## ASSIGNMENT AND ASSUMPTION OF LEASE

This ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is made and entered into as of the 3<sup>rd</sup>day of March 2014 at 5:00pm (the "Assignment Date"), by and between Westside Neighborhood Clinic, a California nonprofit public benefit corporation ("Assignor"), and The Children's Clinic, "Serving Children & Their Families," a California nonprofit public benefit corporation ("Assignee"), with reference to the facts set forth in the Recitals below.

## RECITALS

- A. Assignor is a party to that certain Lease dated March 1, 2006 (the "Lease") between the City of Long Beach, a California municipal corporation ("Landlord"), and Assignor, as Tenant, for the leasing of certain premises containing approximately 2,674rentable square feet located in the building commonly known as 2125 Santa Fe Avenue, Long Beach, California. A complete copy of the Lease is attached hereto as Exhibit A and is made a part hereof. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Lease.
- B. Assignor desires to assign all of its right, title and interest in and to the Lease to Assignee, and Assignee desires to accept such assignment and assume all of Assignor's rights, duties, obligations and liabilities under the Lease.
- NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:
- 1. <u>Assignment of Lease</u>. Assignor hereby grants, conveys and assigns to Assignee, effective as of the Assignment Date, all of Assignor's right, title and interest in and to the Lease.
- 2. <u>Assumption of Obligations</u>. Effective as of the Assignment Date, Assignee hereby assumes all obligations and liabilities of Assignor under the Lease.
- 3. <u>Assignors' Covenants</u>. Assignors represent, warrant and covenant that: (i) it has not assigned, transferred or conveyed its interest in the Lease to any other person, firm or entity; (ii) it is not as of the Assignment Date in any default under the Lease or any state of fact which with the passage of time and/or the giving of notice would constitute a default under the Lease; and (iii) it has the full power, capacity and authority to enter into, perform, and deliver this Assignment.
- 4. <u>Further Assurances</u>. Each party hereto shall execute, acknowledge and deliver to the other party all documents, and shall take all actions, reasonably required by the other party from time to time to confirm or effect the matters set forth herein, or to otherwise carry out the purposes of this Assignment.
- 5. <u>No Third Parties Benefited</u>. This Assignment is made for the purpose of setting forth certain rights and obligations of Assignee and Assignor, and no other person shall have any rights hereunder or by reason hereof as a third party beneficiary or otherwise.

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6. <u>Notices</u>. Notices to Assignee shall be given in the manner provided in the Lease at the following address:

The Children's Clinic, "Serving Children & Their Families" 2790 Atlantic Avenue
Long Beach, CA 90806
Attn: Chief Executive Officer

- 7. <u>Attorneys' Fees</u>. In the event of any action, arbitration or other proceeding brought by either party to enforce the terms of or arising out of this Assignment, the prevailing party shall be entitled to recover all costs and expenses incurred in connection therewith, including reasonable attorneys' fees.
- 8. <u>Miscellaneous</u>. This Assignment shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto. This Assignment 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 Assignment 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.

[signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the Assignment Date.

#### **ASSIGNOR:**

Westside Neighborhood Clinic, a California nonprofit public benefit corporation

Name: Alan Terwey

Title: Executive Director

#### ASSIGNEE:

The Children's Clinic, "Serving Children & Their Families, a California nonprofit public benefit corporation

Name: Elisa Nicholas, M.D., MSPH

Title: Chief Executive Officer

## **Landlord Consent**

In consideration of the foregoing, Landlord hereby approve and consent to the foregoing Assignment and Assumption of Lease.

LANDLORD:

APPROVED AS TO FORM

CHARLES PARKIN, CIM

DEPUTY CITY ATTORNEY

City of Long Beach,

a municipal corporation

Assistant City Manager

**EXECUTED PURSUANT** TO SECTION 301 OF THE CITY CHARTER.

Name:

Title:

## EXHIBIT A

Lease

[Attached]

# of Long Beach an Boulevard ornia 90802-4664 62) 570-2200

## LEASE

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THIS LEASE is made and entered, in duplicate, as of March 1, 2006 pursuant to a minute order of the City Council of the City of Long Beach adopted at its meeting held on February 14, 2006, by and between the CITY OF LONG BEACH, whose address is 333 W. Ocean Boulevard, 13<sup>th</sup> Floor, Long Beach, California 90802, Attention: City Manager (the "Landlord"), and the WESTSIDE NEIGHBORHOOD CLINIC, a California nonprofit corporation, whose address is 1436 West 23<sup>rd</sup> Street, Long Beach, California 90810 (the "Tenant").

Landlord and Tenant, in consideration of the mutual terms, covenants, and conditions herein, agree as follows:

- 1. <u>Premises</u>. Landlord hereby leases to Tenant and Tenant hereby accepts and leases from Landlord those certain premises containing approximately 2,674 rentable square feet and more particularly depicted in Exhibit "A" attached hereto (the "Premises"), located in the building commonly known as 2125 Santa Fe Avenue, Long Beach, California (the "Building").
- 2. <u>Term.</u> The term of this Lease shall commence on March 1, 2006 (the "Commencement Date"), and shall terminate at midnight on February 29, 2016, unless sooner terminated as provided herein. The term of this Lease may be extended for one (1) additional period of five (5) years on mutual agreement of Landlord and Tenant and, in that event, the parties shall execute an amendment to this Lease that extends the term hereof.
- 3. <u>Termination Right</u>. Tenant may terminate this Lease at any time during the term hereof provided that Tenant provides ninety (90) days advance notice to Landlord. In addition to Landlord's termination rights under Section 13, Landlord may terminate this Lease at any time after the sixth anniversary of the Commencement Date provided that Landlord provides one hundred eighty (180) days advance notice in writing to Tenant.

| 4. Rent. Tenant shall pay to Landlord a rental payment of One Thousand                           |
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| Five Hundred and No/100 Dollars (\$1,500.00) per month. On each anniversary of the               |
| Commencement Date, monthly rent shall increase by an amount equal to three percent               |
| (3%) of the normal monthly rent paid by Tenant in the previous year. Therefore, the              |
| monthly rent payments due during each year of the initial term hereof after the first year       |
| will be as follows: Year 2 - \$1,545; Year 3 - \$1,591; Year 4 - \$1,639; Year 5 - \$1,688; Year |
| 6 - \$1,739; Year 7 - \$1,791; Year 8 - \$1,845; Year 9 - \$1,900; and Year 10 - \$1,957         |
| Notwithstanding the foregoing, Tenant shall not be obligated to make any monthly renta           |
| payments during the first six months of the term hereof.   |

- 5. <u>Use</u>. A. The Premises shall be used solely for the operation of a facility providing comprehensive primary health care medical services. No other use is permitted. All providers of care under, through or by Tenant utilizing the Premises shall comply with all applicable laws of medical licensure, with oversight relating to quality of care being provided by Tenant.
- B. Tenant shall not use the Premises or conduct its business thereon in any manner that will create a nuisance or unreasonable annoyance, or constitute waste. Tenant shall not make or permit any noise or odors that constitute a nuisance within the meaning of California Civil Code Section 3479 or California Penal Code Section 370.
- C. Tenant shall use the Premises and operate its business thereon in compliance with all laws ordinances, rules, and regulations of and obtain such permits, licenses, and certificates required by all federal, state, and local governmental authorities having jurisdiction over the Premises and Tenant's business thereon.
- D. Tenant understands and agrees that this Lease covers only the surface of the Premises. Tenant shall not grant any franchises, easements, rights of way, or permits in, on, under, across or through the Premises.
- 6. <u>Tenant Improvements</u>. A. The Premises shall be leased in "as is" condition. Any tenant improvements undertaken by Tenant shall first be approved by Landlord, and all costs associated with permits, materials and entitlements in connection

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with such tenant improvements shall be the sole responsibility of Tenant, except as described herein. Tenant shall be granted a rent credit ("Rent Credit") in an amount not to exceed \$9,000, for costs associated with construction but not covered under the provision of any approved California WellPoint Grant (the "Grant") funding or other funding. The Rent Credit shall only apply to the construction costs of tenant improvements required for initial occupancy of the Premises not covered by the Grant or other funding. Tenant shall be responsible for all costs associated with any subsequent construction of tenant improvements including the procurement of all necessary entitlements. Tenant must provide reasonable documentation of said ancillary expenses and Landlord may audit costs to verify accuracy prior to granting the Rent Credit.

- B. Prior to beginning any construction approved by the Landlord, Tenant shall file with Landlord a Performance Bond in the amount of fifty percent (50%) of the estimated cost of the work and a Labor and Material Bond (also known as a Payment Bond) in the amount of fifty percent (50%) of the estimated cost of the work, both executed by Tenant or Tenant's contractor, as Principal, and by a surety authorized to do business in California as a surety. Said bonds shall name Landlord as a joint obligee with Tenant. Nothing contained herein shall be deemed to release Tenant from the duty to keep the Premises free of liens. The Performance Bond shall remain in effect until the expiration of the statutory period for filing liens or stop notices, or until the Premises are free from the effect of such liens or stop notices, if same have been filed.
- C. Tenant shall notify Landlord at least twenty (20) days prior to beginning any work to enable Landlord to post and record a Notice of Nonresponsibility.
- D. Landlord shall not be obligated to make any improvements or alterations in or about the Premises.
- E. On the expiration or sooner termination of this Lease, all improvements to the Premises shall become the property of Landlord at no cost to Landlord.
- 7. Liens. A. Tenant shall keep the Premises free of all liens for any work done, labor performed, or material furnished by or for Tenant relating to the Premises.

Tenant shall defend, indemnify and hold Landlord, its officials and employees harmless from and against all claims, demands, causes of action, liens, liability, proceedings, loss, costs, and expenses (including attorney's fees) of whatsoever kind for any such work done, labor performed, or materials furnished on the Premises.

- B. If a lien is imposed on the Premises as a result of work done, labor performed or materials furnished by or for Tenant for the Premises, then Tenant shall: (i) record a valid release of lien; or (ii) deposit with Landlord cash in an amount equal to one hundred twenty-five percent (125%) of the amount of the lien and authorize payment to the extent of said deposit to any subsequent judgment holder that may arise as a matter of public record from litigation with regard to lienholder's claim; or (iii) procure and record a lien release bond in accordance with California Civil Code Section 3143 issued by a surety authorized to do business in California.
- C. On completion of the work, Tenant shall file a Notice of Completion in the Official Records of the County Recorder of Los Angeles County.
- D. All contracts entered by Tenant relating to the Premises or any work on the Premises shall contain the following provision: "This contract shall in no way bind the City of Long Beach, its officials, employees or agents or obligate them for any costs whatsoever under this contract."
- 8. Maintenance. Tenant shall, at its cost and to the satisfaction of Landlord, maintain the Premises and improvements thereon, including all exterior signage, if any, in good condition, in substantial repair, and in a safe, clean, sanitary condition. Tenant shall remove graffiti within seventy-two (72) hours after it appears. Tenant's duty to maintain shall include but not be limited to the duty to repair and replace the improvements as needed. If Tenant fails to maintain the Premises, Landlord may notify Tenant of said failure. If Tenant fails to correct the situation within thirty (30) days thereafter or such longer period as may be established by Landlord, then Landlord may make the necessary correction and the cost thereof, including but not limited to the cost of labor, materials, equipment and administration, shall be paid by Tenant as additional rent within ten (10)

days after receipt of a statement of said cost from Landlord. Landlord may, at its option, choose other remedies available herein or by law. Tenant hereby waives to the extent permitted by law any right to make repairs at the expense of Landlord or to vacate the Premises in lieu thereof as may be provided by law. Landlord shall have no obligation to perform any maintenance on the Premises. If the Premises require structural repairs or repairs to the roof, exterior walls, parking lot, or common area, Landlord at its sole option may make those repairs or may notify Tenant that Landlord has chosen not to make the repairs and Tenant shall have the right to terminate this Lease by giving at least fifteen (15) days advance written notice of termination to Landlord.

- 9. <u>Utilities</u>. In addition to the monthly rental payments made pursuant to Section 4, Tenant shall make a monthly utility payment to Landlord in the amount of \$450. Payment shall be due in advance on the first day of each calendar month during the term hereof, payable to the City of Long Beach, c/o the Long Beach Health & Human Services Department. Landlord shall provide the Premises with water, electricity and gas at all times. Landlord shall provide HVAC services Monday through Friday from 8:00 a.m. to 5:00 p.m. and Saturday from 7 a.m. to 3 p.m. Tenant shall be responsible for telephone and internet service for the Premises.
- 10. <u>Taxes</u>. Landlord shall be responsible for payment of all real property taxes. Tenant acknowledges that this Lease may create a possessory interest subject to taxation and that Tenant may be subject to payment of taxes levied on such interest. Tenant shall pay before they become delinquent all taxes levied against the Premises and provide proof of payment to Landlord within ten (10) days after payment thereof. Tenant shall pay before they become delinquent all taxes, assessments, license fees, and other charges levied on Tenant's personal property, equipment, furnishings or trade fixtures installed or located on the Premises and provide proof of payment to Landlord within ten (10) days after Landlord's request therefor.
- 11. <u>Insurance</u>. A. Concurrent with the effective date of this Lease and in partial performance of Tenant's obligations hereunder, Tenant shall procure and maintain

the following insurance coverages at Tenant's sole expense for the duration of the term hereof and any extensions, renewals, or holding over thereof, from insurance companies admitted to write insurance in the State of California or from nonadmitted insurers that are on California's List of Eligible Surplus Lines Insurers (LESLI) and that have a minimum rating of or equivalent to A:VIII by A.M. Best Company:

- (a) Commercial general liability insurance equivalent in coverage scope to Insurance Services Office, Inc. (ISO) form CG 00 01 11 85 or 10 93, in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate. Such insurance shall include, as may be applicable to Tenant's operations, products and completed operations, environmental impairment liability, sexual molestation liability, garagekeepers legal liability, and fire legal liability, and shall not limit or exclude coverage for contractual liability, independent contractors liability, or cross liability protection. This insurance shall be endorsed to include the City of Long Beach, its officials, employees, and agents as additional insureds by an endorsement equivalent in coverage scope to ISO form CG 20 26 11 85 and to waive the insurers' rights of subrogation against the Landlord, its officials, employees, and agents.
- (b) Medical malpractice liability insurance, including, as may be applicable to Tenant's operations and medical profession, including, as may be applicable, nurses' professional liability, pharmacists' professional liability, and other professional and errors and omissions liability coverages, in an amount not less than One Million Dollars (US \$1,000,000) per claim.
- (c) Workers' compensation insurance as required by the State of California and employer's liability insurance with minimum limits of One Million Dollars (US \$1,000,000) per accident. The policy shall be endorsed by the insurer to waive the insurer's rights of subrogation against the Landlord, its officials, employees, and agents.

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- (d) Automobile liability insurance equivalent in coverage scope to ISO form CA 00 01 06 92 in an amount not less than One Million Dollars (US \$1,000,000) combined single limit per accident for bodily injury and property damage covering Auto Symbol 1 ("Any Auto").
- (e) Any other insurance that may be required by licensing and accreditation authorities, including state and federal regulatory authorities, for continued accreditation and licensing of the Tenant's operations and medical profession.
- B. Tenant, or at Landlord's election Landlord, for the benefit of Landlord and Tenant, shall procure and maintain for the term hereof, including any extensions, renewals, or holding over thereof, at Tenant's sole expense, the following insurance from insurance companies admitted to write insurance in the State of California or from nonadmitted insurers that are on California's List of Eligible Surplus Lines Insurers (LESLI) and that have a minimum rating of or equivalent to A:VIII by A.M. Best Company.
  - (a) "All Risk" property insurance, including debris removal and Boiler and Machinery Coverage, in an amount not less than the full replacement value of all buildings and structures on the Premises. Landlord shall be a named insured under the policy. This Forty Million Dollar minimum amount of real property insurance may be adjusted immediately and retreactively to the Legge start date, at the discretion of the Landlord's Risk Manager, after completion of an appraisal of the Premises by the Landlerd's Risk Manager or an agent of the Landlerd's Risk - Manager.
  - "All Risk" property insurance, including debris removal and builders (c) risk coverage during the course of construction 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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"All Risk" property insurance, in an amount sufficient to cover the full (d) replacement value of Tenant's personal property and equipment on the Premises, whether owned, leased, or in the care, custody, or control of the Tenant, and of Landlord's personal property and equipment on the Premises including but not limited to furnishings, fine arts, and equipment. Landlord shall be named as an additional insured under a standard loss payable endorsement, as its interests may appear.

- Business interruption insurance providing that the rent due Landlord (e) shall be paid for a period up to twelve (12) months if the Premises are destroyed or rendered inaccessible.
- C. Tenant shall be responsible for procuring and maintaining or causing to be procured or maintained the insurance required in Section 11.A herein by Tenant's on-site contractors, subtenants, sublessees, or permittees of Tenant, as may be applicable to their respective operations, subject to the following amendments.
  - (a) Tenant's contractors, subtenants, sublessees, or permittees shall provide Commercial General Liability insurance as required under Section 11.A.
  - (b) Tenant's contractors, subtenants, sublessees, or permittees whose operations or services involve medical, surgical, pharmaceutical or other medical-related services or operations on site, 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 than One Million Dollars (US \$1,000,000) per claim
  - (c) If development or construction is undertaken, additional coverages may be required of Tenant's contractors and subcontractors by Landlord or designee, including but not limited to coverage for explosion, collapse, and underground (XCU) hazards, environmental impairment liability, design professionals' liability, and construction management errors and omissions liability.

E. If Landlord exercises its election, pursuant to the terms of this Lease, to purchase any of the insurance coverages herein, Tenant shall reimburse Landlord immediately for the cost of insurance procured by Landlord on Tenant's behalf and in any event no later than fifteen (15) days of the date of Landlord's invoice therefore. Any such invoiced amount not received by Landlord within fifteen (15) days of the date of Landlord's invoice is subject to interest of 2% per month, or the maximum amount of interest chargeable under applicable law, whichever is less, accruing from the sixteenth day after the invoice date, compounded monthly.

F. If Landlord does not exercise its election to purchase any of the insurance required herein, Tenant shall have the responsibility for procuring and maintaining such insurance.

- G. When Tenant is responsible for procuring and maintaining any of the insurance required herein, Tenant agrees to provide Landlord with any policy information requested by Landlord and to make available to Landlord all books, records and other information relating to such insurance during normal business hours.
- H. Upon execution of this Lease, Tenant shall deliver to Landlord certificates of insurance and endorsements required herein, including the certificates and endorsements of any of Tenant's contractors, subcontractors, permittees, subtenants, or sublessees, 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 copies of certificates of insurance and endorsements for renewal policies during the term hereof within thirty (30) days of policy expiration. Landlord reserves the right to require complete certified copies of all said policies at any time.

I. All insurance required hereunder shall be separately endorsed to require at least thirty (30) days' advance written notice of cancellation (ten (10) days if cancellation is for nonpayment of premium), 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 or its officials, employees, and agents.

- J. 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, and 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.
- K. 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 said damage.
- L. Not more frequently than every three (3) years or upon any new construction or development on the Premises or any assignment, transfer, or sublease approved by Landlord in accordance with this Lease, 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 insurances as required by Landlord's Risk Manager or designee unless Tenant establishes that any such amendments are not reasonable based on the insurance or actuarially-certified self-insurance maintained on similar entities in the same geographic region. Such amendment(s) may include, but is not limited to, coverage for earthquake and flood if available from responsible insurance companies at reasonable cost. Determination of "responsible insurance companies" and "reasonable cost" are at the sole discretion of Landlord's Risk Manager or designee.
- M. Such insurance as required herein shall not be deemed to limit Tenant's liability relating to performance under this Lease. The procuring of insurance shall not be construed as a limitation on liability or as full performance of the indemnification and hold

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harmless provisions of this Lease. Landlord makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's liability or obligations under this Lease.

- N. Any modification or waiver of the insurance requirements herein shall be made only with the written approval of the Landlord's Risk Manager or designee.
- 12. Hazardous Materials. Tenant shall not keep or allow to be kept on the Premises any goods, merchandise, supplies, personal property, materials, or items of any kind which are in any way explosive or hazardous except those limited items which are necessary for Tenant to carry on its health care business provided that Tenant disposes of same as required by law. Tenant shall comply with California Health and Safety Code Section 25359.7 or its successor statute regarding notice to Landlord on discovery by Tenant of the presence or suspected presence of any hazardous substance on the Premises. "Hazardous material or substance" means anything which is or becomes regulated by the City of Long Beach, the County of Los Angeles, the State of California, or the United States government.
- 13. Default. The occurrence of any of the following acts shall constitute a default by Tenant:
  - (a) Failure to pay rent when due after ten (10) days written notice;
  - (b) Failure to perform any of the terms, covenants, or conditions of this Lease if said failure is not cured within thirty (30) days after written notice of said failure. If the default cannot reasonably be cured in thirty (30) days, Tenant shall not be in default if Tenant begins to cure within the thirty-day period and diligently proceeds to cure to completion, but in no event shall such period be extended beyond ninety (90) days; or
  - (c) Any attempted assignment, transfer, or sublease except as approved by Landlord pursuant to Section 20.

If Tenant does not comply with each provision of this Lease or if a default occurs, then Landlord may terminate this Lease and Landlord may enter the Premises and take

possession thereof provided, however, that these remedies are not exclusive but cumulative to other remedies provided by law in the event of Tenant's default, and the exercise by Landlord of one or more rights and remedies shall not preclude Landlord's exercise of additional or different remedies for the same or any other default by Tenant.

- 14. <u>Right of Entry</u>. Landlord shall have the right of access to the Premises during normal business hours.
- destruction to the Premises and the date of same. Tenant shall promptly make proof of loss and proceed to collect all valid claims that Tenant may have against insurers or others based on such damage or destruction. All amounts recovered as a result of said claim shall be used first for the restoration of the Premises, which Tenant shall promptly begin and diligently pursue so that the Premises are restored to substantially the same condition as they were in immediately before such damage or destruction. If existing laws do not permit restoration, then Tenant may terminate this Lease by giving prior notice to Landlord. Restoration is subject to Section 6.

If the repair, reconstruction or restoration requires longer than one hundred twenty (120) days or if the insurance proceeds will not be sufficient to cover the cost of repair, reconstruction or restoration, then Landlord may elect to repair, reconstruct or restore and the Lease shall continue in full force and effect or Landlord may elect not to repair, reconstruct or restore and the Lease shall terminate. If Landlord elects to repair, reconstruct or restore, then Landlord shall not be required to expend sums therefor in excess of insurance proceeds received by Landlord by reason of the casualty. If Landlord repairs, reconstructs or restores, then Tenant's rent under this Lease shall be abated proportionately as of the date of the casualty with the degree to which Tenant's use of the Premises is impaired during such repair, reconstruction or restoration. Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Premises and any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

Notwithstanding the foregoing sentences of this paragraph, if the Premises are not fully restored within said 120-day period, then Tenant may terminate this Lease, at Tenant's option, by giving fifteen (15) days advance written notice of termination to Landlord.

16. Condemnation. If the whole or any part of the Premises shall be taken by any public or quasi-public authority under the power of eminent domain, then this Lease shall terminate as to the part taken or as to the whole, if taken, as of the day possession of that part or the whole is required for any public purpose, and on or before the day of the taking Tenant shall elect in writing either to terminate this Lease or to continue in possession of the remainder of the Premises, if any. All damages awarded for such taking shall belong to Landlord, whether such damages be awarded as compensation for diminution in value to the leasehold or to the fee.

17. <u>Nondiscrimination</u>. Subject to applicable laws, rules and regulations, Tenant shall not discriminate against any person or group on the basis of age, gender, sexual orientation, HIV status, marital status, race, religion, creed, ancestry, national origin, disability, or handicap with respect to the use of the Premises or the performance of its obligations under this Lease.

In the performance of this Lease, Tenant shall not discriminate against any employee or applicant for employment on the basis of race, color, sex, religion, ancestry or national origin. Tenant shall take affirmative action to ensure that applicants are employed and that employees are treated without regard to these bases. Such action shall include but not be limited to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. Tenant shall post in conspicuous places notices stating this provision.

18. <u>Indemnification</u>. Tenant shall defend, indemnify and hold harmless Landlord from all claims, demands, damages, causes of action, losses, liability, costs or expenses, including reasonable attorney's fees, of any kind or nature whatsoever

(collectively referred to in this Section as "claims") which Landlord may incur for injury to or death of persons or damage to or loss of property occurring in, on, or about the Premises arising from the condition of the Premises, the alleged acts or omissions of Tenant, Tenant's employees, or agents, the occupancy, use, or misuse of the Premises by Tenant, Tenant's employees, agents, approved subtenants, licensees, patrons, or visitors, or any breach of this Lease.

19. Relocation. Tenant agrees that nothing contained in this Lease shall

- 19. <u>Relocation</u>. Tenant agrees that nothing contained in this Lease shall create any right in Tenant for any relocation assistance or payment under applicable California law from Landlord on the expiration or termination of this Lease. Tenant agrees that nothing contained in this Lease shall create any right for any reimbursement of Tenant's moving expenses incurred prior to or during the term hereof.
- 20. <u>Assignment</u>. Tenant shall not assign or transfer this Lease or any interest herein, nor sublease the Premises or any part thereof (collectively referred to as "transfer") without the prior written approval of Landlord which may be withheld in Landlord's sole discretion.
- 21. <u>Signs</u>. Tenant shall not place, affix, maintain, or permit any sign, advertisement, name, insignia, logo, descriptive material, or similar item (collectively "sign") on the Premises without the prior written approval of Landlord. Any sign so approved shall be maintained by Tenant, at its cost, in good condition. Any sign not approved by Landlord may be removed by Landlord at Tenant's cost and the cost of removal shall be additional rent.
- 22. <u>SNDA</u>. In the event a mortgage is recorded against the Premises, Landlord shall use its best efforts to cause the lienholder to execute a commercially reasonable subordination, non-disturbance and attornment agreement and Tenant agrees to execute the same in favor of the lienholder.
- 23. Access. Tenant shall have access to the Premises twenty-four hours per day, seven days per week, subject to Tenant compliance with Landlord's reasonable rules for maintaining building security for access after normal business hours. In addition,

Landlord, in its sole discretion and without obligation to Tenant, may provide security officer services Monday through Friday during normal business hours. Tenant may provide for security officer services within the Premises, at its cost and without rent credit or offset, as Tenant may desire. In addition, Tenant, at its cost, will be required to provide security officer service for use of the Premises after normal business hours and weekend use if Tenant's clients will be on Premises.

- 24. <u>Parking</u>. Landlord shall not be obligated to provide Tenant with any reserved parking spaces. Tenant shall have access to the parking lot located adjacent to the Premises but such lot will be open to the public and spaces taken on a "first come first served" basis. Tenant shall procure any additional parking it may require at its own cost and expense.
- 25. <u>Holding Over</u>. If Tenant holds over and remains in possession of the Premises or any part thereof after the expiration of this Lease with the express or implied consent of Landlord, then such holding over shall be construed as a tenancy from month to month at a monthly rent amount equal to one hundred twenty-five percent (125%) of the monthly rent then in effect and otherwise on the same terms, covenants, and conditions contained in this Lease.
- 26. <u>Surrender of Premises</u>. On the expiration or sooner termination of this Lease Tenant shall deliver to Landlord possession of the Premises in substantially the same condition that existed immediately prior to the date of execution hereof, reasonable wear and tear excepted. Tenant shall not be required to remove any approved tenant improvements constructed by Tenant pursuant to Section 6.
- 27. Americans With Disabilities. Tenant shall have and be allocated the sole responsibility to comply with the Americans with Disabilities Act of 1990 ("ADA") with respect to the Premises and Tenant shall defend, indemnify and hold Landlord, its officials and employees harmless from and against any and all claims of failure to comply with or violation of the ADA. If the Premises require structural repairs or capital improvements required by ADA, then Landlord at its sole option may make those repairs or may notify

Tenant that Landlord has chosen not to make the repairs and Tenant shall have the right to terminate this Lease by giving at least fifteen (15) days advance written notice of termination to Landlord.

28. Notice. Any notice required hereunder shall be in writing and personally served or deposited in the U. S. Postal Service, first class, postage prepaid to Landlord and Tenant at the respective addresses first stated above. Notice shall also be given to Long Beach Department of Health & Human Services, 2525 Grand Avenue, Long Beach, California 90815. Notice shall be deemed effective on the date of mailing or on the date personal service is obtained, whichever first occurs. Change of address shall be given as provided herein for notice.

29. Waiver of Rights. The failure or delay of Landlord to insist on strict enforcement of any term, covenant, or condition herein shall not be deemed a waiver of any right or remedy that Landlord may have and shall not be deemed a waiver of any subsequent or other breach of any term, covenant, or condition herein. The receipt of and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default but shall only constitute a waiver of timely payment of rent. Any waiver by Landlord of any default or breach shall be in writing. 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. Landlord shall not be liable to Tenant for and Tenant hereby waives all claims against Landlord, its officials and employees for loss, theft, or any damage to Tenant or Tenant's personal property on the Premises, for loss or damage to Tenant's business, or injury to or death of persons on or about the Premises from any cause, except Landlord's negligence or willful misconduct.

30. <u>Successors in Interest</u>. This Lease shall be binding on and inure to the benefit of the parties and their permitted successors, heirs, personal representatives, transferees, and assignees, and all of the parties hereto shall be jointly and severally liable hereunder.

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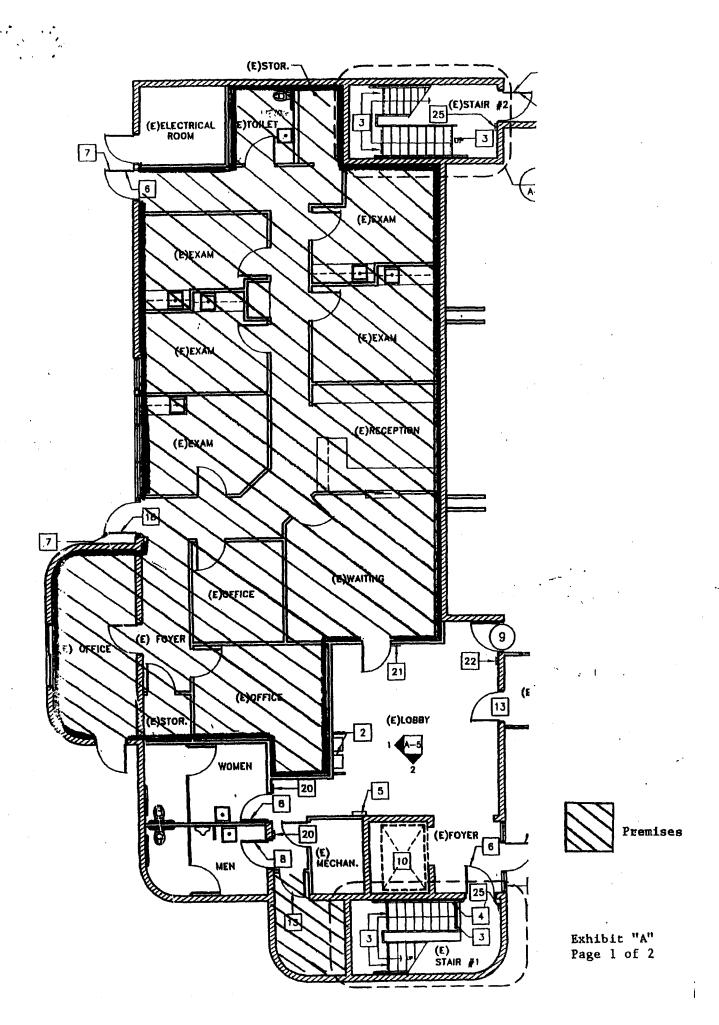
- 31. Force Majeure. Except as to the payment of rent, in any case where either party is required to do any act, the inability of that party to perform or delay in performance of that act caused by or resulting from fire, flood, earthquake, explosion, acts of God, war, strikes, lockouts, or any other cause whether similar or dissimilar to the foregoing which is beyond the control of that party and not due to that party's fault or neglect shall be excused and such failure to perform or such delay in performance shall not be a default or breach hereunder. Financial inability to perform shall not be considered cause beyond the reasonable control of the party.
- 32. Partial Invalidity. If any term, covenant, or condition of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
  - 33. <u>Time</u>. Time is of the essence in this Lease, and every provision hereof.
- 34. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.
- 35. Integration and Amendments. This Lease represents and constitutes the entire understanding between the parties and supersedes all other agreements and communications between the parties, oral or written, concerning the subject matter herein. This Lease shall not be modified except in writing signed by the parties and referring to this Lease.
- 36. Joint Effort. This Lease is created as a joint effort between the parties and fully negotiated as to its terms and conditions and nothing contained herein shall be construed against either party as the drafter.
  - 37. No Recordation. This Lease shall not be recorded.
- 38. Attorney's Fees. In any action or proceeding relating to this Lease, the prevailing party shall be entitled to its costs, including a reasonable attorney's fee.
- 39. Captions and Organization. The various headings and numbers herein and the grouping of the provisions of this Lease into separate sections, paragraphs and

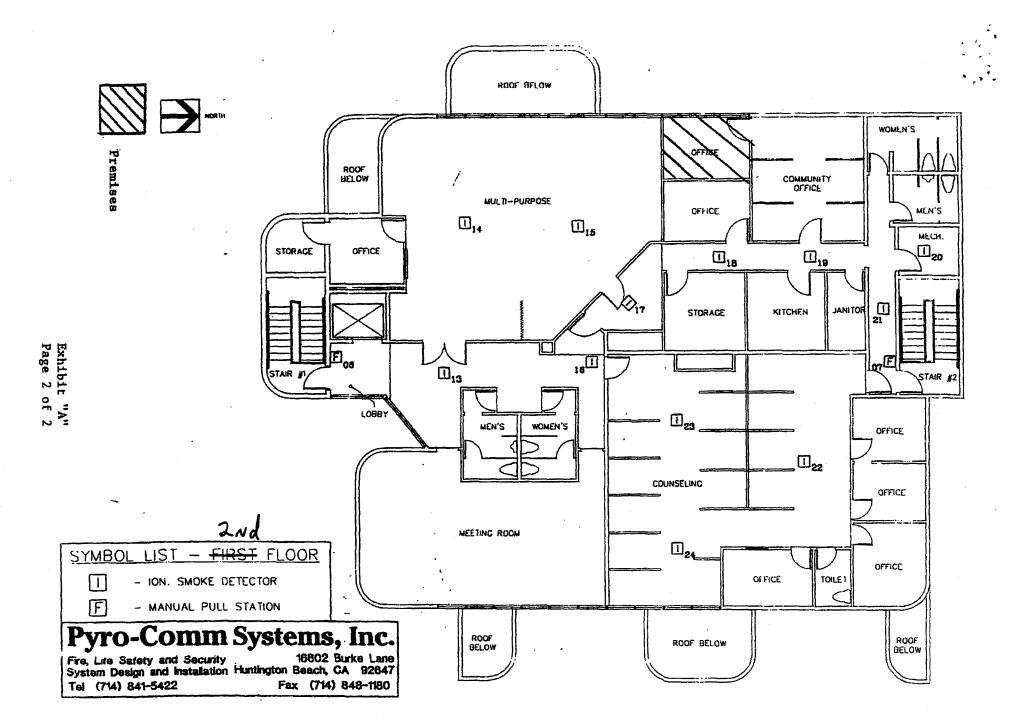
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clauses are for convenience only and shall not be considered a part hereof, and shall have no effect on the construction or interpretation of this Lease.

40. Relationship of Parties. 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, association, principal-agent or employer-employee relationship between them or between Landlord or any third person or entity.

# **EXHIBIT "A"** PREMISES DEPICTION





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