275.87	45,483.61	138,676.55	184,160.16	2,265,792.26
5/1/2007	2,265,792.26	48,212.63	135,947.54	184,160.16	2,217,579.63
5/1/2008	2,217,579.63	51,105.38	133,054.78	184,160.16	2,166,474.25
5/1/2009	2,166,474.25	54,171.71	129,988.45	184,160.16	2,112,302.54
5/1/2010	2,112,302.54	57,422.01	126,738.15	184,160.16	2,054,880.53
5/1/2011	2,054,880.53	60,867.33	123,292.83	184,160.16	1,994,013.20
5/1/2012	1,994,013.20	64,519.37	119,640.79	184,160.16	1,929,493.83
5/1/2013	1,929,493.83	68,390.53	115,769.63	184,160.16	1,861,103.30
5/1/2014	1,861,103.30	72,493.96	111,666.20	184,160.16	1,788,609.34
5/1/2015	1,788,609.34	76,843.60	107,316.56	184,160.16	1,711,765.74
5/1/2016	1,711,765.74	81,454.22	102,705.94	184,160.16	1,630,311.52
5/1/2017	1,630,311.52	86,341.47	97,818.69	184,160.16	1,543,970.05
5/1/2018	1,543,970.05	91,521.96	92,638.20	184,160.16	1,452,448.09
5/1/2019	1,452,448.09	97,013.28	87,146.89	184,160.16 ⁴	1,355,434.82
1/31/2020	1,355,434.82	1,355,434.82	60,994.57	1,416,429.38	\$0.00
		\$2,354,184.93	\$2,172,755.00	\$4,461,334.00	

- Notes:
- ¹ Begins accruing interest on the Delivery Date.
 - ² Unpaid interest is applied to Debt Balance.
 - ³ Interest only payments in 2003-04.
 - ⁴ Debt Balance is amortized over 25 years, however, repayment of the Lease is accelerated due to a Balloon Payment made on May 1, 2020.