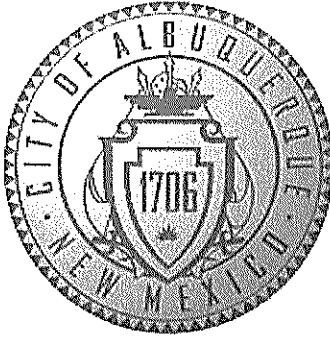


EC-22-162



CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

September 29, 2022

INTER-OFFICE MEMORANDUM

TO: Isaac Benton, President, City Council

FROM: Timothy M. Keller, Mayor *TK*

SUBJECT: Lease Agreement between City of Albuquerque and Albuquerque – AMG Specialty Hospital, LLC

The City owns property known as the Gibson Health Hub, located at 5400 Gibson SE. The City assumed a lease agreement with tenant Albuquerque – AMG Specialty Hospital, LLC, which is a long-term acute care facility. AMG currently leases 19,761 square feet of hospital space and provides 32 beds for their operation. AMG wishes to expand into an adjacent wing and add an additional 15 beds, totaling 28,166 sq. feet and 47 beds.

The proposed Lease Agreement is for ten (10) years with two (2) five (5) year options to extend, if lessee is not in default and if properly exercised.

The initial year will generate \$434,742.00 (19,761 sq. ft. x \$22.00) with a 2% annual escalation thereafter. Once tenant improvements are complete and AMG receives approval from New Mexico Department of Health and the New Mexico Facility Licensing & Certification, rent will increase to reflect the gross 28,166 sq. ft. x \$22.00, or applicable price per square foot at the time of approval.

Lease also includes a load factor with a 2% annual escalation. Initial year will generate \$7,436.00.

This Lease Agreement is forwarded to City Council for approval.

TITLE/SUBJECT OF LEGISLATION:

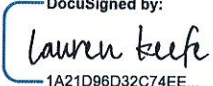
Lease Agreement between City of Albuquerque and Albuquerque – AMG Specialty Hospital, LLC

Approved:



Lawrence Rael Date
Chief Administrative Officer

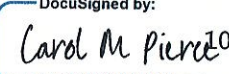
Approved as to Legal Form:

DocuSigned by:
 10/4/2022 | 11:39 AM MDT
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Lauren Keefe Date
City Attorney

Recommended:

DS


DocuSigned by:
 10/3/2022 | 3:58 PM MDT
72F4E134004041B...

Carol M. Pierce Date
Director
Family and Community Services

Cover Analysis

1. What is it?

Lease Agreement between City of Albuquerque and Albuquerque – AMG Specialty Hospital, LLC

2. What will this piece of legislation do?

Renew and extend AMG's current lease, assumed with the purchase of the property, for 10 years and expand AMG's footprint to a total of 28,166 sq. ft.

3. Why is this project needed?

Secure a long-term lease with an income generating tenant who occupies a significant amount space within the facility.

4. How much will it cost and what is the funding source?

Income generating lease with a three (3) year rent offset of \$883,320.00 for tenant provided improvements.

5. Is there a revenue source associated with this contract? If so, what level of income is projected?

Initial year annual rent \$434,742.00 or 19,761 sq. ft. x \$22.00.

Once tenant improvements are complete and AMG receives approval from New Mexico Department of Health and the New Mexico Facility Licensing & Certification \$619,652.00 or 28,166 sq. ft. x \$22.00.

10-year lease with 2 (5) years options to extend.
2% annual escalation.

6. What will happen if the project is not approved?

Loss of revenue generating tenant and increased occupancy of the Gibson Health Hub.

7. Is this service already provided by another entity?

No.

**LEASE AGREEMENT
CITY OF ALBUQUERQUE AND AMG SPECIALTY HOSPITAL, LLC**

THIS LEASE AGREEMENT (the "Lease") between the **City of Albuquerque** (the "City"), a New Mexico municipal corporation, and **Albuquerque - AMG Specialty Hospital, LLC**, a New Mexico limited liability company, (the "Tenant"). Tenant and City may be referred to herein each individually as a "Party" and collectively as the "Parties."

I. MISCELLANEOUS REPRESENTATIONS.

WHEREAS, the City owns certain real property located at 5400 Gibson Blvd. SE, Albuquerque, NM 87108, known as the Gibson Health Hub (the "Property"); and

WHEREAS, the Tenant currently leases 19,761 square feet of rentable space on the third floor of the main building on the Property as set forth in that certain lease agreement dated January 2017 and first amendment dated June 1, 2017 between Tenant and City's predecessor in interest (the "Original Lease") for the purpose of providing acute and long-term care to critically complex patients; and

WHEREAS, to facilitate Tenant's ability to increase the services it provides from the Property, the Tenant wishes to vacate 1,370 square feet of the area leased pursuant to the Original Lease and to begin occupying a portion of the vacant, adjoining wing of the third floor with the result being that Tenant will now occupy a total of 28,166 square feet of the third floor of the main building on the Property as depicted on **Exhibit A**, attached hereto and made a part hereof (the new occupied area comprised of 28,166 being referred to herein as the "Premises"); and

WHEREAS, the area currently occupied by Tenant contains thirty-two (32) beds, and it is the intention of the Parties that as part of this Lease, an additional fifteen (15) beds will be added for a total of forty-seven (47) beds in the Premises; and

WHEREAS, the City desires to lease to Tenant the Premises to be used as a long-term acute care hospital space and associated medical office space; and

WHEREAS, this Lease shall supersede and replace all prior agreements between the Parties (or their predecessors in interest) relating to the Property; and

WHEREAS, the Parties wish to enter into this Lease for the Premises.

NOW, THEREFORE, for mutual consideration, and on the terms and subject to the conditions set forth herein, City and Tenant hereby agree as follows:

II. DEFINITIONS

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

A. **“Department of Health Standards”** shall mean the minimum standards for a medical facility providing services such as a physician's office, a health clinic, an urgent care facility, or any other medical facility, as established by the New Mexico Department of Health (“NMDOH”) and which are applicable to a long-term acute care hospital.

B. **“Environmental”** shall be interpreted in the broadest sense to include all federal, state or local statutes, ordinances, regulations, rules, or guidelines now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (defined below) or relate to the protection of human health, safety, or the environment.

C. **“Hazardous Substance”** shall be interpreted in the broadest sense to include any substance, material, waste, pollutant, or oil, which is, or becomes designated, classified, or regulated as being “toxic,” “hazardous,” “radioactive,” “dangerous,” or a “pollutant,” or any similar term, which is or becomes similarly designated, classified, or regulated, under any Environmental Law, including asbestos, petroleum, and petroleum products.

D. **“Net Lease”** shall be interpreted to mean a property lease in which a lessee pays, as specifically set forth in this Lease, all expenses which are normally associated with ownership, by way of example but not limitation: utilities, insurance and taxes. This Lease is a partial Net Lease in that the City as landlord has an obligation to maintain and repair certain Structural Components (as defined herein) while other expenses flow to the Tenant, all as more specifically set forth below.

E. **“Environmental Law”** means any federal, state, or local law, statute, ordinance, regulation, rules, or guidelines, now or hereafter in effect, pertaining to or governing Hazardous Substances or which relate to the protection of human health, safety, or that of the environment, including, without limitation, CERCLA (Comprehensive Environmental Response, Compensation and Liability Act of 1980), RCRA (Resources Conservation and Recovery Act of 1976) and SARA (Superfund Amendments and Reauthorization Act of 1986).

F. **Ownership and Operation of Hospital.** Both Parties acknowledge and agree that throughout the Term of this Lease, Albuquerque-AMG Specialty Hospital, LLC shall maintain and operate a Long-Term Acute Care Hospital (also referred to as a long term care hospital) as such facility is defined by the United States Social Security Act Section 1886(d)(1)(B)(iv)(I) (“Hospital”) on the Premises and will own all personal property associated with operation of the Hospital/Tenant, including all associated beds, licenses, provider numbers, and certifications along with all associated rights, billings, and collections.

III. BASIC LEASE PROVISIONS.

A. **Premises.** The City hereby leases the Premises to the Tenant, which Premises

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

consists of approximately 28,166 feet of space located on the third floor of the main building on the Property, more specifically shown on **Exhibit A** attached hereto. “Common Areas” on the Property and available for common, shared use by the City and all tenants of the Property may be used, by Tenant subject to the rules imposed by the City. Common Areas to include parking areas and other areas within the Property will be designated by the City. Tenant shall be entitled to use designated delivery and service entrances, including loading docks and freight elevators, in common with other tenants of the Property.

B. Terms.

1. Effective Date and Term: This Lease will not be binding upon the Parties until it is approved by the Albuquerque City Council and signed by the Chief Administrative Officer or designee (the “Effective Date”).

2. Lease Effective Date and Rent Commencement Date: The Parties hereby agree that upon the Effective Date of this Lease, this Lease shall supersede and replace any and all prior agreement and/or understanding, oral or written, between the Parties, in their entirety.

a) Lease Effective Date: The Parties hereby agree that the Effective Date of this Lease shall be October 1, 2022.

b) Rent Commencement Date:

(1) Current Space: The Rent Commencement Date on Tenant current useable space shall be October 1, 2022, same as the Effective Date.

(2) New Space: The Rent Commencement Date on the new space shall commence on the first (1st) of the following month following Tenant’s receipt of written confirmation from the New Mexico Department of Health (“NMDOH”) and the New Mexico Facility Licensing & Certification (“HFLC”) regarding the successful completion of the *Life Safety Code Inspection* for the new space post construction. Tenant shall immediately notify City in writing upon receipt of such confirmation.

(a) Commencement Date: October 1st, 2022

3. Expiration Date: September 30, 2032. Extension options set forth in Article I, Section B (7).

4. Term: The period of time starting on the Lease and Rent Commencement Date and ending on the Expiration Date shall be the “Term.”

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

5. Rent:

a) Base Rent: The annual base rent for this Lease shall be at a rate of Twenty-Two Dollars and Zero Cents (\$22.00) per square foot ("Base Rent").

(1) Current Space: Four Hundred Thirty-Four Thousand Seven Hundred Forty-Two Dollars and Zero Cents (\$434,742.00 or 19,761 sq. ft. x \$22.00), payable monthly in the amount of Thirty-Six Thousand Two Hundred Twenty-Eight Dollars and Fifty Cents (\$36,228.50).

(2) New Space: Six Hundred Ninety Thousand Six Hundred Fifty-Two Dollars and Zero Cents (\$619,652.00 or 28,166 sq. ft. x \$22.00), payable monthly in the amount of Fifty-One Thousand Six Hundred Thirty-Seven Dollars and Sixty-Seven Cents (\$51,637.67). Base Rent for New Space will be subject to the rent in place at the time of Commencement Date.

b) Load Factor Rent: The load factor for this lease shall be 1.2%. The load factor rent for the initial year shall be Twenty-Two Dollars and Zero Cents (\$22.00) per square foot or Seven Thousand Four Hundred Thirty-Six Dollars and Zero Cents (\$7,436.00) per year, paid on a monthly basis in the amount of Six Hundred Nineteen Dollars and Sixty-Seven Cents (\$619.67). ("Load Factor Rent").

c) Both Rental payments shall commence as set forth in Section (B)(2) and shall be paid in advance on a monthly basis, without notice, due on or before the first day of the month.

d) Base Rent to include all common area maintenance ("CAM") Charges.

e) The Base Rent, and Load Factor Rent shall increase by (2%) annually upon each anniversary of the Effective Date.

f) Base Rent and Load Factor Rent together with all other consideration to be paid or provided by Tenant to City shall collectively constitute "Rent" and shall be paid or provided to the City without offset, unless specifically stated in Article I, Section B(6)(a) or otherwise in this Lease.

g) Base Rent together with all other consideration to be paid or provided by Tenant to City shall collectively constitute "Rent" and shall be paid or provided to the City without offset, unless specifically stated in Article I, Section B(6)(a) or otherwise in this Lease.

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

h) In the event Tenant fails to pay Rent within fifteen (15) days of the due date, after a ten (10) day cure period from receipt of notice, Tenant shall pay City a late payment one-time charge equal to five percent (5%) of the current month's Rent.

i) Subject to further negotiation between and mutual agreement of the Parties, the City and Tenant may execute an amendment to this Lease that will establish services to be provided by Tenant as an offset (in whole or in part) of the Rent due hereunder (the "Services In Lieu of Rent"). Such amendment will specify the type and amount of services to be provided by Tenant, the portion of the monetary Rent payment not offset by such services and for which Tenant shall continue to be responsible, and shall specify the reporting requirements relating to the performance of such services by Tenant. Tenant acknowledges that in providing any such Services In Lieu of Rent, Tenant will be providing services as an independent contractor and will be responsible for all needed insurance, liability waivers, and employer responsibilities.

6. Time, Place and Manner of Payments:

a) All Rent shall be paid to the **City of Albuquerque, ATTN: Central Accounts Receivable and Billing Division, PO Box 27780, Albuquerque, NM 87125**, or at such other place as the City may designate from time to time for this purpose. The City shall provide written notice to Tenant as soon as reasonably possible with regard to any address or contact change.

b) Rent shall be paid by check, online, or as otherwise agreed upon between the Parties.

7. Extension Option: So long as the Tenant is not in default (beyond the applicable period of notice and cure):

a) Automatic Extension. Upon expiration of the initial Term, this Lease shall be automatically extended for a single, additional period of five (5) years ("Automatic Extension") upon the same terms and conditions as are in effect under this Lease immediately preceding the commencement of the Automatic Extension term. Rent shall increase as set forth in Section III (B)(5)(e) by two percent (2%) annually.

b) Requested Extended Term(s). Upon expiration of the Automatic Extension Term and provided that Tenant submits a written request to City at least ninety (90) days prior to the expiration of the Automatic Extension term, and subject to City approval of such request, this Lease may be extended for an additional two (2) consecutive terms of five (5) years each (each an "Extended Term") upon the same terms and conditions as are in effect under this Lease immediately preceding the commencement of such Extended Term. Rent shall

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

increase as set forth in Section III (B)(5)(e) by two percent (2%) annually.

8. Holding Over: Holding over by the Tenant after the expiration of this Lease, whether with or without the consent of the City ("Holding Over"), shall not operate to extend or renew this Lease. Any such Holding Over shall be construed as a tenancy from month-to-month, and Tenant shall be bound by all terms and conditions of this Lease but only as they are applicable to a month-to-month tenancy, provided however, that if the Holding Over is without consent of the City, all rents and charges shall be in an amount equal to one hundred twenty five percent (125%) of the rates and charges required in this Lease. Nothing in this Lease shall be construed to grant Tenant the right to hold over at any time, and City shall be entitled to exercise any and all remedies at law or in equity to recover possession of the Premises, as well as any damages incurred by City, including reasonable attorneys' fees.

C. Use:

1. Tenant shall use and operate the Premises only for the purpose of operation of a hospital facility providing acute long-term care to critically complex patients and for associated medical offices (collectively the "Purpose") and for no other purpose whatsoever without City's prior written consent.

2. Tenant shall continuously (except for short term closures due to fire, casualty, condemnation, weather, permitted or approved Tenant remodeling not exceeding sixty (60) days, or other causes beyond Tenant's control ("Permitted Closures")) use the leased Premises, subject to the terms, conditions, and limitations set forth in this Lease. Upon mutual, written agreement, the Parties may agree to extend the sixty (60) day time period to allow for construction/renovations.

3. Tenant shall operate and maintain the Premises in a safe, sanitary, and operable condition.

4. Tenant shall, at Tenant's sole cost, comply with all federal, state, county, municipal, and other governmental statutes, ordinances, laws, rules, and regulations, now or hereafter enacted or amended, affecting the Premises, or occasioned by or affecting the use thereof by Tenant, including, but not limited to, the Americans with Disabilities Act.

5. Tenant shall properly handle and dispose of all Hazardous Substances pursuant to Environmental Laws. Tenant shall take all appropriate measures necessary to prevent the release on or from the Premises of any Hazardous Substances. Neither Party shall create or bring on the Premises any Hazardous Substances or permit any third party to do so in violation of Environmental Laws. Should Tenant become aware of the existence of any Hazardous Substance on the Premises, Tenant shall immediately notify City of such Hazardous Substance.

6. Tenant shall not use, occupy or permit the Premises to be used or occupied

for any unlawful purposes or for purposes not specified in this Lease.

7. Tenant shall cause its agents, employees and contractors to comply with any rules and regulations for the Property promulgated by City from time to time (the “Rules”). City from time to time by, whenever feasible, a prior written thirty (30) day notice to Tenant may amend such Rules in any manner not inconsistent with the Hospital’s operations or the express provisions of this Lease. The City reserves the right to give less than thirty (30) day written notice in the event such notice is not reasonably possible, including but not limited to circumstances arising out of public health emergencies and associated governmental orders.

8. Tenant will provide copies of all Licensing, Permitting, Facility Audits, and Inspections that relate to Tenant’s operation of the Hospital in the Premises to the Property Manager (defined below) within three (3) business days of receipt of written request of the City.

9. Tenant shall not knowingly use, occupy, or permit the Premises or any part of the Premises to be used or occupied, or do or permit anything to be done in or on the Premises in any manner which would:

a) Cause or be likely to cause structural damage to the Premises or any part thereof, or adversely affect the mechanical, electrical, plumbing, or other base building systems.

b) Cause, permit, or suffer any waste or damage or private nuisance, disfigurement, or injury to the Premises or the fixtures or equipment thereof, other than due to normal wear and tear.

c) Cause the cancellation of any insurance policies related to the Premises, City’s policies as fully listed below in this Section (C)(9)(c). Tenant shall reimburse City for any increases in insurance premiums payable by City, but for only those increases, on those policies listed below in this Section, incurred by City as a result of Tenant’s use of the Premises or the nature of Tenant’s business. City shall provide Tenant with detailed invoices on any such increase in insurance premiums. All property kept, stored, or maintained by Tenant within the Premises shall be there at Tenant’s sole risk, and if the whole or any part thereof shall be destroyed or damaged by fire, water, or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or borne by City, unless and only to the extent due to the actions, inactions, negligence or willful misconduct of City, its employees, agents, or contractors.

City’s Insurance Policies related to the Premises:

(1) AFM Policy Number 1101205 Property Insurance

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

(2) City self-insured for liability related claims

d) Violate City rules, regulations, or policies promulgated for the use and operation of City-owned property.

10. Tenant shall not:

a) Place or install any new signs, racks, stands, trade fixtures, pedestal signs, or other displays of products or services, advertisement, notice, lettering or decoration on any part of the outside of the Premises or on the outside of the building, the grounds of the Premises, the right-of-way or adjacent properties, without the express prior written approval of the City, which approval will not be unreasonably withheld. Tenant, at its expense, may install its standard signs and logos so long as they are in compliance with applicable signage codes and are approved by City in advance of fabrication and installation. Tenant shall pay for all required fees and costs associated with obtaining the approval of its sign package by the City of Albuquerque, including any necessary application for a variance or an appeal thereof. All signs shall be kept in good condition and in proper operating order at all times. Tenant, upon vacation of the Premises, or the removal or alteration of its sign for any reason, shall be responsible for the repair, painting, and/or replacement of the building fascia surface where signs are attached, and this obligation shall survive the expiration or earlier termination of this Lease. Notwithstanding the foregoing, City reserves the right of priority for location of signage on the Property for City's purposes or for other tenants, including the right to relocate Tenant signs. City shall bear all associated costs for relocation of Tenant's signage.

b) Allow smoking of any kind on the Premises or at the Property at any time by any person in non-designated areas.

c) Allow political activities or campaigning by candidates for any elected office on the Premises, except as expressly permitted by City in advance.

d) Allow its employees to bring their children to work unless it is on an emergency basis. "Emergency Basis" means a one to two-day exception while daycare services are being arranged by the parent. Notwithstanding the foregoing, children may accompany their parents to work on the Premises on City-designated days for such purpose, such as "Bring Your Daughter to Work Day." Children are to be closely supervised when accompanying their parents to work and shall remain in the Premises in which their parents work.

IV. LEASE OF PREMISES.

A. The leasehold interest granted by this Lease shall be subject and subordinate to the right of the City and other owners of public utilities to operate, maintain, repair, modify, realign, replace,

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

and reconstruct all public utilities in, under, across and upon the Premises and to all easements, licenses, and restrictions now or hereafter granted by the City to third parties in the Premises.

B. The leasehold includes with the right of ingress and egress to and from the Premises, through and across property owned by the City that is adjacent to the Premises in a manner to be directed by the City.

C. For access requested by Tenant outside of the normal course of Tenant's use of the Premises as a Hospital, provided that to the best of efforts of Tenant, Tenant prearranges and schedules access in advance, City shall allow Tenant reasonable access seven days a week, twenty-four hours a day to the building, telephone rooms, electrical closets, and other conduits, pipes, and facilities to accommodate Tenant, including Tenant's telecommunication systems. In the event of an emergency where access to the Premises and Property is required in order to ensure continued operation of the Hospital, Tenant may enter without such prearrangement with City; however, Tenant shall, to the best of reasonable efforts, contact City prior to such emergency access so that City can ensure that the on-site security personnel are aware and can accommodate the emergency need. Should the on-site security personnel fail to answer such call, Tenant may access those required areas without the on-site personnel's accompaniment. Tenant's right to the use of and access to the City's facilities for purposes of establishing service for the Premises shall be without charge other than the Base Rent provided for herein and any applicable charges of the respective service providers. No installation of telephone, computer or other telecommunication systems shall be made until the installation plan has been approved in by the City in advance of installation and the access required therefor has been coordinated and prearranged with City. Notwithstanding the foregoing, there shall be no restriction for Tenant to access and use the Premises to run Tenant's Hospital operations on seven days a week, twenty-four hours a day basis.

D. The City reserves the right to install security camera systems on any portion of the Property, excluding the Premises. The Parties shall work together to ensure that these cameras do not violate any state or federal privacy rules or regulations.

E. Should the City "CLOSE" the Property for any reason, Tenant shall continue to operate and provide services on Tenant's Premises in accordance with Tenant's Emergency Operations Plan. A copy of Tenant's Emergency Operation Plans has been provided to the City.

F. A "Property Manager" shall be identified by the City, and the Property Manager's contact information shall be provided to Tenant and shall be updated timely, with reasonable prior notice to Tenant, in the event of any changes.

G. At the Tenant's sole expense, the Property Manager shall provide all keys and access cards to the Tenant for the Premises in quantities as required/requested by Tenant. Keys and/or access cards lost by Tenant shall be duplicated by City at Tenant's cost. Subject to specific provisions herein to the contrary, locks shall not be altered and additional lock shall not be installed unless approved by the Property Manager in advance in writing. Lock changes, if approved, shall be at the sole cost of Tenant. City shall not be obligated to provide a key or other means of ingress to Tenant's agents. The Tenant is responsible for maintaining a readily available key log and informing the Property Manager of key assignments. If at any time a key is unaccounted for the Premises will be rekeyed at the Tenant's sole expense.

H. Tenant may operate the Premises for the Purpose seven (7) days a week, twenty-four (24) hours per day, three hundred and sixty-five (365) days per year.

I. Tenant shall provide to the City, and keep updated, the contact information for at least two individuals who are responsible for the use and security of the Premises. The Premises is located within a building designed for the occupancy of more than one tenant; Tenant acknowledges that the building contains areas intended for the use in common by all occupants of the building. As long as Tenant occupies the Premises, Tenant and its employees, agents, and invitees shall have the right to use, in common with City, its successors, assigns, and other tenants, all of the common areas, except for areas reserved for the exclusive use of City or other tenants or occupants of the building.

J. Common Areas. All of the portions of the Property made available by the City for use in common by tenants and their employees and invitees from time to time ("Common Areas") shall remain subject to the City's exclusive control at all times. Tenant shall not directly or indirectly conduct business in the Common Areas or make any use of the Common Areas that interferes in any way with the use of the Common Areas by other parties. Tenant's use of the Common Areas shall be subject to the other provisions of this Lease. Tenant's right to use the Common Areas shall terminate upon the expiration or earlier termination of this agreement or Tenant's right to possession of the Premises. The City shall be entitled to make such changes in the Common Areas as it deems appropriate and to determine the nature and extent of all Common Areas. The City reserves the right to use or permit or deny the use of the Common Areas for any purpose that in the City's reasonable opinion may be in the best interests of the Property, including without limitation promotions, events, exhibits, displays, shows, and other activities. Notwithstanding the foregoing, City agrees that it will not make any such changes to, use, or terminate the rights of Tenant to use the Common Areas that are necessary for Tenant to access of the Premises in a way that unreasonably interferes with Tenant's operation as a hospital, including Tenant's ability to transport its patients; however, City shall have the sole discretion regarding changes to Common Areas such as conference rooms, auditoriums, classrooms, and the like, the use of which is neither exclusive to Tenant nor essential to Tenant's operations.

V. QUIET ENJOYMENT AND PEACEFUL POSSESSION.

A. Upon the performance of all terms, conditions, and covenants of this Lease which the Tenant is required to perform, the Tenant shall at all times during the Term peaceably and quietly enjoy the Premises without any disturbance from the City. Any entry by the City pursuant to the rights, terms, and conditions of this Lease shall not be deemed a constructive or actual eviction of Tenant and shall not be considered to be a breach of City's covenant of quiet enjoyment. City shall not use or knowingly permit the use of the Premises, Common Area(s), the exterior of all buildings and improvements, parking lots, sidewalks, area surrounding premises, entry and access locations, air rights, surface rights and subsurface rights, and water rights appurtenant to the Property by any other third party, including, but not limited to other tenants, subtenants, vendors, third parties, or City's associates that unreasonably disturb or interfere with Tenant's peaceful and quiet enjoyment of the Premises.

B. In the event Tenant believes that the City has failed to take the reasonably necessary actions to perform its obligations under this Article, Tenant shall provide City with written notice

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

setting forth with specificity the alleged failures of City, including dates, times, and locations associated therewith (as applicable), and City shall then have the opportunity to cure the stated issues within the time and cure periods at set forth in this Lease under the Article XIII(C), *Breach and Default by City*. The duties under this provision include City's obligations to provide security as set forth in Article XII *Utilities; Security; Medical Grade Oxygen*. Should security or safety become an issue for Tenant, Tenant may request that City add, strengthen, or implement additional security and safety measures at the Premises with the responsibility for the cost of such additional security measures to be mutually agreed upon in writing between City and Tenant. If City refuses to implement additional safety and security measures requested by Tenant, or if the Parties are unable to come to an agreement as to the cost-splitting for such additional services, then Tenant may, at its option (i) add or strengthen such safety and security measures at Tenant's sole expense, which may include hiring additional security personnel for the Premises, provided that prior, written City approval is obtained, or (ii) terminate this Lease, in which case this Lease and all obligations and rights set forth hereunder shall cease except for those expressly stated to survive termination.

VI. ACCEPTANCE OF PROPERTY. Tenant acknowledges and represents that it has examined the Premises and has determined by its own independent evaluation that the Premises are suitable and usable for the Purpose, after Tenant's alterations and construction to the Premises as agreed upon between the Parties, by Tenant and contemplated by this Lease. City shall deliver the leased Premises to Tenant in the following condition: all systems (plumbing, HVAC, and electrical) in good working order.

VII. COMPLIANCE WITH APPLICABLE LAW AND OTHER RESTRICTIONS. City warrants to Tenant that at the time Tenant takes possession of and begins occupying the Premises, the Premises comply with all applicable covenants or restrictions of record and applicable building codes, regulations, and ordinances in effect on the Commencement Date. If the leased Premises do not comply with said warranty, City shall, except as otherwise provided in this Lease, promptly after receipt of written notice from Tenant setting forth with specificity the nature and extent of such condition of non-compliance, rectify the same at City's expense. On or about the Lease Commencement Date, City and Tenant shall conduct a walk-through of the leased Premises and shall jointly and reasonably determine if there are any items in the leased Premises which do not comply with subparagraph (a) hereof and, if so, such items shall be included in a punch list of items to be repaired or remedied. City shall cause the items set forth in punch list, to be corrected promptly and at City's sole cost and expense. Tenant warrants that during the Term, Automatic Extension, and Extended Term(s), Tenant shall not do or fail to do anything that would result in a violation of any such covenants, restrictions of record, building codes, regulations, and ordinances.

VIII. Unless stated otherwise in this Lease, Tenant acknowledges that the City has made no representation, warranty, or guarantee, express or implied, that the Premises are now, or during the Term of this Lease will be, suitable or usable for the Purpose.

IX. PERMITS AND LICENSES. Tenant shall procure, at its sole expense, any permits and licenses required for the transaction of business in the Premises and shall otherwise comply with

all applicable laws, ordinances, and governmental regulations. Tenant shall immediately notify City in the event any permit, license, or approval necessary for the operation of Tenant's business from the Premises is revoked or suspended. If such revocation or suspension is not corrected within twenty (20) days after notice to City (or such longer period as is reasonable so long as Tenant initiates such correction within the twenty (20) day period and thereafter diligently and continuously works towards correcting the revocation or suspension) then it shall be an automatic event of default under this Lease. All Hospital licenses held by Tenant shall remain in the exclusive control of and the sole property of Tenant and shall not under any circumstance be obtained by or transferred over to City, or any other party, without prior written consent of Tenant.

X. REPAIRS AND MAINTENANCE; BUILDOUTS; TENANT'S NEGLIGENCE AND SUBSTANTIAL DAMAGE.

A. Tenant Build-Out and Improvements. Tenant accepts the Premises in "as is" condition, with the conditions as set forth in Article V of this Lease. The City will construct no improvements or alterations to the Premises, except such repairs as may be necessary to deliver the Premises to Tenant with the roof watertight, all systems and equipment (including, without limitation, the heating, plumbing, and electrical systems, and the air conditioners and ventilations systems) in good working order. Subject to the requirements of Article XI (Alterations), Tenant may pay for any additional finishing and upgrades to the Premises ("Tenant Improvements"), but such items, once affixed, and accepted by the City of Albuquerque shall become the sole property of the City. City shall offset Rent for direct, actual, reasonable costs incurred by Tenant (with no mark-up) for those Tenant Improvements for which Tenant has obtained City's prior approval and City has accepted upon completion up to Eight Hundred Eighty-Three Thousand Three Hundred Twenty Dollars and Zero Cents (\$883,320.00), (for clarification purposes, this amount is based upon the required renovations and improvements by Tenant for the entire leased Premises of 28,166 square feet at a cost of Thirty Dollars and Thirty Seven Cents (\$31.37) per square foot) (the "Construction Credit"), which shall be credited to the Tenant's account. Tenant will submit supporting documentation for the amount requested. This Construction Credit shall be applied during the Initial Terms thirty-six (36) months of this Lease Agreement from the Effective Date of this Lease. The Construction Credit amount shall equal Twenty-Four Thousand Five Hundred and Thirty-Six Dollars and Sixty-Six Cents (\$24,536.66) Per Month. It is the intent of the Parties to apply the Construction Credit by applying the Construction Credit to the Rent by \$24,536.66 per month over a thirty-six-month period from the Effective Date of this Lease

1. Under no circumstance shall the Tenant make any alterations to the Premises without prior approval from the City, and in no event shall City be required to apply any credit for work that has been performed without such prior approval. Any Tenant Improvements shall be approved prior to construction by the Property Manager or his/her designee and accepted by City upon completion.

B. Tenant Repairs and Maintenance. Tenant shall, at its sole cost and expense make

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

all necessary additions, repairs, maintenance, and replacements to equipment owned by the Tenant, and with prior written Property Manager approval, repair or replace any damages caused by Tenant or its employees, contractors, or invitees to the Premises promptly and when necessary. Any repairs or replacements shall be made in good condition and repair consistent with the quality of materials and workmanship of the original work. Tenant shall promptly notify City of any accidents or defects in the Property or Premises of which Tenant becomes aware, including defects with pipes, electric wiring, and HVAC equipment, and any other condition which may cause injury or damage to the Property, the Premises, or any persons. Tenant shall be responsible for arranging and paying for professional cleaning of all flooring (as appropriate for flooring material, to include shampooing of carpets and cleaning and waxing of hard floor surface) in the Premises at least annually. Upon City's request, Tenant shall submit invoices to City as proof of Tenant's compliance with this provision.

C. The City shall be responsible for all Structural Deficiencies (defined below) and all the costs of repairs and maintenance to Structural Components (defined below), unless the need for such repairs or maintenance are the result of Tenant Improvements, or the direct result of the negligence or willful misconduct of Tenant, its employees, agents, contractors, representatives, or invitees. Except to the extent arising from such negligence or willful misconduct of Tenant, its employees, agents, contractors, representatives, or invitees, Tenant shall not have any liability for any Structural Deficiencies or the repairs and maintenance to such. Unless otherwise agreed the following shall apply.

1. "Structural Components" is defined to mean the building's foundation, roof, and exterior and interior load bearing walls.
2. All technical systems including HVAC, electrical distribution, and plumbing including wastewater systems, along with all associated components and parts, shall be the responsibility of the City. Substantive equipment includes: motors, condensers, fans and moving parts within the HVAC system, pipes within the plumbing system, and electrical distribution system including lighting. If the Tenant causes catastrophic failures of any of the aforementioned systems by their misuse of the Premises, Tenant shall be held accountable for any direct costs incurred by the City arising therefrom.
3. "Structural Deficiencies" are significant, non-cosmetic, problems involving Structural Components which interfere with the function of the component or create a safety hazard.

D. Repairs and Maintenance. With the exception of the Tenant obligations as set forth in paragraph B of this Article XI, City shall at City's sole expense, make all necessary maintenance and repairs (except those occasioned by Tenant's fault or negligence) to the Building and perform necessary maintenance to the Building, and shall maintain the Building, all of the Building's structural components and major mechanical, electrical and

other Building systems, all sidewalks, landscaping, parking lots, driveways, exterior lighting, windows, elevators, common areas and service areas, doors, lobbies and any other elements comprising the Building, and shall keep the same in good condition, clean and free of debris. Without limiting the foregoing, City is required to: (i) to maintain all partitions, permanent fixtures (not including Tenant's trade fixtures), wall and floor coverings, and painting within the Premises; (ii) to replace light bulbs; (iii) to maintain the plumbing, air conditioning, heating and ventilating and electrical systems, doors, walls, structural components, windows, and floors of the Premises; and (iv) to repair or replace the Premises or the Building when the repairs or replacements are necessitated in whole or in part by any act or omission of City, its agents, employees, independent contractors, or invitees.

E. Tenant's Failure. If Tenant refuses or neglects to commence or complete any repairs or replacements or maintenance as required by this Lease, the City may, at its option, make or complete the repairs or replacements or maintenance, and Tenant shall reimburse the City for all direct costs and expenses, at cost without markup, incurred by City for such performance promptly upon receipt of an invoice. Failure to reimburse the City within thirty (30) days of presentation of invoice shall be deemed a material default. Such unpaid obligations to the City are deemed "Additional Rent." In the event Tenant disputes any invoiced amounts under this paragraph or as otherwise permitted under this Lease, the process set forth at Article XXIV, paragraph A "*Dispute Resolution*" shall apply, provided that in addition to submitting the notice of dispute as described in that provision, Tenant shall within thirty (30) days of receipt of the disputed invoice render payment to the City for that portion of the invoice not being disputed (if applicable) .

F. At the City's discretion and as reasonably scheduled with the Tenant, a City representative will conduct periodic walk-throughs, with a minimum 24-hour notice to Tenant, and such representative must be escorted by an authorized Tenant representative due to privacy regulations to which the Tenant's Hospital is subject, which walk-through shall be for the purpose of identifying repairs and maintenances needs of the Premises. The Property Manager will provide Tenant with a written list of those items for which Tenant is responsible under this Lease, and Tenant shall address all such items to the satisfaction of City within thirty (30) days, unless identified by the Property Manager as being of an emergency nature, in which case such needs must be remedied by Tenant immediately or as quickly as reasonably possible.

G. The City shall pay for and coordinate monthly pest control. Tenant shall allow service to the Premises, monthly, or as needed to address pest related issues. City shall coordinate prior notice and scheduling of this service with Tenant's approval.

H. Janitorial Services and Trash Removal. The City shall provide basic janitorial services to the Premises seven (7) days per week, twenty-six (26) hours per week. Services as more particularly specified on **Exhibit B** include routine sweeping/mopping/vacuuming

of flooring, trash removal (non-Hazardous Material and non-medical waste only), and light dusting. The City shall provide supplies only to the Common Areas of the Property and only those supplies that are normally found in said Common Areas, such as bathroom paper and soap. Tenant shall be solely responsible for providing and paying for Tenant specific supplies to meet their specific additional needs for the Premises, including but not limited to, all paper products, office supplies, medical and/or Hazardous Material waste disposal service, and all other supplies necessary for the Purpose. If the Tenant requires additional hospital janitorial standards beyond those services set forth in Exhibit B, Tenant shall provide and only pay for such additional janitorial services for the Premises. There shall be no reduction of Rent based on janitorial services provided or paid by Tenant. The City shall provide and pay for a common trash dumpster for use by all tenants at the Property. Tenant shall cause its employees to place all non-Hazardous Material and non-medical refuse in refuse containers meant for that purpose, contained and bagged so as to avoid unsightly or unsanitary conditions or excessive odor in the area of the refuse containers or anywhere around the Premises. Tenant shall not place medical waste or Hazardous Materials in the dumpster and shall be responsible for paying for disposal of such waste and materials pursuant to Environmental Laws.

1. Tenant shall cause its employees to place all refuse and recyclables in appropriate containers. Trash must be contained and bagged so as to avoid unsightly or unsanitary conditions in the area of the refuse containers or anywhere around the Premises or Property, and with the fitted lids of such containers kept closed and secured. Liquids should be disposed of in sinks and never in refuse containers. Boxes shall be broken down, loose paper bagged, and lids of City-provided, shared, recycle containers shall be kept closed. Tenant shall transport its refuse using a container with wheels so as to not drag bags of refuse along the hallways, sidewalks, or parking lots.

2. Tenant shall not permit offensive or strong odors of any kind to emanate from the Premises. If such odors are emanating from the Premises, then upon notice from City, Tenant shall, within ten (10) days, install devices or put in place procedures to eliminate or contain such odors within the Premises. Tenant shall not store any items, including, but not limited to, food, equipment, crates, boxes, or cleaning supplies outside of its Premises without City's prior approval.

I. Other Services Provided by City. In consideration of the payment of Rent and at no additional cost to Tenant, City will provide all of the following utilities and services to Tenant: The City shall provide: (i) hot water at those points of supply provided for the general use of Tenant and other tenants of the building; (ii) light bulb replacement in the common areas of the Building and the leased Premises; (iii) elevator service during normal business hours, if the Building is equipped with elevator(s); (iv) reasonable exterior window cleaning, cleaning and snow and ice removal services for the parking areas and walkways serving the Building; and (v) normal maintenance and servicing of lavatory facilities, toilets, sinks, and faucets located within the Building and Premises.

J. Substantial Damage/Casualty: If the leased Premises is destroyed or so damaged by fire or other casualty or accident to such an extent as to render the Premises unfit for occupancy, which destruction or damage cannot, despite diligent, good faith efforts be repaired or restored within one hundred eighty (180) days following the date on which such destruction/damage occurs, then either City or Tenant shall have the option of terminating this Lease upon written notice to the other Within thirty (30) days after the date of such destruction or damage, the Parties shall reasonably determine how long the repair and restoration will take. After that determination has been made, the Parties shall have a period of thirty (30) days to terminate this Lease by giving written notice to the other Party. If the Lease is not terminated as provided herein, then City shall repair and restore the Leased Premises. Tenant shall be entitled to a full abatement of Rent and Additional Rent from the date of the damage until the date that its occupancy is restored to the Premises. If only a portion of the Premises is unfit for occupancy, and Tenant is able, in its sole reasonable discretion, to operate in the Premises, then it shall have a proportionate abatement of the Rent and Additional Rent from the date of the damage until the entire Premises is fit for occupancy. If such damage is, a direct result of the negligent or willful misconduct of Tenant, its officers, agents, servants, employees, contractors, subcontractors, licensees, the Rent, Additional Rent, and fees payable hereunder shall not abate, and the City may, at its discretion require Tenant to complete repair and reconstruction of the Premises promptly and pay the costs associated therewith, or the City may repair and reconstruct the Premises, in which case Tenant shall be responsible for reimbursing City for the actual costs and expenses incurred in such repair and reconstruction. Failure to reimburse the City within thirty (30) days of presentation of invoice shall be deemed a material default. Such unpaid obligations to the City are deemed Additional Rent.

K. Requests. All requests or complaints of Tenant relating to the Property's operation shall be addressed to the Property Manager. If the Property Manager is not available or not able to address complaints or questions regarding the Property operations, Tenant may contact the City's Department of Family and Community Services administration by calling 311.

XI. PARKING. This Lease includes parking privileges on the Property for clients and staff of Tenant as may be designated by the City from time to time. Tenant shall be entitled to use of all delivery and service entrances as designated by City, including loading docks and freight elevators, in common with other tenants of the Premises.

XII. SURRENDER UPON TERMINATION. At the expiration of the Term or then-current Extended Term of this Lease, Tenant shall surrender the Premises to the City in as good condition as it was in at the beginning of the Term, reasonable use, wear, and tear excepted, clean and free of debris. Tenant shall remove Tenant's personal property from the Premises. Any and all improvements made to the Premises during the Term hereof, or during any Original Lease for which this Lease serves to allow for continuation of tenancy of Tenant on the Property, shall,

unless City requests their removal, belong to the City without compensation, allowance, or credit to Tenant, except movable trade fixtures, furnishings, and equipment of the Tenant which can be removed without defacing or causing damage to the Premises or the Property that cannot be repaired or replaced by Tenant following such removal. Tenant shall promptly, at its sole cost and expense, repair (to the satisfaction of the City) any damage to the Premises occasioned by the installation or removal of Tenant's trade fixtures, furnishings, and equipment. Any of Tenant's personal property left by Tenant at the expiration of this Lease shall, at the option of the City, become the property of the City, and the City shall be entitled to use, sell, or otherwise dispose of such personal property. Any and all of Tenant's licenses, permits, provider numbers, equipment, beds, or certifications held by the Tenant shall remain the sole property of Tenant beyond the termination of this Lease.

XIII. ALTERATIONS AND LIENS.

A. Alterations. Tenant shall not make any alterations, improvements, additions, or changes to the Premises without the prior written consent of the City. Unless stated otherwise in this Lease or agreed upon between the Parties, all alterations shall be at the sole expense of Tenant and shall be made by a contractor licensed and insured in the State of New Mexico and shall be performed in a good and workmanlike manner. All materials used shall be of a quality comparable to or better than those in the Premises and shall be in accordance with plans and specifications approved in advance by City. Tenant shall be responsible for securing any and all required permits for the performance of such work. Prior to the commencement of any repair, improvement, or alteration, Tenant shall give City at least five (5) business days' prior written notice so that City may post appropriate notices to avoid any liability for liens.

B. Liens. Tenant will pay all costs of construction done by Tenant or caused to be done by Tenant on the Premises as permitted by this Lease. Tenant will keep the Property free and clear of all construction, mechanic's, materialman's, laborer's, and supplier's liens resulting from construction done by or for Tenant. The interest of City in the Premises and the Property shall not be subject to liens for improvements made by Tenant. Any lien filed by any contractor, materialman, laborer, or supplier performing work for Tenant shall attach only to Tenant's interest in the Premises. If any construction, mechanic's, materialman's, laborer's, or supplier's lien is ever claimed, fixed, or asserted against the Premises or any other portion of the Property in connection with any such Tenant work, Tenant shall, within thirty (30) days after receipt by Tenant of notice of such lien, discharge same as a lien either by payment or by posting of any bond as permitted by law. If Tenant shall fail to discharge any such lien, whether valid or not, within thirty (30) days after receipt of notice from City, City shall have the right, but not the obligation, to discharge such lien on behalf of Tenant, and Tenant shall be responsible for reimbursing City for any and all reasonable and actual costs and expenses incurred by City associated with the discharge of the lien(s), including, without limitation, reasonable attorneys' fees, which costs and fees shall constitute Additional Rent hereunder and shall be immediately due and

payable by Tenant.

XIV. UTILITIES; SECURITY; MEDICAL GRADE OXYGEN. In consideration of the payment of Base Rent and at no additional cost to Tenant, City will provide all of the following utilities and services to Tenant:

A. City shall provide to the Premises the same air conditioning, heat, water, gas, electricity, light, sewage, janitorial, and security and safety services that are determined in the City's discretion to be reasonable and necessary and which are used in or rendered or supplied to the entire Property. It is the expectation that the Tenant incorporate energy efficient processes to their operations aimed at conserving energy, water, and natural gas.

B. Tenant shall arrange for and pay all fees (including connection fees and required deposits as applicable) for all additional services such as cable, telephone, internet services, and any other communication or computer for operation of its business at the Premises. Tenant shall not install any equipment or fixtures, or use the same, in any manner that exceeds the safe and lawful capacity of any utility equipment or lines serving the Premises. No installation of such systems shall be made until the installation plan has been approved by City in advance of installation.

C. Tenant shall be responsible for providing necessary electricity, heating, and cooling redundancy and/or in excess of the standard services provided by City for service to the entire Property in areas designated for specialty use (i.e. communications/IT closets, pharmacies, medical procedure areas, etc.). For those utilities in excess of the standard services covered as part of the Rent under this Lease or related to ensuring redundancy needed for Tenant's business shall, at the Tenant's sole cost and expense and to the extent possible, be separately metered, invoiced to, and paid by Tenant for the Premises. All expenses, costs, and fees associated with establishing and maintaining the service and the separate meters for such services shall be solely borne by Tenant, including any deposits required by any service provider. If utilities are incapable of being separately metered, Tenant shall pay, as Additional Rent, utilities incurred by City in connection with the operation of the Premises in an amount equal to the ratio that the square footage of the Premises bears to the total square footage of the Building in which the Premises is situated.

D. City shall arrange for medical grade oxygen service to the Property and the Premises, which service Tenant shall have the right to utilize in the course of the operation of its facilities in the Premises. City shall invoice Tenant on a quarterly basis for Tenant's use of this service based upon Tenant's consumption during the preceding quarter. Tenant agrees that upon completion of the Tenant Improvements Tenant shall arrange and pay for telemetry submetering for the oxygen service to the Premises.

E. Notwithstanding anything in this Lease to the contrary, City shall not be liable in damages or otherwise for any failure, variation, shortage, or interruption of any utilities or

services due to any cause, except to the extent that such is the result of actions or omissions of City, its employees, agents, invitees, representatives, or contractors.

XV. DEFAULT AND REMEDIES.

A. Default by Tenant. The occurrence of any one or more of the following events shall constitute a default by Tenant:

1. Failure to make payment when due and failure to make payment within the applicable cure period.
2. The abandonment, without cause, of the Premises by Tenant for a period of thirty (30) consecutive calendar days.
3. The failure by Tenant to observe or perform any of the express covenants or provisions of this Lease, where such failure shall continue for a period of thirty (30) consecutive calendar days after written notice is received thereof from the City to Tenant, provided that Tenant has commenced reasonable steps to cure, or if the nature of Tenant's default is such that more than thirty (30) consecutive calendar days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences to cure to the City's satisfaction within the thirty (30) day period, and thereafter diligently and continuously prosecutes such cure to completion. Notwithstanding the foregoing, where such failure is, in the sole determination of City, of an emergency nature, Tenant shall cure such failure as soon as reasonably possible, or shall commence reasonable steps towards a cure, and in any event, no later than ten (10) days following the receipt of written notice from the City thereof.
4. Tenant (a) files, or consents by answer or otherwise to the filing against it, of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (b) makes an assignment for the benefit of its creditors; (c) consents to the appointment of a custodian, receiver, trustee, or other officer with similar powers of itself or of any substantial part of its property; or (d) takes action for the purpose of any of the foregoing.
5. A court or governmental authority of competent jurisdiction, without consent by Tenant, enters an order appointing a custodian, receiver, trustee, or other officer with similar powers with respect to it or with respect to any substantial portion of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up, or liquidation of Tenant, or if any such petition is filed against Tenant and such petition is not dismissed within one hundred and eighty (180) days.
6. This Lease or any estate of Tenant hereunder is levied upon under any

attachment or execution and such attachment or execution is not vacated within one hundred and eighty (180) days.

7. Tenant assigns this Lease or subleases all or any portion of the Premises without City's prior written consent.

B. City's Remedies. In the event of default by Tenant as defined above, the City, in addition to any other remedies set forth in this Lease, may without further notice or demand, exercise any one or more of the following remedies concurrently or in succession:

1. Terminate this Lease, in which event this Lease and the leasehold estate hereby created shall automatically terminate upon the effective date of such notice with the same force and effect and to the same extent as if the effective date of such notice was the day originally fixed in this Lease for the expiration of the Lease Term. Notwithstanding the foregoing, the Parties agree to cooperate in good faith to ensure the safe transfer of any of Hospital's patients from the Premises. City shall thereupon be entitled to take possession of the Premises, and Tenant shall surrender the Premises to City and agrees to pay to City, on demand, the following damages:

a) the unpaid Rent, Additional Rents, and other amounts due at the time of termination plus 2 % interest thereon or the maximum lawful, whichever amount is less, rate per annum from the due date until paid;

b) the net present value of the balance of the Rent for the remainder of the Term (or applicable Extended Term), for the remainder of the Term or then-current Extended Term (had such Term not been terminated by City prior to the date of expiration), which shall not to exceed a six (6) month period, less the net present value of the fair market value rental of the Premises for said period taking into consideration a reasonable lease up period and reasonable expenses that would be incurred by City in re-letting the Premises (spread evenly throughout the term of the new lease); however, this sum shall not be less than zero as in no event shall City be obligated to pay Tenant if the difference is a negative number. Both future payments computed in accordance with this provision shall be discounted to present value in accordance with accepted financial practices using a discount rate of four percent (4%) per annum; and

c) any other amount arising out of Tenant's failure to perform its obligations under the Lease, or which in the ordinary course of events would be likely to result therefrom, including the cost of recovering the Premises.

2. Continue this Lease in effect, and as long as the City does not terminate Tenant's right to possession, City may enforce all its rights and remedies under the Lease, including the right to recover the Rent and any Additional Rent, which

amount shall not exceed a six (6) month period. Actions to collect amounts due by Tenant to City as provided in this Article may be brought, without the necessity of waiting until expiration of the Lease Term or then-current Extended Term.

3. Terminate Tenant's right of possession (but not this Lease) and repossess the Premises pursuant to the laws of the State of New Mexico, the Parties agree to cooperate in good faith to ensure the safe transfer of any of Hospital's patients from the Premises, in which event City may, but shall be under no obligation to do so (except to the extent required by the laws of the State of New Mexico), relet the Premises for the account of Tenant for such rent and upon such terms as shall be satisfactory to City.

4. recover accrued and current unpaid Rent and damages arising from Tenant's breach of the Lease, regardless of whether the Lease has been terminated, together with applicable late charges and interest at the rate of twelve percent (12%) per annum or the highest lawful rate, whichever is less.

5. Subject to any subordination of lien expressly granted by City in writing, to enforce the statutory Landlord's lien on Tenant's property.

6. With or without having terminated the Lease, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying or using said Premises or any part thereof, by force if necessary, without incurring liability to Tenant or to any person occupying or using the Premises for any damage caused or sustained by reason of such entry or such removal. City's entry and repossession shall be in all respects subject to and limited by any and all laws, rules, and regulations applicable to Tenant's use of the Premises and/or Tenant's business conducted at the Premises including, without limitation, the provisions of the Health Insurance Portability Accountability Act ("HIPAA") and other applicable provisions of federal, state, or local law and the regulations promulgated thereunder. City shall release Tenant from any and all claims asserted by any patients or other parties occupying or using any portion of the Premises to the extent arising from such termination, removal or possession.

7. Alter all locks and other security devices at the Premises without terminating this Lease. City shall not be obligated to provide a key or other means of ingress to the Tenant or Tenant's agents, or to pay for any damage to any security system, or to provide re-entry for any reason or under any circumstances whatsoever.

8. In case of any event of default or breach by Tenant, Tenant shall also be liable for and shall pay to City, at the address specified for notice to City herein, in addition to any sum provided to be paid above; the costs of removing and storing Tenant's or other occupant's property;

9. In the event that City shall have taken possession of the Premises pursuant to the authority herein granted, and only under Tenant's event of default, with a

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

failure to cure within the applicable time period, then City shall have the right to keep in place and use all of the furniture, fixtures, and equipment at the Premises, including that which is owned by or Leased to Tenant at all times prior to any foreclosure thereon by City or repossession thereof by a lessor thereof or third party having a lien thereon. City shall also have the right to remove from the Premises (without the necessity of obtaining a distress warrant, writ of sequestration, or other legal process) all or any portion of such furniture, fixtures, equipment, and other property located thereon and place same in storage at any premises within the county in which the Premises are located; and in such event, Tenant shall be liable to City for costs incurred by City in connection with such removal and storage, and Tenant disclaims any right to hold City liable and shall hold City harmless from all loss, damage, cost, expense, and liability in connection with such removal and storage. City shall also have the right to relinquish possession of all or any portion of such furniture, fixtures, equipment, and other property to any person ("Claimant") claiming to be entitled to possession thereof who presents to City a copy of any instrument represented to City by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, fixtures, equipment, or other property, without the necessity on the part of City to inquire into the authenticity of said instrument's copy of Tenant's or Tenant's predecessor's signature thereon and without the necessity of City's making any nature of investigation or inquiry as to the validity of the factual or legal basis upon which Claimant purports to act. The rights of City herein stated shall be in addition to any and all other rights which City has or may hereafter have at law or in equity, and Tenant stipulates and agrees that the rights herein granted City are commercially reasonable.

10. Seek injunctive relief, including, if applicable, a mandatory injunction.

11. Pursue any other remedies provided in specific provisions of this Lease, available at law, or provided in equity.

12. If Tenant fails more than twice within a twelve (12) month period to observe or perform any covenant, condition, or agreement of the Lease (including, without limitation, the payment of Rent), and where Tenant has failed to cure such breach or failure as required hereunder, upon the third failure or breach, the City may, in its sole and absolute discretion, deem such failure or breach an event of default in which case City shall provide written notice thereof to Tenant.

13. Once a failure by Tenant to make a payment of Rent or a failure by Tenant to perform or observe any other term or condition contained in this Lease has occurred more than twice in a twelve-month period, City, in its sole discretion, may at any time require that all future payments from Tenant pursuant to this Lease be in certified funds or made by automatic electronic bank transfers.

C. Breach or Default by City; Tenant's Remedies. In the event of any alleged breach

or default of City, Tenant shall give written notice to City stating with specificity the details of the alleged breach and afford City thirty (30) days from receipt of such notice to cure such alleged breach or default, or such additional time as may be reasonable if the breach cannot be reasonably cured within such thirty (30) day period, and the cure is commenced before the expiration of the thirty (30) day period and diligently pursued to completion. If City refuses, neglects, or fails to cure such breach within the time provided, or if such breach cannot reasonably be cured within that time, then within such additional time period as may be necessary, or City fails to commence and diligently pursue a cure in good faith as required hereunder, City shall be in default of this Lease. Under no circumstances shall this cure period exceed ninety (90) days from the date of City's receipt of written notice from Tenant without the express written consent of the Tenant. If this occurs, the Tenant may, at its sole option, cure the breach or default, and City shall reimburse the Tenant for all direct costs and expenses, with no markup whatsoever, incurred by Tenant for such performance promptly upon City's receipt of an invoice. Failure to reimburse Tenant within thirty (30) days of presentation of invoice shall be deemed a material default by City. Tenant's remedies for City's default of any provisions of the Lease shall include, but not be limited to, immediate termination of this Lease without penalty and fees (including return of any deposit remaining). Each Party is responsible for liability associated with the actions or omissions of it or its own employees, contractors, invitees, visitors, or agents, but not for the liability associated with the actions or omissions of the other Party or that other Party's employees, contractors, visitors, or agents. Notwithstanding the foregoing, to the extent applicable, the City's liability hereunder shall be subject to Section 41-4-1 et seq., NMSA 1978, as amended.

D. All of the remedies for City and Tenant provided in this Article XV shall survive the termination of this Lease.

XVI. HAZARDOUS SUBSTANCES.

A. Tenant's Responsibilities. At its own expense, Tenant will procure, maintain in effect and comply with all conditions of any and all permits, licenses, and other governmental and regulatory approvals required for Tenant's use of the Premises. Unless required for Tenant to perform is operation as a Hospital, Tenant will not cause or permit any Hazardous Substance to be brought upon, kept or used in or about the Property by Tenant, its agents, employees, contractors, or invitees without the prior written consent of City. Tenant will cause any and all Hazardous Substances brought upon the Premises by Tenant to be removed from the Premises and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant will, in all respects, handle, treat, deal with, and manage any and all Hazardous Substances in, on, under, or about the Premises in total conformity with all applicable Environmental Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Tenant will cause all Hazardous Substances placed on, under, or about the Premises by Tenant or at Tenant's

direction to be removed and transported for use, storage, or disposal in accordance and compliance with all applicable Environmental Laws. Tenant will not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises or the Property, nor enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying City of Tenant's intention to do so and affording City ample opportunity to appear, intervene, or otherwise appropriately assert and protect City's interests with respect thereto.

B. City's Representation. City represents and warrants that, to the best of its knowledge, the Premises do not contain nor have the Premises ever contained Hazardous Substances, nor have the Premises ever been investigated or held in violation of any Environmental Law.

C. Environmental Audit. At any time and from time to time, City may retain an environmental consultant or engineer to conduct an Environmental Audit or environmental assessment of the Premises and Tenant's compliance with applicable laws, rules, and regulations. Tenant shall extend its full cooperation with such audit or investigation. If Tenant is found not to be substantially in compliance with applicable law, all costs shall be borne by City. In addition, Tenant, at City's request from time to time, shall complete such questionnaires and provide such information with respect to Tenant's activities and operations on the Premises as City shall reasonably require.

D. Notice. If the Premises or the Property become contaminated in any manner for which Tenant is legally liable or otherwise become affected by any release or discharge of a Hazardous Substance, Tenant shall immediately notify City of the release or discharge of the Hazardous Substance. This obligation shall survive the expiration or earlier termination of this Lease.

XVII. RIGHT OF ENTRY. The City, agents and other representatives shall have the right to enter into and upon the Premises or any part thereof at reasonable times and with reasonable notice for the purpose of inspecting the Premises, making repairs, showing the Premises to prospective lenders or purchasers of the Property and prospective tenants during the six (6) months preceding the expiration of the term. City shall also at all reasonable times with or without notice have access to the Premises for the purposes of performing City's obligations and exercising its rights under this Lease. In the event of an emergency as determined by the City, the City, its agents, and other representatives may enter at any time, without notice and without the presence of Tenant. Tenant will permit City at any time within one hundred and eighty (180) days prior to the expiration of this Lease, to place upon the Premises any usual "To Let" or "For Lease" signs, and permit potential tenants to inspect the Premises, provided that such inspections do not unreasonably interfere with the operations of Tenants business activities. Due to privacy and security laws, including, the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), except in emergencies, neither City, nor any of City's agents may access any portion

of the Premises that contain patients or any protected health information without prior notice to Tenant, and they must be accompanied by Tenant's representative while accessing the Premises. In addition, Tenant shall have the right to exclude any janitorial contractor used by City unless and until such janitorial contractor has executed a Business Associate Agreement satisfactory to Tenant. Notwithstanding the foregoing, in the event Tenant and the janitorial contractor used by City for the Property cannot arrive at an agreement and Tenant therefore retains a different janitorial contractor, Tenant shall do so at Tenant's sole cost and expense.

XVIII. FIRE OR OTHER CASUALTY LOSS TO PERSONAL PROPERTY.

A. If the Premises is destroyed or so damaged by fire or other casualty or accident as a result of something other than an act or omission of Tenant or its contractors, employees, volunteers, representatives, or invitees, and such destruction or damage is to such an extent as to render the Premises unfit for occupancy and cannot, despite diligent, good faith efforts, be repaired or restored within one hundred eighty (180) days following the date on which such destruction/damage occurs, then City and Tenant shall each have the unilateral option of terminating this Lease upon written notice to the other Party within thirty (30) days after the date of such destruction or damage. The Parties shall reasonably determine and mutually agree upon how long the repair and restoration is likely to take. After that determination has been made, the Parties shall have a period of thirty (30) days to terminate this Lease by giving written notice to the other Party. If the Lease is not terminated as provided herein, then City shall repair and restore the Premises. Tenant shall be entitled to a full abatement of Rent and Additional Rent from the date of the damage until the date that its occupancy is restored to the Leased Premises. If only a portion of the Premises is unfit for occupancy, and Tenant is able, in its sole reasonable discretion, to operate in the Premises, then it shall have a proportionate abatement of the Rent and Additional Rent from the date of the damage until the entire Premises is fit for occupancy.

B. To the extent that damage or loss is not the direct result of the acts or omissions of City or City's agents, contractors, or employees, subject to the limitations allowed under NM Stat §41-4-4, the City shall not be liable for any damage or loss of the Tenant's personal property on the Premises from any cause, including but not limited to bursting or leaking of water pipes, leaking roof, fire, theft, and negligence of co-tenants. Tenant shall be solely responsible for obtaining and paying for insurance covering Tenant's personal property in the Premises, operations losses, and liability insurance. Tenant shall not be insured by the City for such losses and shall not be entitled to make loss claims under the insurance coverage of the City.

XIX. ASSIGNMENT AND SUBLETTING. Tenant shall not assign this Lease or sublet the whole or any part of the Premises at any time for any reason without the City's prior written approval. Tenant acknowledges that the terms of this Lease are unique to Tenant and Tenant's situation, and that the City may not grant such terms to a potential assignee or sublessee. It being further understood that it shall be reasonable for City, among other things, to withhold consent if

City is not satisfied with the financial responsibility, identity, reputation, or business character of the proposed assignee or subtenant. Notwithstanding any consent by City, Tenant and its guarantor(s), if any, shall remain jointly and severally liable (along with each approved assignee and sublessee, which shall automatically become liable for all obligations of Tenant hereunder with respect to that portion of the Premises so transferred), and City shall be permitted to enforce the provisions of this Lease directly against Tenant or any assignee or sublessee. In the event of an assignment or sublease, contemporaneously with the granting of City's consent, Tenant shall cause the assignee or sublessee to expressly assume in writing and agree to perform all of the covenants, duties and obligations of Tenant hereunder and such assignee or sublessee shall be jointly and severally liable therefore along with Tenant. Unless approved by City, no usage of the Premises, different from the usage provided for in Article I, above, shall be permitted, and all other terms and provisions of the Lease shall continue to apply after such assignment or sublease. Tenant shall not enter into, execute, or deliver any financing or security agreement that can be given priority over any mortgage given by City or its successors. City shall have the right to assign or transfer, in whole or in part, City's rights and obligations hereunder and in the Property and the Premises with a minimum thirty (30) day prior written notice to Tenant. In the event of an assignment or sublease, City shall cause the assignee or sublessee to expressly assume in writing and agree to perform all of the covenants, duties, and obligations of City hereunder, and City shall be relieved of any and all liability and obligations hereunder to the extent so assigned.

XX. TAXES AND ASSESSMENTS. Tenant shall promptly pay all taxes and other exactions assessed or assessable, shall pay all license and permit fees applicable to the Tenant's operation, and shall acquire and keep current all licenses, municipal, state, or federal, required as a result of the Tenants' operation on the Premises and shall not allow any of said taxes, excises, or fees to become delinquent.

XXI. INSURANCE; LIABILITY. At its expense, the Tenant shall procure and maintain, insurance in the kinds and amounts as set forth in this Article XIX.

A. At its expense, the Tenant shall procure and maintain insurance in the kinds and amounts set forth below:

1. Special Form Property Insurance. Tenant shall obtain and maintain special form property insurance, in an amount equal to one hundred percent (100%) of the then full replacement cost of all property owned by Tenant or within the Premises, including, but not limited to, Tenant's improvements, contents, inventory, trade fixtures, and all personal property within the Premises. This coverage shall be updated in the event of changes in the amount or value of such covered improvements, inventory, contents and other personal property within the Premises.
2. Comprehensive General Liability Insurance. Tenant shall obtain and maintain commercial general liability insurance applying to third party claims for bodily injury (including death) or property damage, including coverage for "premises/operations," "products and completed operations," and "blanket

contractual” liabilities,” which insurance policy shall be written on an occurrence basis with limits not less than one million dollars (\$1,000,000) per occurrence, one million dollars (\$1,000,000) personal or advertising injury, two million dollars (\$2,000,000) products and completed operations aggregate, and two million dollars (\$2,000,000) general aggregate, or such higher amounts and additional coverages as the City may reasonably require from time to time.

3. Pollution Liability Coverage. Tenant shall obtain and maintain, either via a rider to the Comprehensive General Liability policy or as a separate policy, pollution liability coverage with a minimum limit of one million dollars (\$1,000,000) which shall include coverage for pollution losses including but not limited to bodily injury, property damage, financial loss, and/or for sudden and gradual pollution arising out of Tenant’s operations and/or tenancy of the Premises.

4. The policies of insurance must include coverage for all operations performed by the Tenant on, in, or relating to the Premises and Common Areas, and shall include contractual liability coverage, which shall specifically insure the hold harmless provisions of the Lease.

5. Business Interruption Insurance. Tenant shall procure and maintain business interruption insurance with a limit sufficient to cover not less than a six (6) month loss of income.

6. Workmen’s Compensation Insurance. Tenant shall procure and maintain workmen’s compensation insurance for its employees in accordance with the provisions of the Workmen’s Compensation Act of the State of New Mexico, and shall include employer’s liability insurance with a limit not less than one million dollars (\$1,000,000) bodily injury each accident, one million dollars (\$1,000,000) bodily injury by disease - each person, and one million dollars (\$1,000,000) bodily injury by disease - policy limit, or such higher amounts and additional coverages as the City may reasonably require from time to time.

7. Automobile Liability Insurance. Tenant shall procure and maintain a comprehensive automobile liability insurance policy with liability limits in amounts not less than one million dollars (\$1,000,000) combined single limit of liability for bodily injury, including death, and property damage in any one occurrence. The policy shall include coverage for the use of all owned, non-owned, or hired automobiles, vehicles, and other equipment both on and off-road. The City shall be named an additional insured.

8. Sexual Abuse/Molestation Coverage. Tenant agrees to carry sexual abuse/molestation liability coverage in an amount not less than one million dollars (\$1,000,000) for the duration of this lease.

9. Medical Malpractice Coverage. Tenant agrees to carry medical malpractice coverage in an amount not less than one million dollars (\$1,000,000) per occurrence, three million (\$3,000,000) aggregate, for the duration of this Lease.

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

B. Policy Requirements. Tenant's insurance policies shall:

1. Be issued by insurers reasonably acceptable to the City and rated A-VII or better by A.M. Best;
2. Cover all operations of Tenant on, in, or relating to the Premises under or permitted pursuant to this Lease, whether performed by Tenant, its agents, volunteers, contractors, or sublessee(s);
3. As to liability policies, name the City, its property managers, and any mortgagee(s), and their respective directors, officers, partners, agents, employees, members, trustees, and shareholders as additional insureds, by endorsement approved by the City;
4. Contain a mortgage clause satisfactory to the City and a waiver of any subrogation rights that Tenant's insurers may have against the City and those for whom the City is legally responsible;
5. Be non-contributing and apply as primary, and not as excess to, any other insurance available to the City;
6. Not be invalidated with respect to the interests of the City and the holder of any encumbrance on the Property or Premises by reason of any breach or violation by Tenant of any warranties, representations, declarations, or conditions contained in the policies;
7. Contain a requirement by the insurer to notify in writing the City and the holder of any encumbrance on the Property or Premises as designated by the City not less than thirty (30) days prior to any cancellation, termination, or non-renewal of the policy; and
8. Be reasonably satisfactory in form, substance, limits, deductibles, and retentions to the City.

C. Evidence of Coverage. Tenant shall deliver to the City certificates of insurance, or if required by the City, certified copies of each such insurance policy as soon as practicable after the placing of the required insurance and periodically thereafter upon renewal or replacement of the policies then in force, which shall occur at least thirty (30) days prior to the expiration or cancellation thereof. A certificate of insurance that states that the failure to give the City notice imposes no liability or obligation on the insurer shall not be in compliance with this Article. For example, certificates or policies stating that the insurance company shall "endeavor to notify" and that the "failure to give such notice imposes no obligation" on the insurance company are not in compliance with the insurance requirement of this Lease. All certificates of insurance shall provide that thirty (30) days written notice be given to the Director, Risk Management Department, City of Albuquerque, P.O. Box 470, Albuquerque, NM 87103 and the Real Property Manager, City of Albuquerque, P.O. Box 1293, Albuquerque, New Mexico 87103, before a policy is

canceled, materially changed or not renewed. Various types of required insurance may be written in one or more policies. The City shall have the right to request current confirmation of insurance coverage from time to time. No review or approval of any such insurance certificate by the City shall derogate or diminish the City's rights or Tenant's obligations. Tenant shall not take possession of the Premises without having complied with the requirements of this Article. If at any time Tenant fails to provide satisfactory evidence of all required coverages, the City may, but shall have no obligation to, purchase such insurance for Tenant which shall be at Tenant's sole cost and expense, and which shall be immediately due and payable by Tenant upon demand by City. City is a governmental entity and is self-insured. Tenant shall have the right to request a certificate of insurance or comparable confirmation of coverage from City regarding the types and amounts of coverage applicable to the Property and activities thereupon.

D. Liability. Each Party is responsible for liability associated with the actions or omissions of it or its own employees, contractors, visitors, invitees, or agents, but not for the liability associated with the actions or omissions of the other Party or that other Party's employees, contractors, invitees, visitors or agents. Notwithstanding the foregoing, to the extent applicable, the City's liability hereunder shall be subject to Section 41-4-1 et seq., NMSA 1978, as amended.

E. Tenant Indemnification. Tenant agrees to indemnify, defend, and hold harmless the City, its officers, agents, and employees against liability, claims, damages, losses, penalties, expenses, suits, actions, or proceedings arising out of bodily injury to person, including death or damage to property caused by or resulting from Tenant's and/or its employees', agents', contractors', and invitees' act(s) or omission(s) in the Premises, on the Property, or relating to the Purpose. Provided, however, Tenant is not required to indemnify the City for the negligence or intentional acts, errors, or omissions of the City or of its employees, representative, invitees, or agents.

F. City Release. City agrees to release the Tenant, its officers, agents, and employees from liability, claims, damages, losses, penalties, expenses, suits, actions, or proceedings arising out of bodily injury to person, including death or damage to property to the extent directly caused by or resulting from City's and/or its employees', agents', contractors', and invitees' act(s) or omission(s) in the Premises, on the Property, or relating to the Purpose. Provided, however, City is not required to release Tenant for liability arising out of the negligence or intentional acts, errors, or omissions of the Tenant or of its employees, representative, invitees, or agents.

XXII. CONDEMNATION.

A. Termination. If the Premises or substantially all of it or any portion of the Building that is required for Tenant's occupation and use of the Premises is taken by right of eminent domain, or by condemnation (which includes a conveyance in lieu of a taking), this Lease,

at the option of either City or Tenant exercised by notice to the other within thirty (30) days after the taking, shall terminate and Rent shall be apportioned as of the date of the taking. As of the date of the taking, neither Tenant nor any guarantor shall have any further liabilities to City and all deposits shall left shall be returned to Tenant. If (i) the Premises are taken by an entity with the power of eminent domain (“Condemning Authority”) or if the Premises are conveyed to a Condemning Authority by a negotiated sale, or if part of the Premises is so taken or conveyed such that the balance of the Premises cannot be used by Tenant to conduct its day-to-day business operations, or (ii) due to any such taking or conveyances, access to the Premises or any part thereof by motor vehicles and trucks as operated by Tenant, its contractors, employees, patients and invitees in the ordinary course of Tenant’s business, is terminated; then in any such event, Tenant may terminate this Lease by giving City written notice within thirty (30) days after notice thereof from City, or notice of such condemnation, whichever occurs first, and such termination shall be effective as of the date possession is taken by the Condemning Authority. Tenant shall pay all rents due up to the effective date of the termination under this paragraph, but not after that date.

B. Award. City shall be entitled to receive and retain the entire award or consideration for the affected lands and improvements and Tenant shall not have, or advance, any claims against City for (i) the value of its property or its leasehold estate, (ii) the unexpired term of this Lease, (iii) costs of removal or relocation, or (iv) business interruption expense or any other damages arising out of the taking or purchase. Notwithstanding the foregoing, the rights of City to retain an award or consideration for affected lands and improvements shall not include any outstanding amounts owed to Tenant hereunder by City for improvements made by Tenant to the Premises and shall further exclude any deposits owed to Tenant pursuant to this Lease and any amounts under Section X “Repairs and Maintenance; Buildouts; Tenant’s negligence and substantial Damage.” Nothing herein shall give City any interest in or preclude Tenant from seeking and recovering on its own account from the condemning authority any separate award of compensation attributable to the taking or purchase of Tenant’s chattels or trade fixtures or attributable to Tenant’s relocation expenses.

XXIII. ETHICS AND CAMPAIGN PRACTICES BOARD, FAIR DEALING AND CONFLICT OF INTEREST.

A. Board of Ethics and Campaign Practices. To the extent allowable, Tenant agrees to provide the Board of Ethics and Campaign Practices of the City of Albuquerque or its investigator (the “Board”) with any records or information pertaining in any manner to this Lease whenever such records or information are within Tenant’s custody, are germane to an investigation authorized by the Board and are requested by the Board. Tenant further agrees to appear as a witness before the Board as required by the Board in hearings concerning ethics or campaign practices charges heard by the Board. Tenant agrees to require that all contractors, subcontractors, or sub-consultants employed by Tenant for any

of the services performed under the terms of this Lease will agree in writing to comply with the provisions of this paragraph. The City agrees that it shall make every effort to ensure that these requests will be reasonable and shall not unduly burden Tenant or its agents, contractors, or representative. Tenant, will not be compensated for its time or any costs it incurs in complying with the requirements of this paragraph.

B. Conflict of Interest. Each Party represents that it has disclosed to the other Party all relationships or financial interests that may represent or could be construed as a "Conflict of Interest" with respect to the Lease between the Parties. For the purposes of this provision, the term "financial interest" shall include, but not be limited to, the following transactions or relationships between an employee, trustee, or officer of the City and Tenant consulting fees, honoraria, gifts or other emoluments, or "in kind" compensation; equity interests, including stock options, or membership interest, of any amount in a publicly or non-publicly-traded company (or entitlement to the same); royalty income (or other income) or the right to receive future royalties or distributions (of other income); or service as an officer, trustee, or in any other role, whether or not remuneration is received for such service. Except as expressly disclosed in this paragraph, City and Tenant represents that they are hereby attesting to the fact that there does not currently exist any instance or relationship where a "Conflict of Interest" (as defined above) currently exists between City and Tenant. Either Party shall immediately notify the other Party in writing should either Party's position change at any time.

C. No Collusion. Upon execution of this Lease, or within five (5) days after the acquisition of any interest described in this Lease or any time during the Term of this Lease, the Tenant shall, to the best of Tenant's knowledge or upon discovery of such interest, disclose in writing to the City whether any City Councilor or other officer or employee of the City has or hereafter acquires any direct, indirect, legal or beneficial interest in the Tenant or in any contract, lease or agreement between the City and Tenant or in any franchise, concession, right or privilege of any nature granted by the City to the Tenant in this Lease. Tenant covenants that the only person or firm interested in this Lease as principal or principals is named in this Lease, and that this Lease is entered into by the Tenant without collusion on the part of the Tenant with any person or firm, without fraud, and in good faith. The Tenant also covenants that no gratuities, in the form of entertainment, gifts, or otherwise, were, or during the term of this Lease will be, offered or given by the Tenant or any agent or representative of the Tenant to any officer or employee of the City with a view towards securing this Lease or for securing more favorable treatment with respect to making any determinations with respect to performing this Lease.

XXIV. DISCRIMINATION PROHIBITED. In the operation and use of the Premises, the Tenant shall not on the grounds of race, color, religion, sexual orientation, sexual preference, national origin or ancestry, or age, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Title 49 CFR Parts 21 and 23, the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, and the New

Mexico Human Rights Act. Without limiting the generality of the foregoing, the Tenant shall not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, sexual preference, national origin or ancestry, age, or physical or mental handicap. Such action will include, but not be limited to: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training; and disciplinary actions and grievances. The Tenant agrees to post in conspicuous places available to employees, and applicants for employment, notice to be provided setting forth the provisions of this non-discrimination clause.

XXV. AMERICANS WITH DISABILITIES. Both Parties agree to meet all applicable requirements of the American with Disabilities Act of 1990, as amended, and all applicable rules and regulations, as amended, (the "ADA"), that are imposed directly on Tenant or that would be imposed on the City as a public entity. Tenant and City agrees to be responsible for knowing all applicable requirements of the ADA; Tenant shall defend, indemnify and hold harmless the City, its officials, agents, and employees from and against any and all claims, actions, suits, or proceedings of any kind brought against said parties as a result of any acts or omissions of Tenant or its agents in violation of the ADA, and City shall release Tenant from liability to the extent arising out of City's violation of the ADA.

XXVI. BROKER. Tenant and City each represent that it has not consulted or negotiated with any broker or finder with regard to the Premises or this Lease.

XXVII. RIGHTS RESERVED BY CITY. Except as expressly provided in this Lease, City reserves all rights of ownership and control over all portions of the Premises including without limitation the following:

A. Access. Upon reasonable notice to Tenant, and as set forth otherwise in this Lease, and in compliance with all Hospital's privacy rules and regulations, City shall have access to the Premises for purposes of showing the Premises to current or prospective lenders, to prospective purchasers of the Property, and during the twelve-month period preceding the expiration of the Term of this Lease, to prospective tenants. City shall also at all reasonable times with notice have access to the Premises for purposes of inspection and performing City's obligations and exercising its rights under this Lease. Due to privacy and security laws, including, the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), except in emergencies, neither City, nor any of City's agents may access any portion of the Premises that contain patients or any protected health information without prior notice to Tenant and they must be accompanied by Tenant's representative while accessing the Premises. In addition, Tenant shall have the right to exclude any janitorial contractor used by City unless and until such janitorial contractor has executed a Business Associate Agreement satisfactory to Tenant.

B. Use. City reserves the right to use (or grant others the right to use) any portion of the Property other than the Premises, including without limitation the Common Area(s),

the exterior of all buildings and improvements, and air rights, surface rights and subsurface rights, and water rights appurtenant to the Property as long as such granting of use does not unreasonably interfere with Tenant's use of the Premises for the Purpose and operations intended by Tenant under this Lease. Unreasonable interference includes but is not limited to unreasonably impeding the access or safety of Tenant's employees, patients, staff or visitors. City's failure to adhere to this provision shall be deemed a breach of the Lease by the City.

C. Restriction of Access. City reserves the rights to, as long as such actions do not prevent or impede upon Tenant's use of the Premises for the intended purposes hereunder, or conflict with Tenant's licensure or conditions of participations requirements:

1. prevent or restrict access to any portion of the Property by such security procedures or devices as City may consider necessary or appropriate;
2. control or prevent access by and remove, any person who is loitering or whose presence in the judgment of City's security or management personnel is prejudicial to the safety, character, reputation and interests of the Property or who in the judgment of such personnel is intoxicated or under the influence of liquor or drugs; and
3. limit or prevent access to all or any portion of the Property, activate emergency controls or procedures or otherwise take such action or preventive measures deemed necessary by City for the safety of tenants or other occupants of the Property or the protection of the Property or other property located thereon or therein, in case of fire or other casualty, riot or other civil disorder, strike or labor unrest, public excitement, a public health emergency or other dangerous condition or threat thereof.

D. Other Tenants. City reserves the right to lease or sell any portion of the Property to such other tenants, occupants or other parties and for such uses as City, in City's sole discretion, deems appropriate. Tenant acknowledges that City has made no representations as to City's continued ownership of all or any portion of the Property or the presence of any specific tenant or number or types of tenants at the Property as of or after the Rent Commencement Date, hours or days that such other tenants shall or may be open for business or gross sales that may be achieved by Tenant or any other tenants at the Property. Without limiting the foregoing, Tenant acknowledges that portions of the Property will not be used for retail purposes and that City may in the future enlarge or diminish such non-retail areas. This provision is subject to representations and requirements as set forth in this Lease, specifically Article XXVII, *Restrictive Covenants* and Article V, *Quiet Enjoyment and Peaceful Possession*.

E. Changes. City reserves the right to, as long as such changes do not prevent or impede upon Tenant's use of the Premises as intended hereunder, or conflict with Tenant's licensure or conditions of participations requirements:

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

1. change the name of the Property and the address or designation of the Premises;
2. install, maintain, alter and remove signs on or about the Property;
3. add land or other real property interests to or eliminate the same from the Property and grant interests and rights in the Property to other parties;
4. add, alter, expand, reduce, eliminate, relocate or change the shape, size, location, character, design, appearance, use, number or height of any permanent or temporary buildings, structures, improvements, parking areas and structures, kiosks, planters, driveways, landscaped areas, and other Common Areas, change the striping of parking areas and direction and flow of traffic and convert Common Areas to leasable areas and leasable areas to Common Areas;
5. enclose any area, remove any such enclosure or add one or more additional levels or stories to the Property or any portion thereof other than the Premises and add structural supports that may be required within the Premises or Common Areas; and
6. in connection with the foregoing matters or with any other inspections, repairs, maintenance, improvements, or alterations in or about the Property or as a result of any casualty, incident, strike, condemnation, act of God, law or governmental requirement or request or other cause, erect scaffolding, barricades, and other structures.
7. The City shall provide Tenant with reasonable advance notice of the proposed changes to the Premises. In the event Tenant contends that any proposed or effected changes pursuant to this provision do impermissibly impede upon Tenant's use of the Premises or conflict with Tenant's licensure or conditions of participation requirements, Tenant shall provide written notice to City stating with specificity the bases for the contention. Upon receipt of such notice, City shall have thirty (30) days to reasonably address Tenant's concerns and mitigate the impact of such changes on Tenant and its operations. City shall not be in violation of this provision unless (i) Tenant has fulfilled its obligations for notice hereunder, and (ii) City has failed to fulfill its obligation under this provision to reasonably mitigate the concerns of Tenant arising out of such changes to the Property or Premises.

F. Limitations. In connection with exercising any rights reserved under this Article XXII, City shall:

1. take reasonable steps to minimize interference with access to the Premises except when necessary, on a temporary basis;
2. take reasonable steps to avoid materially changing the configuration or reducing the square footage of the Premises unless required by law or other causes beyond City's reasonable control (and in the event of any permanent material

reduction in the area of the Premises the Base Rent shall be proportionately reduced); and

3. if City enters the Premises in connection with any of the foregoing matters, take reasonable steps to minimize any interference with Tenant's business, and following completion of the work, return Tenant's leasehold improvements, fixtures, property, and equipment to the original locations and conditions to the fullest extent reasonably possible.

XXVIII. SECURITY DEPOSIT AND GUARANTY.

A. Security Deposit. City is in possession of the previously submitted security deposit pursuant to the Original Lease in the amount of Thirty-Six Thousand, Fifteen and 71/100 Dollars (\$36,015.71). City shall treat this previously submitted amount as the "Security Deposit" for the Premises under this Lease, and Tenant will not require the posting of an additional Security Deposit by Tenant at this time. Notwithstanding the foregoing, upon any default without cure in any twelve (12) month period, or upon the impermissible assignment or sub-letting of the Premises by Tenant, the City may require an additional Security Deposit. The Security Deposit shall not bear interest, shall not be required to be maintained in a separate account, and shall be returned, less any unpaid claims against Tenant, upon the expiration of this Lease and the surrender of possession of the Premises, to Tenant or the last assignee of Tenant's interest. If Tenant or its subtenant fail to perform with respect to any provision of this Lease, the City may apply the Security Deposit for the payment of any sum in default, or for the payment of any other amount that the City may spend or become obligated to spend by reason of Tenant's default, or to compensate the City for any loss or damage that the City suffers from Tenant's default. Application of the Security Deposit is not a cure of the default by Tenant to which the application relates. If any portion of the Security Deposit is applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with the City in an amount sufficient to restore the Security Deposit to its original amount. In the event of the assignment or conveyance of the City's interest in this Lease, the City shall transfer said deposit to the City's successor in interest and thereafter shall have no further liability for the return of such Security Deposit.

B. Guaranty. Tenant is not required to provide a "Guaranty" to the City. Notwithstanding the foregoing, upon any default without cure in any twelve (12) month period, or upon the impermissible assignment or subletting of the Premises by Tenant, the City may require a Guaranty from all persons identified by the City to hold interest in the Tenant and this Lease, in the form as required by and acceptable to the City. In the event of a default by the guarantors of this Lease, either under this Lease or the Guaranty, or upon an assignment or subletting of the Premises, the City may, at its option, require an additional or a replacement Guaranty of the obligations of the Tenant hereunder by a person, or a firm or corporation other than Tenant, in the form as required by and acceptable to the City.

XXIX. RESTRICTIVE COVENANTS- EXCLUSIVE LONG-TERM ACUTE CARE PROVIDER.

A. In consideration of Rent paid by Tenant to City under this Lease, City agrees that during the Term of this Lease (the "Restricted Period"), City will refrain from leasing, renting, or allowing any party or entity to occupy any other portion of the Property for the purpose of operating as a "long term acute care hospital" as defined by the Social Security Act, Section 1886(d)(1)(B)(iv)(I).

B. In the event of the breach of any of the covenants contained in this Article, the Tenant shall be entitled to any and all applicable remedies at law or in equity. City acknowledges that in the event of any breach hereof, after any applicable notice and cure period, Tenant's remedies at law would be inadequate and therefore, and in that event, Tenant shall be entitled to cancel this Lease. Tenant's remedies, in any event, shall be cumulative of any and all other remedies available to it pursuant to New Mexico law, rather than exclusive.

C. It is the desire and intent of the Parties that the provisions of this Article shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, to the extent that the covenant hereunder shall be adjudicated to be invalid or unenforceable in any one such jurisdiction, this Article shall be deemed amended to reform the portion thus adjudicated to be invalid or unenforceable in such a manner to allow the restriction to be enforced to the broadest extent consistent with the intent of the Parties, such reformation to apply only with respect to the operation of this Article in the particular jurisdiction in which such adjudication is made.

D. If any court of competent jurisdiction shall at any time deem the restricted term too long, the restrictions too broad, or any other provision of this Article to be invalid, the other provisions of this Article shall nevertheless stand, and otherwise consistent with this Article, the restricted term shall be deemed to be the longest period permissible by law, the restrictions shall be deemed to be the broadest permissible by applicable law.

E. Moreover, each provision of this Article is intended to be severable; and in the event that any one or more of the provisions contained in this Article shall for any reason be adjudicated to be invalid or unenforceable in any jurisdiction, the same shall not affect the validity and enforceability of any other provisions of this Article in that jurisdiction, but this Article shall be construed in such jurisdiction as if such invalid or unenforceable provision had never been contained therein except to the extent reformed as provided above.

F. City shall not be prohibited from leasing any building or property in the Property to any person or entity that is engaged in any business that is not related to the operation

of a long-term acute care hospital as defined in the Social Security Act.

XXX. MISCELLANEOUS

A. Dispute Resolution. In the event a dispute arises between the City and Tenant:

1. Within thirty (30) days of the dispute arising, the disputing Party shall provide written notice to the other Party setting forth with specificity the details of the dispute including, where the dispute arises from an invoice, identification of the amount so disputed.

2. Provided the disputing Party timely notifies the other Party as required by this paragraph, the Parties shall make good faith efforts to resolve the dispute informally to the Parties' mutual satisfaction. If the Parties are unable to arrive at a mutually agreeable resolution for the dispute within ninety (90) days of the receipt of the notice of the dispute, the Parties agree to participate in non-binding mediation in which case the mediator shall be selected by mutual agreement of the Parties, and the fees for such mediation shall be split equally between Tenant and City.

3. In the event that non-binding mediation does not successfully resolve the dispute between the Parties, the Parties may pursue any and all available remedies at law or pursuant to this Lease.

4. Any unresolved or pending dispute between the Parties shall not in and of itself suspend or eliminate the performance obligations and rights of each Party hereunder, including but not limited to payment of Base Rent by Tenant.

B. Waiver of Default. No failure by the City or Tenant to insist upon the strict performance of any term, condition, or covenant of this Lease or to exercise any right or remedy available on the breach thereof, and no acceptance of full or partial Rent during the continuance of any breach will constitute a waiver of any breach or of any term, condition, or covenant. No obligation of this Lease that Tenant or City is required to perform and no breach thereof, will be waived, altered, or modified, except by written instrument executed by the nonbreaching Party.

C. Relation to Other Leases. This Lease is separate and distinct from and shall be construed separately from any other agreement between City and Tenant or the City and any other tenant. The Parties hereby agree that upon the Effective Date of this Lease, this Lease shall supersede and replace any and all prior agreements and/or understandings, oral or written, between the Parties, in their entirety.

D. Time is of the Essence. Time is of the essence in the performance of this Lease.

E. Governmental Right and Powers. Nothing in this Lease shall be construed or interpreted as limiting, relinquishing, or waiving any rights of ownership enjoyed by the City in the Premises or waiving or limiting the City's control over the management,

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

operations, or maintenance of the Premises except as specifically provided in this Lease, or impairing exercising, or defining governmental rights and the police powers of the City.

F. Exhibits. All certificates, documents, exhibits, attachments, riders, and addenda, if any, referred to in this Lease, including but not limited to the exhibits referred to in this Lease, are hereby incorporated into this Lease by reference and are made a part hereof as though set forth in full in this Lease to the extent they are consistent with the terms and conditions of this Lease.

G. No Partnership or Agency. Nothing contained in this Lease is intended or shall be construed in any respect to create or establish any relationship other than that of landlord and tenant, and nothing herein shall be construed to establish any partnership, joint venture, or association, or to make Tenant the general representative or agent of City for any purpose whatsoever.

H. Non-Liability of City. Notwithstanding anything to the contrary in this Lease, unless expressly prohibited by law neither the City, nor City's administration, councilors, directors, employees, agents, representatives, successors, or assigns (collectively, "City's Affiliates") shall be personally responsible or liable for any representation, warranty, covenant, undertaking, or agreement contained in the Lease, and the sole right and remedy of Tenant or any subsequent sublessee or assignee shall be against City's interest in the Premises.

I. Force Majeure. In the event City or Tenant is delayed, hindered or prevented from performing any act or thing required hereunder by reason of strikes, lockouts, labor troubles, casualties, failure or lack of utilities, governmental laws or regulations, riots, insurrection, war, acts of God, public health emergency, pandemic, epidemic, executive order, or other causes beyond the reasonable control of City or Tenant, neither Party shall be liable for the delay, and the period for the performance by either Party shall be extended for a period equivalent to the period of such delay. The foregoing shall be inapplicable to the payment of Rent by Tenant except as provided elsewhere in this Lease.

J. Contract Review. City and Tenant acknowledge that they have thoroughly read this Lease including all exhibits thereto, and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. City and Tenant further acknowledge that this Lease is the result of negotiations between them and that this Lease shall not be construed against either Party hereto by reason of that Party's preparation of all or part of this Lease.

K. Notices. Any notice from one Party to the other must be in writing and shall be deemed duly given three days after deposit in the United States Mail if mailed by registered or certified mail, return receipt requested, or upon receipt or refusal to accept if personally delivered or deposited with a national overnight deliver courier who obtains written

confirmation of delivery, addressed to the other Party at the address set below, or such other address as either Party may designate in writing. The Parties shall be responsible for notifying each other of any change of address. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand, or request sent.

If and when included within the term "Tenant" as used in this instrument there is more than one person, firm, or corporation, all shall jointly arrange amongst themselves and specify some individual at some specific address for the receipt of notices and payments to Tenant. All parties included with terms "City" and "Tenant" respectively, shall be bound by notices and payments given in accordance with the provisions of this Article to the same effects as if each had received such notice or payment.

Notice to Tenant:

Albuquerque - AMG Specialty Hospital
Attn: Authorized Representative
101 LaRue Frances, Suite 500
Lafayette, LA 70508

Albuquerque - AMG Specialty Hospital
Attn: CEO
5400 Gibson SE, Box #2
Albuquerque, NM 87108

Notice to the City:

City of Albuquerque
Attn: Family and Community Services, Director
P.O. Box 1293
Albuquerque, NM 87103

City of Albuquerque
One Civic Plaza, 11th Floor
Attn: Chief Administrative Officer
P.O. Box 1293
Albuquerque, New Mexico, 87103

With a copy to:
Real Property Division Manager
City of Albuquerque
P.O. Box 1293
Albuquerque, New Mexico, 87103

L. Estoppel Certificates. Tenant shall at any time within thirty (30) days after written request is received by Tenant from City execute, acknowledge, and deliver to City a

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

statement in writing:

1. certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and specifying the date to which the Rent and other charges are paid in advance, if any;
2. confirming the commencement and expiration dates of the Term (or then applicable Extended Term);
3. confirming the amount of the security deposit held by City;
4. acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of City hereunder, or specifying such defaults if any are claimed; and
5. confirming such other matters as City may reasonably request.

A prospective purchaser or encumbrancer of the Premises or the Property may conclusively rely upon any such statement. If Tenant fails to respond within the required period, unless Tenant has notified City of any issues or discrepancies in such documents, Tenant shall conclusively be deemed to have certified, confirmed, and acknowledged all matters requested by City. If City desires to finance or refinance the Property, Tenant hereby agrees to deliver to any lender designated by City such financial statements of Tenant and any Guarantors named in this Lease as may be reasonably required by such lender. Such statements shall include the past three years' financial statements of Tenant. All such financial statements shall be received by City in confidence and shall be used only for the purposes herein set forth.

M. Audits and Inspections. At any time during normal business hours, with a five (5) day advance notice to Tenant, and provided that it is not unduly burdensome, there shall be made available to the City for examination all of the Tenant's records with respect to all matters covered by this Lease. The Tenant shall permit the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Lease. The Tenant understands and will abide by the City's Accountability in Government Ordinance, §2-10-1 et seq. and Inspector General Ordinance, §2-17-1 et seq. R.O.A. 1994, and also agrees to provide requested information and records and appear as a witness in hearings for the City's Board of Ethics and Campaign Practices pursuant to Article XII, Section 8 of the Albuquerque City Charter. Tenant further agrees that inspections and audits to be performed by the Inspector General's Office are not subject to the five (5) day notice period.

N. Binding Effect. Once this Lease is made, the covenants, terms, and conditions of this Lease will be binding upon and inure to the benefit of the parties, their successors, assigns, subtenants, and subleases.

O. Further Actions. At any time and from time to time, each Party agrees, without further

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

consideration, to take such actions and to execute and deliver such documents as may be reasonably necessary to effectuate the purposes of this Lease.

P. Severability. In the event any covenant, condition, or provision herein is held to be void, voidable, invalid, illegal, or unenforceable by any court of competent jurisdiction, such covenant, condition, or provision shall be deemed amended to conform to applicable laws so as to be valid or enforceable, or, if it cannot be so amended without materially altering the intention of the Parties, it shall be stricken. If stricken, all other covenants, conditions, and provision of this Lease shall remain in full force and effect provided that the striking of such covenants, conditions, or provisions does not materially prejudice either the City or Tenant in its respective rights and obligations contained in the valid covenants, conditions, or provisions of this Lease

Q. Authorization. If Tenant executes this Lease as a corporation or partnership, then Tenant and the person(s) executing this Lease on behalf of Tenant, represent that such entity is duly qualified to do business in the State of New Mexico and that the individuals executing this Lease on Tenant's behalf are duly authorized to execute and deliver this Lease on Tenant's behalf. City represents and warrants that it is the fee simple owner of the Premises, and that it has all requisite authority and approval to enter into this Lease.

R. Joint and Several Liability. In the event that more than one person or entity executes the Lease as Tenant, all such persons and entities shall be jointly and severally liable for all of Tenant's obligations hereunder.

S. Headings and Captions. Captions of sections and paragraphs are for convenience, not limitation, and are not to be construed as modifying text.

T. Attorneys' Fees. If either Party to this Lease institutes any action or proceeding in court to enforce any provision hereof, for damage by reason of an alleged breach of any provision of this Lease, for a declaration of such Party's rights or obligations hereunder, or for any other judicial remedy, each Party shall be responsible for its own attorney's fees (including the reasonable fees and disbursements and charges of internal legal counsel) and litigation expenses, including, but not limited to expert witness fees and service of process fees.

U. Choice of Law, Venue. This Lease shall be construed under the laws of the State of New Mexico. The Parties agree that venue for the filing and pursuit to completion of any suit, action, or proceeding arising out of this Lease shall be in Bernalillo County, New Mexico. The Parties irrevocably admit themselves to, and consent to, the jurisdiction of said court. The Parties further acknowledge that they have fully and fairly bargained for the terms of this paragraph U. The provisions of this paragraph U shall survive the expiration or earlier termination of this Lease.

V. Public Document. City and Tenant acknowledge that this Lease does not have a specific exemption within and may be subject to the New Mexico Inspection of Public Records Act, §14-2-1 et seq. NMSA 1978, and as amended and may be a "public record" within the meaning of said Act.

W. Appropriations. This Lease is contingent upon the funds required by the City to meet its obligations under this Lease being appropriated during each fiscal year in which this Lease is in

force. In the event such funds are not appropriated, City shall give notice to Tenant as soon as reasonably possible, and this Lease shall be terminated at the end of the last year in which such funds were appropriated, and such termination will not be considered a default by City. Termination under this provision shall not entitle City to retain any Security Deposit paid by Tenant, and if this occurs prior to the end of the three (3) year Rent Credit period, City shall be required to make mutually agreeable arrangements with Tenant to affect the reimbursement of any outstanding amounts paid by Tenant and owed from City under Section X, "Repairs and Maintenance; Buildouts; Tenant's Negligence and Substantial Damage."

X. Final Dates. If the final date of any deadline falls upon a Saturday, Sunday, or holiday recognized by the U.S. Postal Service, then in such event the time of such deadline shall be extended to the next day that is not a Saturday, Sunday, or holiday recognized by the U. S. Postal Service. Whenever the word "days" is used herein, it shall be considered to mean "calendar days" and not "business days" unless an express statement to the contrary is made.

Y. Multiple Counterparts; Electronic Signatures. The Lease may be signed in multiple counterparts or with detachable signature pages, but in either or both circumstances shall constitute one instrument, binding upon all parties thereto as if all parties signed the same document. Authenticated electronic signatures are legally acceptable pursuant to Section 14-16-7 NMSA 1978. The Parties agree that this Lease may be electronically signed and that the electronic signatures appearing on the Lease are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

Z. Entire Agreement. This Lease, including the attached Exhibits, constitutes the full and final agreement of the Parties and incorporates all of the conditions, agreements, and understandings between the Parties concerning the subject matter of this contract, and all such conditions, understandings, and agreements have been merged into this written Lease. All prior negotiations and agreements are merged into this Lease. No prior condition, agreement, or understanding, verbal or otherwise, of the Parties or their agents shall be valid or enforceable unless embodied in this Lease.

AA. Modification. No subsequent agreement may modify this Lease unless it is in writing and signed by the Parties or their authorized agents. This Lease represents the entire contract between the Parties and, except as otherwise provided herein, may not be amended, changed, modified, or altered without the written consent of the parties hereto.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT AS OF THE DATE indicated by each signature, and the Lease is effective after approval by the City Council and then only upon the signature of the City's Chief Administrative Officer or authorized designee.

[SIGNATURE PAGES IMMEDIATELY FOLLOWING]

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

CITY:

CITY OF ALBUQUERQUE
a New Mexico Municipal Corporation

Approved by the City Council

EC# _____

Approval Date: _____

Lawrence Rael
Chief Administrative Officer

Date: _____

RECOMMENDED BY:

Carol M. Pierce, Director
Department of Family & Community Services

Date: _____

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

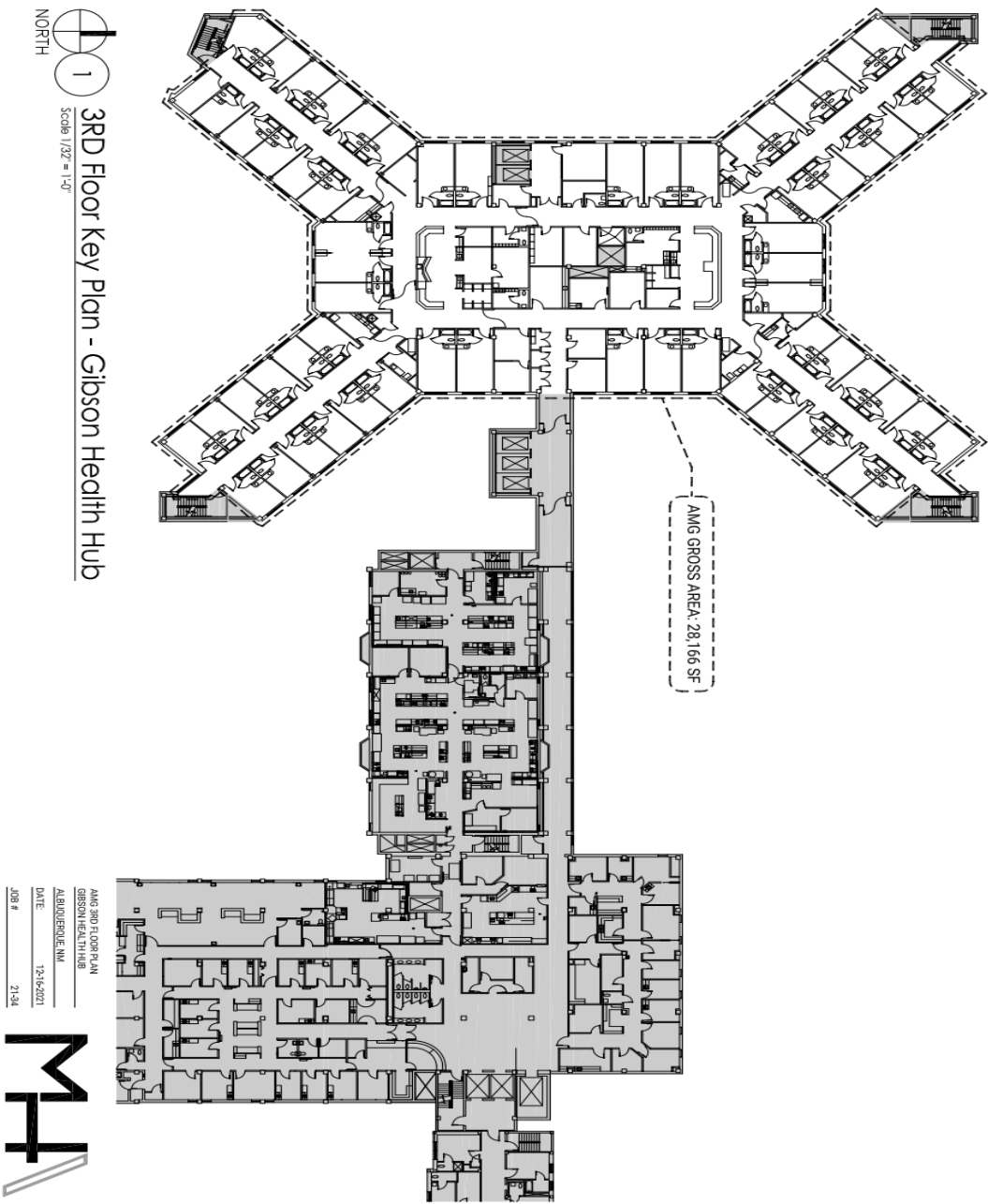
TENANT:
ALBUQUERQUE- AMG SPECIALITY HOSPITAL, LLC
a New Mexico limited liability company

Authorized Representative

Date: _____

Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

EXHIBIT A
PREMESIS



Lease: City to AMG Specialty Hospital, LLC
5400 Gibson SE – 3rd Floor

EXHIBIT B BASIC JANITORIAL SERVICES

Daily:

Keep all flooring clean and dry, vacuum carpeting

Spot clean carpets as necessary

Empty all trash containers, except biohazard

Dust high and low

Clean and supply all bathrooms once per day

Polish stainless steel

Clean inside of windows

Clean wall scuffs

Clean drinking fountains

Clean emergency spills, excluding biohazard

Housekeepers are not responsible for:

Cleaning tables and/or breakrooms after meals/functions

Cleaning biohazard or picking up needles, blood, vomit or other bodily fluid

Care of patients and/or assistants to nurses or other medical staff

If a housekeeper is needed after they have left your Premises for the day, please call Security at 505 232-1004 and they will dispatch a housekeeper.