

**GROUND LEASE AND JOINT OCCUPANCY AGREEMENT BETWEEN COMPTON
COMMUNITY COLLEGE DISTRICT AND MOLINA MEDICAL MANAGEMENT, INC.**

This Agreement ("Agreement") is made as of April 19, 2016, by and between the Compton Community College District ("Lessor"), a California community college district, and Molina Medical Management, Inc., a California corporation ("Lessee"), (collectively "Parties" and individually, "Party"). This Agreement is entered into with reference to each of the following Recitals, all of which are incorporated herein by this reference.

WHEREAS, Lessor is the fee owner to certain real property commonly described as 1111 East Artesia Boulevard, Compton, California 90221 ("the Property") upon which the Compton Community College is situated.

WHEREAS, Lessor is a California public community college district, providing post-secondary education programs primarily serving residents of Los Angeles County.

WHEREAS, Lessor has identified a portion of the Property ("the Premises") deemed by Lessor to be suitable for development, design, construction and operation of a facility and related improvements for joint occupancy by Lessor and Lessee ("Premises Facility").

WHEREAS, Lessor intends to use the portion of the Premises Facility designated for use and occupancy by Lessor ("Lessor Space") for purposes of an equipment room, storage, and other related Lessor purposes ("Lessor Premises Use").

WHEREAS, Lessee intends to use the portion of the Premises Facility designated for use and occupancy by Lessee ("Lessee Space") for medical clinical office purposes ("Clinic") exclusively for providing Student Health Services, as that term is used and defined herein.

WHEREAS, this Agreement is entered into pursuant to authority of Lessor under Education Code §81390 et seq., including without limitation, Education Code §81394 which provides in part: "[t]he governing board of a community college district may let to any private person, firm, or corporation, any real property which belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for the construction thereon of, a building or buildings for the joint use of the district and the private person, firm, or corporation during the term of the agreement..."

WHEREAS, Lessor has completed all procedural and substantive requirements under Education Code §81390 et seq, including the Lessor's Board of Trustees adoption of Resolutions under Education Code §81397 and publication of such Resolutions pursuant to Education Code §81398.

WHEREAS, concurrently with the execution of this Agreement, Lessor and Lessee have executed a written agreement entitled "Student Health-Care Services Agreement" ("Student Health Agreement") pursuant to which Lessee will provide Student Health Care Services for Compton College students in the Clinic.

WHEREAS, pursuant to Education Code §81800 et seq., Lessor assesses and evaluates five year capital construction plans for the Compton College campus in a Facilities Master Plan ("FMP") that is periodically reviewed and updated as required by law.

WHEREAS, the Premises Facility is consistent with the planned facilities development on the

Compton College campus as reflected in the most recent FMP dated July 2012.

WHEREAS, Lessee provides facilities and administrative support to Molina Medical Management, which provides medical services.

WHEREAS, the Parties intend, through this Agreement, to establish the terms and conditions for the Lessee's: (i) ground lease of the Premises; (ii) development, design, construction and operation of the Premises Facility; and (iii) the rights/obligations of the Parties relating to Lessor's use of Lessor Space and Lessee's use of the Lessee Space.

NOW THEREFORE, Lessor and Lessee agree as follows:

1. DEFINITIONS

- 1.1. Property. The Property is that certain real property situated in the City of Compton, County of Los Angeles, State of California and commonly described as 1111 East Artesia Boulevard, Compton, California 90221.
- 1.2. Premises. The Premises is the portion of the Property identified in the cross-hatched portion of Attachment A. The timeline for development is described in Attachment A-1, which will be prepared and attached after this agreement is signed. The Premises is the area of the Property designated for development, design, construction and operation of the Premises Facility.
- 1.3. Premises Facility. The Premises Facility consists of the buildings, fixtures, facilities and other improvements developed, designed and constructed by Lessee on the Premises pursuant to this Agreement. The foregoing includes without limitation, buildings, building systems equipment, elevators, pipe materials, conduit, ductwork, wiring and other similar materials, systems or equipment. References to the Premises Facility include, without limitation, other buildings, fixtures, facilities, Alterations and replacements or repairs thereto which are constructed, installed, erected or situated on the Premises during the Term of this Agreement. The Premises Facility is more particularly described in Attachment B which will be prepared and attached after this agreement is signed.
- 1.4. Term. The Term is the duration of this Agreement, as set forth herein. References to the Term shall include, as applicable or as required by the context of usage, Extended Terms.
- 1.5. Personal Property. All furniture, furnishing, equipment and/or other items of personal property owned, rented or leased by Lessee, located in, on or about the Clinic or elsewhere for purposes of the use, occupancy, maintenance and/or operation of the Premises Facility, excluding motor vehicles registered with the California Department of Motor Vehicles.
- 1.6. Base Rent. The Base Rent is the monthly amount due from the Lessee to Lessor for lease of the Premises, as set forth in this Agreement.
- 1.7. RESERVED.
- 1.8. Effective Date. The Effective Date is the date of this Agreement first set forth above.
- 1.9. Commencement Date. The Commencement Date is the date for commencement of the Term of this Agreement, as set forth in the form of Lease Commencement Date Acknowledgement, which is attached to this Agreement as Attachment C and incorporated herein by this reference.
- 1.10. Expiration Date. The Expiration Date is the date that the Term or an Extended Term expires.
- 1.11. Governmental Authority. A Governmental Authority is any federal, state, county, municipal or other governmental or regulatory authority, agency, board, department, bureau, body, commission, or instrumentality, or quasi-governmental authority, and any court, arbitrator, or other administrative, judicial or quasi-judicial tribunal, or any other

- public or quasi-public authority, having jurisdiction over the use or occupancy of the Property, Premises or Premises Facility.
- 1.12. Initial Improvements. Initial Improvements are permanent improvements made by Lessee on the Premises prior to the Commencement Date.
 - 1.13. Alterations. Alterations are additions, replacements, changes, alterations, or other improvements to the Premises or Premises Facility made after the Commencement Date with Lessor's consent, which shall not be unreasonably withheld, and which are completed by the Lessee at the Lessee's sole cost. Alterations do not include maintenance of the Premises Facility or Alterations. For purposes of this Agreement, the term "maintenance" shall mean routine, recurring and usual work for the preservation, protection and upkeep of the Premises Facility or Alterations for their intended purposes in a safe and continually usable condition for which they were designed, improved, constructed, altered or repaired.
 - 1.14. Laws. Any present or future law, statute, ordinance, regulation, code, judgment, injunction, arbitral award, order, rule, directive, proclamation, decree, common law or other requirement, ordinary or extraordinary, foreseen or unforeseen, of the federal or any state or local government, or any political subdivision thereof, arbitrator, department, commission, board, bureau, agency or instrumentality thereof, or of any court or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction, or of any other public or quasi-public authority or group, having jurisdiction over the Property, Site or Project.
 - 1.15. Student Health Services. Student Health Services means those medical and related services to be provided by Molina Medical Management at the Clinic situated on the Premises under the Student Health Care Services Agreement.
 - 1.16. Hazardous Materials. Hazardous Materials are any substance, material, or waste which is or becomes regulated by any local, state or federal authority, agency or other Governmental Authority, including any material or substance which is: (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code §25140; (ii) defined as a "hazardous substance" under California Health and Safety Code §25316; (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (v) petroleum or petroleum products; (vi) asbestos; (vii) polychlorinated biphenyls; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20; (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903); (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, et seq., as the foregoing statutes and regulations now exist or may hereafter be amended; or (xii) any material determined to hazardous based on deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity or toxicity.
 - 1.17. Hazardous Materials Laws. Hazardous Materials Laws are all federal, state and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials, including without limitation, the Laws cited in the foregoing definition of Hazardous Materials as any of the foregoing may be amended from time to time.
 - 1.18. Lessor Parties. The Lessor Parties are: Lessor, employees, officers, agents and representatives of Lessor, Lessor's Board of Trustees and each individual member of

Lessor's Board of Trustees.

- 1.19. Lessee Parties. Lessee Parties are: Lessee, employees, officers, agents and representatives of Lessee, including Molina Medical Management and the employees, officers, agents and representatives of Molina Medical Management.
- 1.20. Design Documents. Design Documents are written or graphic materials (including drafts and finals and in the form of writings, calculations, drawings or text descriptions) which describe the scope and nature of any permanent improvements to the Premises (including the Premises Facility and Alterations) along with specification of the workmanship, materials, equipment and services. Design Documents include without limitation, drawings, calculations, specifications and other similar items.
- 1.21. Design Consultants. A Design Consultant is a California licensed architect or a California registered engineer under contract to Lessee, another California licensed architect or another California registered engineer to prepare any portion of Design Documents for the Premises Facility or Alterations. Design Consultants include, as necessary or by the context of usage, sub-consultants to any Design Consultant.
- 1.22. Liabilities. Liabilities are all losses, claims, suits, demands, costs, liabilities, and expenses, including reasonable attorneys' fees, penalties, interest, fines, judgment amounts, fees, and damages, of whatever kind or nature.
- 1.23. Contractor. The Contractor is the person or entity under direct privity of contract with Lessee for construction of all or a portion of the Initial Improvements or Alterations. The Contractor shall be duly licensed by the California Contractors' State License Board.

2. LEASE OF PREMISES

- 2.1. Premises. Lessor leases to Lessee and Lessee leases from Lessor the Premises, as more particular described in Attachment "A" subject to the terms, conditions and covenants of this Agreement. Lessor agrees remove the physical structure from the identified cement pad on the Site
- 2.2. "As Is" Condition of Premises. Lessee has examined the Property and Premises accepts possession of the Premises in the "AS IS" condition of the Premises as of the Commencement Date. Except as otherwise expressly provided in this Agreement: (i) Lessee has full responsibility for the condition, maintenance, and management of the Premises along with the Premises Facility and Alterations; (ii) except as otherwise expressly provided in this Agreement, Lessor is not obligated to perform any work or make any repairs with respect to the Premises Facility, to furnish any services to the Premises or Premises Facility, or to incur any expenses with respect to the Premises or Premises Facility; and (iii) Lessor has no responsibility with respect to the condition of the Premises, Premises Facility or Alterations (including latent defects in design or construction thereof). Lessee expressly acknowledges and agrees that Lessor has not made and is not making, and Lessee, in executing and delivering this Agreement, is not relying upon, any warranties, representations, promises or statements, except as expressly set forth in this Agreement. Without limiting the generality of the preceding provisions, Lessee, by executing this Agreement and taking possession of the Premises shall conclusively be deemed to have agreed that the Premises are in satisfactory condition as of Commencement Date.
- 2.3. Commencement Date.
 - 2.3.1. Establishment of Commencement Date. The Commencement Date shall be the date that Lessor's Board of Trustees takes action in a public meeting to approve this Agreement (the "Approval"), whereby the Approval has been communicated to Lessee in writing.
 - 2.3.2. Commencement Date Acknowledgement. Promptly following the Commencement Date, but no later than three (3) business days after the Approval, Lessor shall prepare, complete, execute and transmit to Lessee the form of Lease

Commencement Date Acknowledgement (Attachment C to Agreement) for Lessee's review and execution. If Lessee does not execute the Lease Commencement Date Acknowledgement transmitted by Lessor to Lessee pursuant to the foregoing within ten (10) business days of the date of transmittal, Lessee shall be deemed to have executed the Lease Commencement Date Acknowledgement and agreed to the Commencement Date set forth therein.

- 2.4. Lessee Use and Occupancy of Premises and Lessee Space. The Lessee Space portion of the Premises is more particularly described in Attachment B to this Agreement and shall be used by Lessee for the sole and exclusive purposes and subject to limitations set forth herein. Lessee shall be required to obtain all necessary permits and entitlements from the City of Compton, the County of Los Angeles, the California Department of Health Services, the California Division of State Architect or any other agency with local planning jurisdiction, if needed, for the establishment and operation of the Health Clinic on the School Site.
- 2.4.1. Limitations to Use and Occupancy of Lessee Space. The Lessee Space may be used only by Molina Medical Management for the sole and exclusive purpose of providing Student Health Services in accordance with the Student Health Agreement. Lessee shall not use or permit the use of the Lessee Space by any other entity or person for any other purpose.
- 2.4.2. Compliance With Laws. Lessee shall maintain the Lessee Space in a good, safe and habitable condition, normal wear and tear excepted. Use and occupancy of the Premises and the Lessee Space therein by Lessee and by others shall at all times comply with the Laws.
- 2.4.3. Lessee Use of Property Facilities and Improvements. Lessee shall not use and Lessee shall not permit Molina Medical Management or the employess, agents or representatives of Molina Medical Management to access or use any portion of the Property or improvements thereon except for usage incidental for ingress/egress from the Parking Area to the Premises. Such limited use of other portions of the Project shall be non-exclusive to Lessee and: (i) subject to reasonable non-discriminatory rules, regulations or other limitations established, or modified, by Lessor from time-to-time; (ii) without additional cost or expense to Lessee; and (iii) Lessee's repair or replacement of damage or destruction resulting from Lessee's use of such other portions of the Property.
- 2.4.4. Compton College Rules and Regulations. Lessee's use and occupancy of the Premises and the Lessee Space therein shall at all times comply with the then current Compton College Rules and Regulations ("Campus Rules"), as amended from time-to-time by Lessor. The foregoing including without limitation, prohibitions on: consumption of alcohol and tobacco products and weapons in, on or about the Premises. Lessee shall be solely responsible for notifying Molina Medical Management, all Molina Medical Clinic employees, officers, representatives and agents and invitees to the Lessee Space of Campus Rules and compliance therewith.
- 2.4.5. Lessee Signage. Lessee shall have the right, at Lessee's cost and expense, to install and maintain signage in, on or about the Lessee Space portion of the Premises identifying Molina Management and/or the Student Health Services offered by Molina Clinics at the Premises, provided that: (i) the size, shape, design and location of such signage is approved in advance by Lessor, with such approval not to be unreasonably withheld, conditioned or limited; (ii) such signage conforms to other requirements or limitations established by a Governmental Authority with jurisdiction thereof.

3. TERM

- 3.1. Initial Term. The Initial Term of this Agreement shall be fifteen (15) years, commencing as of the Commencement Date, subject to earlier termination pursuant to the terms of this Agreement.
- 3.2. Extended Terms. Lessor grants to Lessee two (2) options to extend the Initial Term ("Extension Options"), each for an additional ten (10) years ("Extended Terms") upon the following conditions: (i) the options to renew for the Extended Terms are personal to Lessee and may not be transferred, assigned or exercised by an assignee or subtenant of Lessee, except in the event the lease has been transferred or assigned to an Affiliate of Lessee, as that term is defined in this Agreement; (ii) the Extension Options shall be exercised by Lessee's written notice to Lessor ("Extension Notice") delivered to Lessor not more than one (1) year and not less than six (6) months prior to expiration of the Initial Term or an Extended Term, as applicable; (iii) Lessee is not in default of a material obligation of Lessee under this Agreement as of the date of an Extension Notice; and (iv) all terms, conditions and covenants of this Agreement (including modifications or amendment hereto effective prior to the commencement of an Extended Term) shall be applicable during an Extended Term, except for Rent due from Lessee to Lessor during an Extended Term shall be adjusted as set forth herein.

4. RENT

- 4.1. Base Rent. Beginning on the Commencement Date, Lessee shall pay Lessor Base Rent in the amount of One Dollar (\$1.00) per year. Base Rent shall be paid annually in advance on or before the first of each year during the Initial Term of this Lease. If Lessee exercises the option for the Extended Term, the Base Rent due from Lessee during each Extended Term shall be the Base Rent for the Initial Term or immediately preceding Extended Term, as applicable, increased by the percentage difference between the Consumer Price Index for the Los Angeles-Long Beach-Anaheim area as of the third month prior to the commencement of the Initial Term or immediately preceding Extended Term, as applicable.
- 4.2. RESERVED.
- 4.3. Rent Payments; Billings. Rent payable to Lessor shall be paid to Lessor at Lessor's Address in lawful money of the United States of America by good check or, at Lessor's request, by wire transfer. All Rent shall be paid without notice, demand, deduction, abatement or setoff, except as otherwise expressly provided in this Agreement. A bill for Rent payable to Lessor sent by United States First Class Mail to the address to which Notices are to be given under this Agreement shall be deemed a proper demand for the payment of Rent, but nothing contained herein shall be deemed to require Lessor to send a Rent bill or otherwise make any demand for the payment of Rent except where such notice or demand is expressly required by the terms of this Agreement.
- 4.4. Late Charge. If any installment of Base Rent is not paid within thirty (30) days of the date due under this Agreement, Lessee shall pay Lessor, as a late charge equal to two percent (2%) of the overdue amount for, among other things, defraying the expenses incident to handling such delinquent payments. Such charge shall be in addition to, and not in lieu of, any other remedy Lessor may have, whether under this Agreement or by operation of the Laws.
- 4.5. Interest on Late Rent Payments. If any installment of Base Rent is not paid within thirty (30) days of the date due under this Agreement, Lessee shall pay Lessor, in addition to the above-described late charge, interest on the overdue amount at the rate of two percent (2%) per annum. Such overdue Rent shall bear interest from the date first due (without regard to any grace period) until the date such Rent is paid. Such interest shall be in addition to, and not in lieu of, any other remedy Lessor may have, whether under this Agreement or by operation of the Laws.
- 4.6. Taxes and Assessments. In addition to the Base Rent under this Agreement, Lessee

shall be responsible for all taxes and general and special assessments of every description which may be levied upon or assessed against the Lessee Space portion of the Premises (possessory interest or otherwise) and the fixtures and improvements thereon, including without limitation, the Initial Improvements and Alterations. Such taxes and assessments shall not reduce the Rent or other payments due Lessor.

5. LESSEE PREMISES IMPROVEMENTS.

- 5.1. **Premises Facility.** Promptly after the Commencement Date, Lessee shall develop, design and construct the Premises Facility. The Premises Facility shall consist of approximately one thousand (1,000) square feet of usable space, forty eight (48) square feet of which shall be designated as the Lessor Space for Lessor Premises Use. The foregoing are referred to herein as the Initial Improvements.
- 5.2. **Alterations.** Except for the Initial Improvements, Lessee shall not construct or install, nor permit construction or installation of Alterations without Lessee's prior written notice to and request for consent of the Lessor ("Alteration Notice"), which shall not be unreasonably conditioned, delayed or denied.
- 5.3. **Prohibited Alterations.** The foregoing notwithstanding, the Lessor's denial of consent to an Alteration Notice shall be deemed the Lessor's reasonable exercise of discretion if the nature or scope of an Alteration Notice involves: (i) demolition of all or substantially all of the Premises Facility; (ii) reduction of the aggregate square footage of the Premises Facility; (iii) adjustments to the height of the Premises Facility; (iv) an adverse effect to the structural integrity of the Premises Facility; (v) diminution in the capacity, quality, scope or type of service or function provided by any building system, including without limitation, mechanical, electrical, plumbing systems; or (vi) alteration to use of the Premises Facility.
- 5.4. **Lessee Request.** Lessee's Alteration Notice to Lessor shall include, at a minimum: (i) detailed description of proposed Alteration; (ii) identify Design Consultants completing any portion of the Design Documents for the proposed Alterations; and (iii) the anticipated duration/date for completing Design Documents, obtaining required permits/approvals for construction/installation and completion of construction/installation of the proposed Alteration. Lessee shall provide Lessor with additional information relating to a proposed Alteration as may be reasonably requested by Lessor. Lessor shall respond in writing to each Lessee Alteration Notice within ten (10) days of Lessor's receipt thereof, with such response indicating Lessor's consent to the requested Alteration or the conditions to Lessor's consent thereto. If Lessor does not respond to an Alteration Notice within ten (10) days of Lessor's receipt thereof, Lessor shall be deemed to have consented to the Alterations described in the Alteration Notice.
- 5.5. **Conditions To Lessee Construction/Installation of Initial Improvements or Alterations.** The Initial Improvements and Alterations are subject to the following:
 - 5.5.1. **Design Documents.** Design Documents shall be completed by a Design Consultant which incorporate sufficient details to fully describe the nature and scope of the Initial Improvements or Alterations, the materials/equipment incorporated into the Initial Improvements or Alterations and which are sufficient for obtaining all necessary approvals/permits from any Governmental Authority with jurisdiction over any portion of the Initial Improvements or Alterations and construction/installation of the Initial Improvements or Alterations.
 - 5.5.2. **Lessor Consent to Final Design Documents.** Notwithstanding consent of the Lessor to Initial Improvements or Alterations, prior to Lessee's submittal of Design Documents to Governmental Authorities for review and approval/permitting/authorization to construct/install the Initial Improvements or Alterations, Lessee shall submit to Lessor the Design Documents which Lessee intends to submit to Governmental Authorities for approval/permitting/authorization for review by Lessor. Lessor shall not unreasonably withhold, limit or restrict its

consent. Lessee shall modify the Design Documents as necessary to obtain Lessor's consent to the entirety thereof.

- 5.5.3. Permits/Approvals. Lessee shall obtain all required permits, approvals and other authorizations from Governmental Authorities for installation or construction of Initial Improvements or Alterations. Costs, fees, expenses and other charges for issuance of permits, approvals or other authorizations necessary for design or construction of Improvements shall be the sole responsibility of Lessee, without reimbursement from Lessor or adjustment of Rent due from Lessee hereunder.
- 5.5.4. Insurance Requirements. Lessee shall require the Design Consultant and Contractor under direct privity of contract with Lessee for the Initial Improvements or Alterations to obtain the policies of insurance in the minimum coverage amount set forth herein. Prior to commencement of design services or construction services, as applicable, Lessee shall deliver the Contractor's and/or Design Consultant's Certificates of Insurance to Lessor evidencing each of the following policies of insurance.
- 5.5.4.1. Workers Compensation and Employers Liability Insurance. The Design Consultant and Contractor for the Initial Improvements and Alterations shall obtain: (i) Workers Compensation Insurance with coverage amount in accordance with the Laws; and (ii) Employers Liability Insurance with coverage amount of at least One Million Dollars (\$1,000,000). The Employers Liability Insurance may be by a separate policy of insurance or as an additional coverage endorsement under the Workers Compensation Insurance policy.
- 5.5.4.2. Design Consultant Professional Liability Insurance. The Design Consultant shall obtain Professional Liability Insurance issued on a "claims made" basis with minimum coverage amounts of not less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) in the aggregate.
- 5.5.4.3. General Liability Insurance. The Design Consultant and Contractor shall each obtain policies of General Liability Insurance covering: (i) claims for damages because of bodily injury, sickness or disease or death of any person other than the Contractor's employees; (ii) claims for damages insured by usual personal injury liability coverage which are sustained (a) by a person as a result of an offense directly or indirectly related to employment of such person by the Contractor, or (b) by another person; (iii) claims for damages, other than to the Initial Improvements or Alterations, because of injury to or destruction of tangible property, including loss of use resulting therefrom; (iv) claims for damages because of bodily injury, death of a person or property damages arising out of ownership, maintenance or use of a motor vehicle; (v) contractor's pollution liability; (vi) contractual liability; and (vii) completed operations. Coverage amounts under the each policy of General Liability Insurance obtained by a Design Consultant or Contractor shall be not less than Two Million Dollars (\$2,000,000) per occurrence and Four Million Dollars (\$4,000,000) in the aggregate.
- 5.5.4.4. Builders Risk Insurance. Before commencement of construction of the Initial Improvements or any Alterations, Lessee or Lessee's Contractor shall procure and shall maintain in force until satisfactory completion and satisfactory acceptance of Initial Improvements or Alterations, "all-risks" builder's risk insurance including coverage for vandalism and malicious mischief, but excluding seismic and flood coverages which cover improvements in place and all material and equipment at the jobsite

- furnished under contract, but excluding tools and equipment of the Contractor and property owned by the Contractor's employees. Such policy coverage shall be equal to at least 100% of the insurable value of the Initial Improvements or Alterations.
- 5.5.4.5. Lessor Additional Insured. Lessor shall be an Additional Insured to each of the foregoing policies of insurance, except the Workers Compensation and Employers Liability policies.
- 5.5.4.6. Insurer Requirements. Each insurer issuing a policy of insurance required by the foregoing shall be authorized to issue such policy of insurance under the Laws and A.M. Best rated at least A-VII.
- 5.5.5. Performance Bond; Labor & Materials Payment Bond. Prior to commencing construction of the Initial Improvements or Alterations, Lessee shall require the Contractor therefor to obtain a Performance Bond and a Labor & Materials Payment Bond, each in a penal sum equal to one hundred percent (100%) of the price due from Lessee to such Contractor under the contract between Lessee and such Contractor.
- 5.5.6. Bid and Award of Contracts. If required by the Laws, Lessee shall comply with competitive bidding, competitive proposal or other similar procurement requirements for award of contracts relating to design, construction or installation of Initial Improvements or Alterations.
- 5.5.7. Labor Laws; DIR Registered Contractor; Prevailing Wage Rates. Work, labor or services provided in connection with the Initial Improvements or any Alterations shall be in accordance, and in compliance, with Laws relating to the employment of labor in connection with construction of public works. Lessee shall require that Lessee's Design Consultants or Contractors for any design or construction related services in connection with the Initial Improvements or Alterations be obligated to pay laborers at least the prevailing wage rates established for such labor services, if any. Contractors and Subcontractors of any tier for construction of any portion of the Initial Improvements or Alterations shall at all times during construction activities be Department of Industrial Relations registered contractors ("DIR Registered Contractor"). Lessee shall immediately remove from the Property and/or Premises any Contractor who is not a DIR Registered Contractor when providing work, labor or materials for construction of the Initial Improvements or Alterations.
- 5.5.8. Authority to Occupy and Use Initial Improvements and Alterations. Lessee shall not, and shall not permit, the occupancy or use of the Initial Improvements or Alterations until such use or occupancy is authorized by all Governmental Authorities with jurisdiction over any portion of the use or occupancy of the Initial Improvements or Alterations. As requested by Lessor, Lessee shall provide Lessor with reasonably satisfactory written evidence that required authorizations of any Governmental Authority for use or occupancy of the Initial Improvements or Alterations have been obtained or issued prior to Lessee's use or occupancy of the Initial Improvements or Alterations.
- 5.5.9. Lessor Access to Property, Project, Initial Improvements, and Alterations. Lessor, its architects, engineers, agents and representatives shall have the right access to the Property and Project to observe construction/installation of the Initial Improvements and Alterations; Lessee shall provide Lessor with such access without cost, charge or expense to Lessor.
- 5.5.10. "As Built" Design Documents. Upon completing construction/installation of Initial Improvements or Alterations, Lessee shall deliver to Lessor copies of the "as built" Design Documents for the Initial Improvements or Alterations, which may be in the form of either paper "hard copy" or electronic files.

6. TITLE; DISPOSITION OF IMPROVEMENTS

- 6.1. Title to Premises Facility and Alterations. During the Term and Extended Terms, if any, the Initial Improvements, all Alterations and all Personal Property acquired, leased, or rented by Lessee in connection with Initial Improvements or Alterations shall be the property of Lessee, but shall remain on the Premises. During the Term, Lessee shall be entitled to all of the tax attributes of ownership of the Initial Improvements, Alterations and all Personal Property acquired, leased or rented by Lessee in connection with Alterations, including, without limitation, the right to claim depreciation or cost recovery deductions.
- 6.2. Lessee Conveyance of Fee Title to Lessor Upon Termination. Upon expiration of the Term of this Agreement or the earlier termination hereof, Lessee agrees to surrender possession of the Premises and Premises Facility to Lessor as of the date of expiration of the Term or the effective date of earlier termination hereof. The Premises and Premises Facility shall be in good condition, reasonable wear and tear excepted. The Premises Facility shall thereupon become the property of Lessor, free and clear of all liens and encumbrances. The foregoing shall exclude personal property of Lessee situated in, on or about the Premises or Premises Facility. Lessee shall remove or cause to be removed from the Lessee Space portion of the Premises all such items of personal property on or before the expiration of the Term.

7. REPAIRS; MAINTENANCE; UTILITIES

- 7.1. Maintenance.
- 7.1.1. Lessee Maintenance of Premises. At Lessee's sole cost and expense throughout the Term, Lessee shall maintain the Premises and operate and maintain the Lessee Space portion of the Premises Facility in good order and repair, in a neat, clean, sanitary and safe condition in compliance with the Laws. The foregoing shall include without limitation, custodial and janitorial services for interior spaces of the Lessee Space portion of the Premises Facility. Lessee will not begin construction of Premises until such time Lessor has complied with the required utilities specifications provided by Lessee, to include water, sewer, electrical, gas and telecommunications.
- 7.1.2. Lessor Maintenance. Lessor shall be responsible, at Lessor's sole costs and expense to maintain all portions of the Property except for the Premises. The foregoing include without limitation: (i) maintenance of utility service lines situated on or about the Property so that utility services serving the Premises are unimpaired; (ii) landscape/hardscape maintenance of the exterior areas of the Premises, and (iii) the Lessor Space portion of Premises Facility. Except in the event of maintenance of utility lines required as a result of Lessor negligent or intentional conduct, Lessee shall be responsible for a pro rata portion of Lessor's maintenance of utility lines necessary to provide unimpaired utility services to the Premises. Lessee's pro rata portion of such utility line maintenance costs shall be at no cost for the area of the Property to the Premises. If maintenance of utility lines is required as a result of Lessor's negligent or intentional conduct, all costs, fees or expenses associated with completing such maintenance tasks and activities shall be covered by Lessor.
- 7.2. Waste/Nuisance Prohibited. Lessee shall not permit any waste of the Premises or permit any nuisance to exist in, on or about the Premises or the Lessee Space portion of Premises Facility.
- 7.3. Utilities. Lessor be solely responsible, at Lessor's sole cost and expense, for: (i) obtaining and paying for all utilities serving the Lessee Space portion of the Premises Facility, including without limitation natural gas, electrical power, water, sewer service, trash collection, telecommunications and other similar services; and (ii) obtaining or cause to be

obtained all necessary permits, licenses or other similar authorizations for use of such utility services in connection with Lessee's use and occupancy of the Premises or Premises Facility. The foregoing notwithstanding, if separate metering of Lessee's use of a utility service serving the Premises or Premises Facility cannot be reasonably obtained, the costs of such utility services shall be reasonably and equitably allocated between usage of such utility service at the Premises or Premises Facility. It is Lessor's responsibility to bring utilities capability to the Premises. Lessor will pay for all costs associated with maintenance and ongoing delivery of the utilities.

- 7.4. Lessor Inspection Rights. At any time during the Term, upon reasonable advance notice of forty-eight (48) hours, and during normal business hours, Lessor and its agents or representatives may inspect the Premises, improvements thereon, including the Lessee Space portion of the Premises Facility, or any portion of the foregoing to confirm that it is being properly maintained. Any such activities of Lessor shall be conducted in a manner which does not interfere with, disrupt or interrupt Lessee's on-going activities and operations at the Premises or Premises Facility. The foregoing notwithstanding, Lessor may access the Premises or any portion thereof without prior notice to Lessee only in the event of emergency circumstances which pose a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, property or essential public services.
- 7.5. Security. Lessee shall be responsible for security on the Lessee Space portion of the Premises Facility. Lessee shall be solely responsible for security of Clinic contents. Lessor shall be responsible for security of the Lessor Space portion of the Premises Facility.

8. LESSOR JOINT OCCUPANCY OF PREMISES FACILITY

- 8.1. Lessor Right of Use and Occupancy. During the Term of this Agreement, Lessee grants to Lessor the exclusive right to use and occupancy of the Lessor Space portion of the Premises Facility for purposes of: an equipment room, storage, and other related purposes. The Lessor Space shall be served with utility infrastructure and services for: electrical power, heating/ventilation/air-conditioning and telecommunications.
- 8.2. Lessor and Lessee Maintenance of Lessor Space. Notwithstanding any provision of this Agreement to the contrary, Lessor is responsible, at Lessor's cost and expense for maintenance of the interior areas of the Lessor Space. Lessee shall be responsible for maintenance of building systems, including without limitation mechanical equipment, structural components and roof.
- 8.3. No Interference with Lessee Use and Occupancy of Lessee Space. Lessor's use and occupancy of the Lessor Space shall not materially interfere with or impair Lessee's use and occupancy of the Lessee Space.
- 8.4. No Lessee Access to Lessor Space. Except in the event of emergency circumstances, Lessee shall not have access to Lessor Space.
- 8.5. No Charge or Cost to Lessor. Lessor's use and occupancy of the Lessor Space shall be without charge, cost or expense to Lessor.

9. TAXES, ASSESSEMENTS AND OTHER CHARGES

- 9.1. Impositions. Impositions shall mean, collectively, (i) all real estate taxes, all special assessments and all other property assessments, including all assessments for public improvements or betterments, whether or not commenced or completed within the Term; (ii) all ad valorem, sales and use taxes; (iii) all rent and occupancy taxes and all similar taxes; (iv) all Personal Property and other taxes on the Personal Property; (v) all water, sewer, and other utility charges imposed by any Governmental Authority; (vi) all fines, fees, charges, penalties, and interest imposed by any Governmental Authority or utility; and (vii) all other governmental charges and taxes, in each case of any kind or nature

- whatsoever, general or special, foreseen or unforeseen, ordinary or extraordinary, which are at any time during or with respect to the Term which are assessed, levied, charged, confirmed or imposed with respect to the Site or Project, the Personal Property or the use, leasing, ownership or operation thereof, or become payable out of or become a lien upon the Site, the sidewalks or streets adjoining the Site, or the Personal Property or the rents or income therefrom. Notwithstanding the foregoing, Impositions shall not include (i) any tax imposed on Lessor's income or receipts (whether net or gross); (ii) tax imposed with respect to the sale, exchange or other disposition by Lessor of the Site; or (iii) franchise taxes, excess profits taxes, capital gains taxes, and taxes on doing business that are imposed on Lessor. If at any time during the Term the present method of real estate taxation or assessment is changed so that there is substituted for the type of Impositions presently being assessed or imposed on real estate, or in lieu of any increase in such Impositions, a tax described in clauses (i) or (iv) that is imposed solely on owners of real estate, such substitute taxes shall be deemed to be included within the term "Impositions."
- 9.2. Lessee Responsibility for Payment of Impositions. Throughout the Term, Lessee will pay, or cause to be paid, all Impositions prior to the due date of each such Imposition, provided that if any Imposition may be paid in installments by the Laws, Lessee may pay such Imposition in installments in compliance with, and as permitted by, the Laws.
- 9.3. Apportionment of Impositions. If any of the Impositions are paid, levied or assessed on a fiscal year basis, and if the Commencement Date occurs on a day other than the first day of such fiscal year or the Expiration Date occurs on a day other than the last day of such fiscal year, such Impositions shall be apportioned between Lessor and Lessee on a per diem basis as of the Commencement Date and/or Expiration Date, as applicable. To the extent any Impositions payable in installments affect the Site at the Commencement Date or Expiration Date, (i) installments payable prior to the Commencement Date and after the Expiration Date shall be payable by Lessor; (ii) installments payable after the Commencement Date and before the Expiration Date shall be payable by Lessee; and (iii) any installment payable with respect to a fiscal period in which the Commencement Date or Expiration Date occurs shall be apportioned between Lessor and Lessee on a per diem basis.
- 9.4. Limitations on Lessee Responsibility for Impositions. The foregoing notwithstanding, Lessee shall not be responsible for: (i) any Impositions that accrued prior to the Commencement Date, or (ii) any fines, fees, charges, penalties, or interest charges imposed by any Governmental Authority with respect to Impositions due prior to the Commencement Date.
- 9.5. Evidence of Lessee Payment of Impositions. Lessee shall pay, or shall cause to be paid, all Impositions directly to the Governmental Authority charged with the collection thereof. Lessee shall deliver to Lessor, promptly upon request, copies of the receipted bills or other written evidence reasonably satisfactory to Lessor showing the payment of such Impositions.
- 9.6. Lessee Challenge To Impositions. Lessee may, at Lessee's sole cost and expense, endeavor from time to time to reduce the assessed valuation of the Site for the purpose of reducing the Impositions payable by Lessee. The foregoing notwithstanding, Lessee shall timely pay all Impositions. Lessor agrees to offer no objection to such contest or proceeding and, at the request of Lessee, to reasonably cooperate with Lessee in pursuing such contest or proceeding, but without expense to Lessor. Any such contest or proceeding shall be brought in Lessee's name unless otherwise required by the Laws, in which case the contest or proceeding may be brought in Lessor's name. In addition to its other obligation to defend, indemnify and hold harmless Lessor and Lessor Parties, Lessee shall defend, indemnify and hold harmless Lessor and Lessor Parties from Liabilities arising out of or related in any manner to any such proceedings.
- 9.7. Refund of Impositions. If all or any part of an Imposition is refunded to either Party

(whether through cash payment or credit against Impositions), the Party who paid the Imposition to which the refund relates shall be entitled to such refund to the extent such refund relates to any Imposition paid by such Party. If either Party receives a refund (whether by cash payment or credit) to which the other Party is entitled, the receiving Party shall promptly pay the amount of such refund or credit to the entitled party, less the receiving Party's expenses, if any, in obtaining such refund or credit.

- 9.8. Payment Claims. Lessee shall keep the Premises free from any lien, other encumbrance or other claim for payment (collectively "Payment Claims") filed, served, recorded or asserted by any laborer, material supplier, contractor, subcontractor, architect or engineer with respect to work, material or services alleged to have been performed for Lessee in connection with the Project. Lessee shall fully satisfy any such Payment Claims or post bonds to release such Payment Claims in conformity to the Laws.

10. ENVIRONMENTAL MATTERS

- 10.1. Lessor Environmental Disclosure. California Health & Safety Code §25359.7 requires owners/lessors of nonresidential real property who know, or have reasonable cause to believe, that any release of Hazardous Materials has come to be located on or beneath the real property to provide written notice thereof to the buyer/lessee of the real property. Lessor hereby discloses no hazardous materials on the premises. By execution of this Agreement, Lessee: (i) acknowledges its receipt of the foregoing notice given pursuant to California Health & Safety Code §25359.7; (ii) acknowledges that Lessee has been afforded the opportunity to conduct its own independent review and investigation of the Property and Premises prior to the Commencement Date; (iii) agrees to rely solely on its own experts in assessing the environmental condition of the Premises and its sufficiency for Lessee's intended use; and (iv) waives any and all rights Lessee may have to assert that the Lessor has not complied with the requirements of Health & Safety Code §25359.7.
- 10.2. Compliance with Hazardous Materials Laws. Lessee shall throughout the Term cause the Premises, and the use, occupancy and operation thereof, to be in compliance with all Hazardous Materials Laws. Lessee shall not cause or permit the Premises or any portion thereof to be in violation of any Hazardous Materials Laws. Lessee is solely responsible, at Lessee's sole cost and expense, to correct and remedy any violation of Hazardous Materials Laws in, on or about the Premises. Lessor shall throughout the Term cause the Property (excepting the Premises) and the use or occupancy thereof to be in compliance with all Hazardous Materials Laws, and Lessor shall not cause or permit the Property or any portion thereof to be in violation of Hazardous Materials Laws. Lessor is solely responsible, at Lessor's sole costs and expense, to correct or remedy any violation of Hazardous Materials Laws on the Property (excepting the Premises, unless the Premises is affected by a violation or negligent act of Lessor, in which case Lessor shall be responsible for the Premises).
- 10.3. Prohibition on Hazardous Materials on the Premises. Lessee shall not permit the Premises or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials nor shall Lessee permit the presence or release of Hazardous Materials in, on, under, about or from the Premises except for materials customarily used: (i) in construction, operation, use or maintenance of the Premises or improvements thereon; or (ii) in connection with Lessee's use or occupancy of the Premises provided such materials are used, stored and disposed of in compliance with Hazardous Materials Laws
- 10.4. Lessee Notice of Hazardous Materials Claims. Lessee shall immediately advise Lessor in writing of: (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Lessee, the Premises pursuant to any Hazardous Materials Laws; (ii) any and all complaints, claims, citations,

demands, inquiries, reports, or notices made or threatened by any third party against Lessee, the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; (iii) the presence, release, or potential release of any Hazardous Materials in, on, under, about or from the Premises as required by California Health and Safety Code §25359.7; or (iv) Lessee's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Premises classified as "Border Zone Property" under the provisions of California Health and Safety Code, §§25220 et seq., or any regulation adopted in connection therewith, that may in any way affect the Project or the Site pursuant to any Hazardous Materials Laws or cause it or any part thereof to be designated as Border Zone Property. The matters set forth in the foregoing clauses (i) through (iv) are hereinafter referred to as "Hazardous Materials Claims". Lessor shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claim. Nothing herein, however, is intended to alter Lessee's responsibilities relating to Hazardous Materials set forth herein.

- 10.5. Prohibition on Lessee Remedial Work. Without the Lessor's prior written consent, Lessee shall not take any remedial action in response to the presence of any Hazardous Materials in, on, under, or about the Premises (other than in emergency situations or as required by a Governmental Authority having jurisdiction, in which case the Lessor agrees to provide its consent), nor enter into any settlement agreement, consent decree, or other compromise with respect to any Hazardous Materials Claim. Except as otherwise set forth above, Lessor's consent may be granted, conditioned or denied in the sole and exclusive discretion of Lessor.
- 10.6. Lessee Responsibility for Remedial Work. If the presence of any Hazardous Materials in, on, about or from the Premises results in any violation of Hazardous Materials Laws, Lessee shall, at Lessee's expense, promptly take actions necessary to remediate the Premises as required by the Laws; provided that Lessor's approval of such actions shall first be obtained. All costs and expenses of any Remedial Work shall be the sole responsibility of Lessee, it being understood that Lessor shall not incur any cost, expense or liability in connection with any Remedial Work. Lessor shall have the right, but no obligation, to join and participate in, as a party if it so elects at Lessor's cost, any legal proceedings or actions initiated in connection with any Hazardous Material Claims. For purposes of this Agreement, "Remedial Work" means all investigation, testing, analysis, monitoring, restoration, abatement, detoxification, containment, handling, treatment, removal, storage, decontamination, clean-up, transport, disposal or other ameliorative work or response action undertaken voluntarily or required by (i) any Hazardous Materials Laws; (ii) any order or request of any Governmental Authority; or (iii) any judgment, consent decree, settlement or compromise with respect to any and all enforcement, clean-up, removal, remedial or other actions, agreements or orders threatened, instituted, or completed by any Governmental Authority pursuant to any Hazardous Materials Laws or any actions, proceedings or claims by such entities or third parties relating to or arising out of the breach of any Hazardous Materials Laws or the presence or release of any Hazardous Materials in, on, under or from the Premises.
- 10.7. Lessee Environmental Indemnity. Lessee shall indemnify, defend (with counsel selected by Lessee, subject to Lessor's approval, which shall not be unreasonably withheld) and hold harmless Lessor and Lessor Parties from and against all liabilities resulting, arising, or based directly or indirectly in whole or in part, upon (i) the presence, release, use, generation, discharge, transport, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Premises; (ii) the failure of Lessee, Lessee's employees, agents, contractors, subcontractors, licensees, permittees, or any person acting on behalf of any of the foregoing to comply with Hazardous Materials Laws; or (iii) Lessee's breach of its

obligations relating to Hazardous Materials, as set forth in this Agreement. The foregoing indemnity shall further apply to any residual contamination in, on, under or about the Premises or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws and shall include, without limitation, Liabilities arising in connection with any investigation of site conditions or any cleanup, removal or restoration work ordered by a court or required by any Governmental Authority. The foregoing obligations of Lessee shall survive the expiration of the Term or the earlier termination of the Agreement, until barred by the applicable statute of limitations. Notwithstanding anything to the contrary set forth in this Agreement, following the expiration of the Term or the earlier termination of this Agreement, Lessee's indemnification obligations set forth in (i) above shall be limited to Liabilities resulting, arising, or based directly or indirectly in whole or in part, upon the presence, release, use, generation, discharge, transport, storage or disposal of any Hazardous Materials in, on, about or from, or the transportation of any such Hazardous Materials to or from, the Premises arising or occurring prior to expiration of the Term or the earlier termination of this Agreement. Lessee's obligation to defend, indemnify and hold harmless Lessor and Lessor Parties pursuant to the foregoing is in addition to, and not in lieu of, other Lessee obligations set forth herein to defend, indemnify and hold harmless Lessor and Lessor Parties.

- 10.8. Future Regulatory Requirements. Notwithstanding anything to the contrary set forth in this Agreement, if requirements, limitations or other Laws relating to Hazardous Materials and affecting the Lessee's use and occupancy of the Premises are promulgated after the Commencement Date hereof and prior to the Expiration Date, all costs and expenses of complying with such requirements, limitations or other matters shall be the sole responsibility of Lessee.

11. DAMAGE OR DESTRUCTION

- 11.1. Reconstruction. In the event of any damage to or destruction of the improvements situated on the Premises (whether as existing on the Commencement Date or as subsequently modified by the Initial Improvements or Alterations) during the Term, Lessee may in its sole discretion restore and/or rebuild such improvements, subject to any restrictions or requirements imposed by the Laws.
- 11.2. Lessee Right to Terminate. Notwithstanding any provision of this Agreement to the contrary, Lessee shall have the option to terminate this Agreement if the entirety of the improvements situated on the Premises or at least sixty percent (60%) thereof are substantially damaged or destroyed ("Destruction Event"), provided that the such damage or destruction resulted from a cause not insured against by Lessee. Lessee's right to terminate this Agreement pursuant to the foregoing shall be subject to each and all of the following conditions: (i) no more than one hundred twenty (120) days following the Destruction Event, Lessee shall notify Lessor in writing of Lessee's election to terminate this Agreement; (ii) no more than sixty (60) days following the giving of the notice required by (i) or such longer time as may be reasonable under the circumstances, Lessee shall, at Lessee's expense remove all debris and other rubble from the Premises, secure the Premises against trespassers, and at Lessor's election, remove all remaining improvements from the Premises; and (iii) no more than thirty (30) days following Lessee's termination notice, Lessee shall deliver to Lessor a quitclaim deed to the Premises in recordable form, in form and content satisfactory to Lessor and with such other documentation as may be reasonably requested by Lessor or any title company on behalf of Lessor, terminating Lessee's interest in the Premises.

12. INSURANCE AND INDEMNITY

- 12.1. **Lessee Insurance.** Lessee, at Lessee's sole expense, shall maintain at all times during the Term (except as otherwise specifically provided below), and after the Term for so long as Lessee, or any person holding through or under Lessee, remains in possession of any portion of the Premises, the policies of insurance in at least the minimum coverage amount indicated as set forth hereinbelow in this Paragraph 12 ("Insurance").
- 12.2. **Liability Insurance.** Lessee shall maintain a policy of commercial general liability insurance (the "Liability Policy") protecting Lessee against claims of third parties for bodily injury, death, personal injury, and property damage (including personal injury liability covering libel, slander, false arrest, and malicious prosecution, and fire and water damage legal liability) occurring in, upon, or about the Premises and any appurtenances thereto. Such policy shall have an annual per occurrence combined single limit of at least One Million Dollars (\$1,000,000) and an annual aggregate limit of at least Three Million Dollars (\$3,000,000), with excess insurance coverage. Excess liability limits should be a minimum coverage limit of Three Million Dollars (\$3,000,000).
- 12.3. **Property Insurance.** Effective on and after the Commencement Date, Lessee shall maintain property insurance covering the Premises Facility and personal property of Lessee situated at the Premises or the Premises Facility and which insures against all risks, including fire, other risks and losses caused by explosion of boilers and other pressurized equipment, including coverage for increases in costs incurred by reason of changes in the Laws; and, (ii) losses due to disruption of utility services originating away from the Project (the "Property Damage Policy"). With respect to losses to property, such policy shall be in an amount equal to one hundred percent (100%) of the Full Replacement Cost of the Premises Facility and Personal Property, but such coverage shall be, in any event, at least sufficient to avoid the effect of the co-insurance provisions of the applicable policy or policies. The term "Full Replacement Cost" shall mean the actual replacement cost of the Premises Facility or Personal Property, as applicable, including the cost of demolition and debris removal and without deduction for depreciation and excluding the cost of excavation, foundations and footings.
- 12.4. **Automobile Insurance.** Lessee shall maintain a policy of Automobile Liability insurance on owned, non-owned and hired motor vehicles used in connection with the operation of the Project with a combined single limit for bodily injury and property damage of not less than One Million Dollars (\$1,000,000).
- 12.5. **Blanket Policy.** Insurance required of the Lessee hereunder may be carried by Lessee under a blanket policy covering the Premises and Premises Facility along with other locations of Lessee, if such blanket policy contains an endorsement that guarantees a minimum limit available for the Premises and Premises Facility equal to the minimum limits required by this Agreement and that the minimum limits shall not be reduced for claims made with respect to other properties, and otherwise complies with Lessee's Insurance requirements established in this Agreement.
- 12.6. **Policy Endorsements.** All Insurance required to be obtained by Lessee shall: (i) contain endorsements that such Insurance may not be canceled or materially amended, except upon not less than thirty (30) days prior written notice to Lessee, who in turn shall provide written notice to Lessor, and (ii) be written as primary policies not contributing to or in excess of any policies carried by Lessor, and (iii) each contain a waiver of subrogation endorsement, in form and substance reasonably satisfactory to Lessor, in favor of Lessor and Lessor Parties.
- 12.7. **Additional Insureds.** The Liability Policy shall name Lessee as insured and shall include as additional insureds Lessor and the Lessor Parties.
- 12.8. **Certificates of Insurance.** Concurrently with execution of this Agreement and thereafter at least fifteen (15) days prior to the expiration of any policy of Insurance, Lessee shall deliver to Lessor certificates evidencing the required Insurance in form and content

reasonably satisfactory to Lessor, together with evidence of payment of the annual premium for each policy. In addition, Lessee shall at any time and from time to time during the Term, promptly upon Lessor's request, furnish Lessor with a copy of the then current paid-up policy, appropriately authenticated by the insurer or, at Lessor's option, the Declarations page of such policy evidencing the required Insurance.

- 12.9. Adjustment of Coverage Limits. The coverage limits for each policy of insurance Lessee is required to maintain shall be subject to review and adjustment every sixty (60) months during the Term hereof ("Insurance Review Period"). By written notice to Lessee not later than thirty (30) days after an Insurance Review Period, Lessor may require Lessee to increase the coverage limits of any Insurance required of Lessee hereunder, provided that such increase shall not exceed ten (10%) of the coverage limit established for a policy of insurance in the immediately preceding Insurance Review Period.
- 12.10. Insurance by Others. Lessee shall require all of its contractors, subcontractors, design-builders, construction managers, consultants, and other persons or entities under direct privity of contract with Lessee and who provide services, materials or labor to all or any portion of the Premises or Premiss Facility to: (i) include as additional insureds in their commercial general liability policies the Lessor and the Lessor Parties; and (ii) obtain a waiver of subrogation endorsement in all policies in favor of the Lessor and the Lessor Parties, in each case to the same extent Lessee requires such contractors, subcontractors, construction managers, design-builders, consultants, and other entities to include Lessee as additional insured and/or to obtain a waiver of subrogation endorsement in favor of Lessee.
- 12.11. Indemnity. To the fullest extent permitted by the Laws, Lessee and Lessor shall indemnify, defend, and hold harmless the other and as applicable, Lessee Parties and Lessor Parties from Liabilities: (i) arising out of the negligent or willful acts or omissions of a Party; and (ii) arising out of a Party's breach of its obligations under this Agreement. The provisions hereof shall survive expiration of the Term or the earlier termination of this Agreement, until barred by the applicable Statute of Limitations.

13. ASSIGNMENT AND SUBLETTING

- 13.1. Assignment by Lessor. Lessor shall not, without prior notice to and written consent of Lessee: (i) assign this Agreement; or (ii) otherwise transfer all or substantially all of its interest in this Agreement. Consent of Lessee to Lessor's proposed assignment of this Agreement shall not be unreasonably withheld. Lessee shall consent to Lessor's proposed assignment of Lessor's rights under this Agreement if: (i) Lessor's fee interest in the Property, including the Premises sold to a third party; and (ii) if Lessee's right to quiet possession of the Premises under the terms of this Agreement is not impaired, so long as Lessee performs Lessee's obligations hereunder in accordance with the terms hereof.
- 13.2. Assignment and Subletting by Lessee. Lessee shall not, without prior notice to and written consent of Lessor: (i) assign this Agreement; (ii) sublease all or substantially all of the Premises; or (iii) otherwise transfer all or substantially all of its interest in this Agreement or the Premises. Consent of Lessor to Lessee's proposed assignment of this Agreement or subletting of the Premises shall not be unreasonably withheld. Lessor shall consent to Lessee's proposed assignment or subletting of the Premises in the event the proposed assignee or sublessee is an entity controlled by Lessee or Lessee's parent company, under common control of Lessee, or the parent company of Lessee (an "Affiliate").

14. TERMINATION

- 14.1. Termination for Default. Either Party may terminate this Agreement, upon thirty (30) days advance written notice to the other Party, if there is a default by the other Party in its performance of a material obligation under this Agreement. Such termination shall be

deemed effective the thirtieth (30th) day following the date of such written termination notice unless, during such thirty (30) day period, the Party receiving the written termination notice shall commence to cure its default and diligently thereafter prosecute such cure to completion.

- 14.2. Lessor Termination for Convenience. Lessor may at any time during the Initial Term or an Extended Term, terminate this Agreement by advanced written notice to Lessee not less than thirty (30) days prior to the effective date of such termination. If Lessor exercises the right to terminate this Agreement for Lessor's convenience pursuant to the foregoing, prior to expiration of the Initial Term, notwithstanding any provision of this Lease to the contrary, Lessor shall reimburse Lessee for the costs incurred by agreement to construct the Premises Facility ("Premises Facility Costs") as set forth herein. In such event, the Premises Facility Costs reimbursed from Lessor to Lessee shall be an amount equal to the Premises Facility Costs divided by one hundred eighty (180) multiplied by the remaining number of months of the Initial Term as of the effective date of Lessor's exercise of the right to terminate this Agreement for Lessor's convenience. The foregoing is further described as follows:

$$(\text{Premises Facilities Costs} \div 180) \times (\text{Remaining months of Initial Term as of effective date of termination for Lessor convenience}).$$

For purposes of this Agreement, Lessor and Lessee agree that the Premises Facility Costs are will be determined no later than December 31, 2016 and will be no more than two Hundred Thousand Dollars (\$200,000.00). If Lessor exercises the right to terminate the Agreement for Lessor's convenience after expiration of the Initial Term, no reimbursement shall be due from Lessor to Lessee for Premises Facility Costs.

- 14.3. Termination by Lessee. In addition to termination pursuant to Paragraph 14.1 above, Lessee may terminate as set forth below. Termination by Lessee pursuant to the following shall be effectuated by Lessee's written notice of termination to Lessor which sets forth the basis for Lessee's election to termination and effective date of such termination.

14.3.1. Damage or Destruction of Property. If: (i) twenty-five percent (25%) or more of the Property is damaged or destroyed; or (ii) any degree of damage or destruction of the Property rendering the Property unsuitable or unusable for post-secondary education programs.

14.3.2. United States Assumption of Control. If operation, control or use of the Property is lawfully assumed or appropriated by the United States government or an agency thereof and such operation, control or use: (ii) restricts Lessee's use and occupancy of the Site and/or Project for a period of fourteen (14) consecutive days or more; or (iii) renders the Site and/or the Project unsuitable or unusable for the occupancy and use purposes intended by Lessee.

14.3.3. Lessee Premises Ingress and Egress. If ingress or egress to the Premises is eliminated or is modified to restrict access of Lessee and others to the Premises so that Lessee's use and occupancy of the Premises and Premises Facility are materially impaired.

14.3.4. Disposition and Title to Improvements. The following shall govern and control the disposition of Improvements and title to Improvements upon the expiration of the Term of this Agreement or the earlier termination hereof.

14.3.4.7. Lessee Election to Terminate for Lessee Convenience. Upon termination of the Agreement for the convenience of Lessee pursuant to Paragraph 14.2.1 of this Agreement, Lessee shall deliver possession of the Site and the Project to Lessor in good condition, reasonable wear and tear excepted. Lessee shall not be entitled to any payment or

other compensation from Lessor for the remaining useful life of the Premises Facility upon Lessee's termination of the Agreement for convenience of Lessee.

- 14.3.4.8. Lessee Election Not to Exercise All Options to Extend Agreement. If Lessee does not exercise all options of Lessee to extend the Term of this Agreement pursuant to Paragraph 3.2 of this Agreement, upon expiration of the Initial Term or an Extended Term, applicable, Lessee shall deliver possession of the Site and the Project to Lessor in good condition, reasonable wear and tear excepted. Lessee shall not be entitled to any payment or other compensation from Lessor for the remaining useful life of the Premises Facility upon Lessee's election not to exercise all options to extend the Term of the Agreement.
- 14.4. Termination by Lessor. In addition to Lessor's right of termination set forth in Paragraph 14.1 above, Lessor may terminate this Agreement if Lessee abandons the Premises.
- 14.5. Termination of Student Health Agreement. Notwithstanding any provision of this Lease to the contrary, this Lease shall terminate concurrently with expiration of the Term of the Student Health Agreement or the earlier termination of the Student Health Agreement in accordance with the applicable provisions of thereof.
- 14.6. Eminent Domain. If all or a substantial part of the Premises Facility or the Premises shall be taken under the power of eminent domain, the Term shall cease on the date that possession of a portion of the Premises or Premises Facility, as applicable, is taken and this Agreement shall be deemed terminated as of such date. The net proceeds of any eminent domain award resulting therefrom shall be equitably allocated between Lessee and Lessor, based on the value of the Agreement, the Premises and the Premises Facility at the time of the taking.

15. MISCELLANEOUS

- 15.1. Conflicts. Each Party represents to the other that neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instruction to which a Party hereto is now a party or by which a Party hereto is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of a Party hereto, or upon the Site.
- 15.2. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of California and in accordance with its fair meaning and not strictly for or against either Party.
- 15.3. Successors. This Agreement and all terms hereof are binding upon and inure to the benefit of any successors or assigns of the Parties.
- 15.4. Headings. The headings of the various paragraphs of this Agreement are for reference only and are not intended to and in no way shall enlarge or diminish the rights or obligations of the Parties hereunder.
- 15.5. Corrective Instruments. The Parties shall deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Site hereby leased or intended so to be or for carrying out the express intention of this Agreement.
- 15.6. Severability. If any provision of this Agreement is deemed unconscionable, herein defined to include illegal, invalid unenforceable or void by any court of competent jurisdiction, the court may, as it deems equitable, refuse to enforce the Agreement, or it may enforce the remainder of the Agreement without the unconscionable clause as to avoid any unconscionable result, such provision shall be deemed stricken and deleted here from,

but all remaining provisions will remain and continue in full force and effect.

- 15.7. Dispute Resolution; Mandatory Mediation. All claims, disputes and other matters in controversy between Lessor and Lessee arising out of or pertaining to this Agreement shall be submitted for resolution by non-binding mediation conducted under the auspices of the Judicial Arbitration and Mediation Services ("JAMS") and the JAMS Mediation Rules in effect at the time that a Demand For Mediation is filed. The commencement and completion of mediation proceedings pursuant to the foregoing is a condition precedent to either Lessor or Lessee commencing judicial dispute resolution proceedings.
- 15.8. Notices. Notices that the Parties are required or desire to serve on the other shall be valid only if addressed to the other as set forth in this Agreement or modified by notice hereunder from time to time. Notices shall be effective only if by personal delivery requiring signature acknowledging receipt or by United States Mail, Certified, Return Receipt Requested, First Class, postage fully pre-paid, addressed and delivered as follows:

If to Lessee:
 Molina Medical Management, Inc.
 200 Oceangate, Suite 100
 Long Beach, CA 90802
 ATTN: General Counsel

If to Lessor:
 Compton Community College District
 1111 E. Artesia Blvd.
 Compton, CA 90221
 ATTN: Chief Business Officer

- 15.9. Entire Agreement. This Agreement and Attachments hereto are all of the documents forming a part of this Agreement. The foregoing constitute the entire agreement and understanding between Lessor and Lessee concerning the subject matter hereof, replacing and superseding all prior agreements or discussions, whether written or oral. No term or condition of this Agreement shall be modified or amended except by a writing duly executed by Lessor and Lessee and approved or ratified by the governing body of Lessor.
- 15.10. Power and Authority. Each Party represents to the other that it has the full power and authority to enter into, to execute, and to deliver this Agreement, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Agreement. The person executing this Agreement on behalf of each Party warrants and represents that he or she is authorized to execute this Agreement and bind that Party to all the terms hereof. This Agreement is subject to approval or ratification by the respective governing bodies of Lessor.

In witness hereof, this Agreement is entered into as of the Effective Date hereof.

"Lessor"
COMPTON COMMUNITY COLLEGE DISTRICT

"Lessee"
MOLINA MEDICAL MANAGEMENT, INC.

By: 

By: 

Name: Felipe D. Lopez

Name: Gloria Calderon

Title: CHIEF BUSINESS OFFICER

Title: President MMM

Attachment A
Cross-Hatched Depiction of Property

See attached document.

Attachment A-1
Timeline for Development of Property

See attached document, to be provided after signature.

Attachment B
Description of Premises Facility

See attached document to be provided after signature.

Attachment C

COMMENCEMENT DATE ACKNOWLEDGEMENT AND ACCEPTANCE OF PREMISES
(ATTACHMENT C TO GROUND LEASE AND JOINT OCCUPANCY
AGREEMENT BETWEEN COMPTON COMMUNITY COLLEGE DISTRICT AND
MOLINA MEDICAL MANAGEMENT, INC.)

Pursuant to Paragraph 2.3.2 of the Ground Lease and Joint Occupancy Agreement ("Agreement") Molina Medical Management, Inc. a California corporation ("Lessee") agreed to provide this Commencement Date Acknowledgment ("Acknowledgment") to Compton Community College District ("Lessor") within three (3) business days after Lessor's Board of Trustees has approved the Agreement in an open public meeting of the Board of Trustees. This Acknowledgment is solely for the purpose of establishing the Commencement Date for the Initial Term of the Agreement under Paragraph 3.1 of the Agreement

- 1. Commencement Date. For purposes of Paragraph 3.1 of the Agreement, the Commencement Date of the Initial Term is _____, 2016.
- 2. Lessor Delivery of Premises; Lessee Acceptance of Premises. Lessor has delivered possession of the Premises to Lessee as of the Commencement Date and Lessee has accepted possession of the Premises as of the Commencement Date.
- 3. Amendments. The terms of the Agreement have not been modified, altered or amended prior to the date of Lessee's execution of this Acknowledgement. The terms of the Agreement are not modified, altered or amended by this Acknowledgement.
- 4. Authority to Execute. Each individual executing this Acknowledgement on behalf of Lessee and Lessor warrant and represent that she/he is authorized by Lessor or Lessee, as applicable, to execute this Acknowledge and to bind Lessee and Lessor to the terms hereof.

The information set forth in this Acknowledgment is true and correct as of the date hereof. This Acknowledgment shall be binding upon the successors and assigns of Tenant.

Dated: _____, 2016

Lessor
Compton Community College District

By: _____
Title: _____

Lessee
Molina Medical Management Inc.

By: _____
Title: _____

Attachment C

COMMENCEMENT DATE ACKNOWLEDGEMENT AND ACCEPTANCE OF PREMISES
(ATTACHMENT C TO GROUND LEASE AND JOINT OCCUPANCY
AGREEMENT BETWEEN COMPTON COMMUNITY COLLEGE DISTRICT AND
MOLINA MEDICAL MANAGEMENT, INC.)

Pursuant to Paragraph 2.3.2 of the Ground Lease and Joint Occupancy Agreement ("Agreement") Molina Medical Management, Inc. a California corporation ("Lessee") agreed to provide this Commencement Date Acknowledgment ("Acknowledgment") to Compton Community College District ("Lessor") within three (3) business days after Lessor's Board of Trustees has approved the Agreement in an open public meeting of the Board of Trustees. This Acknowledgment is solely for the purpose of establishing the Commencement Date for the Initial Term of the Agreement under Paragraph 3.1 of the Agreement

1. Commencement Date. For purposes of Paragraph 3.1 of the Agreement, the Commencement Date of the Initial Term is April 19, 2016.
2. Lessor Delivery of Premises; Lessee Acceptance of Premises. Lessor has delivered possession of the Premises to Lessee as of the Commencement Date and Lessee has accepted possession of the Premises as of the Commencement Date.
3. Amendments. The terms of the Agreement have not been modified, altered or amended prior to the date of Lessee's execution of this Acknowledgment. The terms of the Agreement are not modified, altered or amended by this Acknowledgment.
4. Authority to Execute. Each individual executing this Acknowledgment on behalf of Lessee and Lessor warrant and represent that she/he is authorized by Lessor or Lessee, as applicable, to execute this Acknowledge and to bind Lessee and Lessor to the terms hereof.

The information set forth in this Acknowledgment is true and correct as of the date hereof. This Acknowledgment shall be binding upon the successors and assigns of Tenant.

Dated: April 20, 2016

Lessor
Compton Community College District

By: 
Title: Chief Business Officer

Lessee
Molina Medical Management Inc.

By: 
Title: President

Attachment A

Cross-Hatched Depiction of Property

