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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number: 001-31719

Molina Healthcare, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-4204626**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
200 Oceangate, Suite 100 Long Beach, California	**90802**
(Address of principal executive offices)	**(Zip Code)**

(562) 435-3666
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the issuer's Common Stock outstanding as of July 19, 2013, was approximately 45,684,600.

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MOLINA HEALTHCARE, INC.

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PART I — FINANCIAL INFORMATION

Item 1. ***Financial Statements.***

MOLINA HEALTHCARE, INC.
CONSOLIDATED BALANCE SHEETS

	June 30, 2013	December 31, 2012
	(Amounts in thousands, except per-share data)	
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 742,670	$ 795,770
Investments	718,544	342,845
Receivables	213,776	149,682
Deferred income taxes	21,995	32,443
Prepaid expenses and other current assets	47,817	28,386
Total current assets	1,744,802	1,349,126
Property, equipment, and capitalized software, net	249,298	221,443
Deferred contract costs	51,319	58,313
Intangible assets, net	68,987	77,711
Goodwill and indefinite-lived intangible assets	153,152	151,088
Derivative asset	207,123	—
Restricted investments	56,935	44,101
Auction rate securities	12,527	13,419
Other assets	35,773	19,621
	$ 2,579,916	$ 1,934,822
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Medical claims and benefits payable	$ 465,487	$ 494,530
Accounts payable and accrued liabilities	180,227	184,034
Deferred revenue	45,949	141,798
Income taxes payable	15,496	6,520
Current maturities of long-term debt	—	1,155
Total current liabilities	707,159	828,037
Convertible senior notes	585,825	175,468
Lease financing obligations	175,666	—
Other long-term debt	—	86,316
Derivative liabilities	207,017	1,307
Deferred income taxes	3,919	37,900
Other long-term liabilities	23,943	23,480
Total liabilities	1,703,529	1,152,508
Stockholders' equity:		
Common stock, $0.001 par value; 150,000 shares authorized; outstanding: 45,683 shares at June 30, 2013 and 46,762 shares at December 31, 2012	46	47
Preferred stock, $0.001 par value; 20,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in capital	324,360	285,524
Accumulated other comprehensive loss	(2,705)	(457)
Treasury stock, at cost; 111 shares at December 31, 2012	—	(3,000)
Retained earnings	554,686	500,200
Total stockholders' equity	876,387	782,314
	$ 2,579,916	$ 1,934,822

See accompanying notes.

MOLINA HEALTHCARE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(Amounts in thousands, except net income (loss) per share) (Unaudited)			
Revenue:				
Premium revenue	$ 1,548,612	$ 1,432,403	$ 3,083,045	$ 2,701,196
Service revenue	49,672	41,724	99,428	83,929
Investment income	1,628	1,059	3,144	2,738
Rental and other income	5,922	3,977	10,616	8,236
Total revenue	1,605,834	1,479,163	3,196,233	2,796,099
Expenses:				
Medical care costs	1,294,706	1,317,597	2,582,621	2,395,464
Cost of service revenue	39,305	30,613	79,075	61,107
General and administrative expenses	161,479	125,819	302,757	241,048
Premium tax expenses	46,883	38,354	83,883	80,540
Depreciation and amortization	17,015	16,210	33,578	31,058
Total expenses	1,559,388	1,528,593	3,081,914	2,809,217
Operating income (loss)	46,446	(49,430)	114,319	(13,118)
Other expenses:				
Interest expense	11,667	3,808	24,704	8,106
Other expense	3,502	1,086	3,371	1,086
Total other expenses	15,169	4,894	28,075	9,192
Income (loss) from continuing operations before income tax expense	31,277	(54,324)	86,244	(22,310)
Income tax expense (benefit)	15,481	(21,267)	39,926	(9,147)
Income (loss) from continuing operations	15,796	(33,057)	46,318	(13,163)
Income (loss) from discontinued operations, net of tax benefit of $9,968, $4,502, $10,143, and $5,589, respectively	8,775	(4,249)	8,168	(6,054)
Net income (loss)	$ 24,571	$ (37,306)	$ 54,486	$ (19,217)
Basic income (loss) per share				
Income (loss) from continuing operations	$ 0.35	$ (0.71)	$ 1.01	$ (0.29)
Income (loss) from discontinued operations	0.19	(0.09)	0.18	(0.13)
Basic net income (loss) per share	$ 0.54	$ (0.80)	$ 1.19	$ (0.42)
Diluted income (loss) per share				
Income (loss) from continuing operations	$ 0.34	$ (0.71)	$ 1.00	$ (0.29)
Income (loss) from discontinued operations	0.19	(0.09)	0.17	(0.13)
Diluted net income (loss) per share	$ 0.53	$ (0.80)	$ 1.17	$ (0.42)
Weighted average shares outstanding:				
Basic	45,446	46,355	45,712	46,176
Diluted	46,507	46,355	46,506	46,176

See accompanying notes.

MOLINA HEALTHCARE, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(Amounts in thousands) (Unaudited)			
Net income (loss)	$ 24,571	$ (37,306)	$ 54,486	$ (19,217)
Other comprehensive (loss) income:				
Gross unrealized investment (loss) gain	(4,045)	523	(3,626)	1,001
Effect of income taxes	(1,537)	199	(1,378)	381
Other comprehensive (loss) income, net of tax	(2,508)	324	(2,248)	620
Comprehensive income (loss)	$ 22,063	$ (36,982)	$ 52,238	$ (18,597)

See accompanying notes.

MOLINA HEALTHCARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2013	2012
	(Amounts in thousands) (Unaudited)	
Operating activities:		
Net income (loss)	$ 54,486	$ (19,217)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	43,907	38,010
Deferred income taxes	(22,155)	(1,264)
Stock-based compensation	12,150	9,812
Gain on sale of subsidiary	—	(1,747)
Amortization of convertible senior notes	9,688	2,915
Change in fair value of derivatives	3,384	1,086
Amortization of premium/discount on investments	4,298	3,615
Amortization of deferred financing costs	2,366	515
Tax deficiency from employee stock compensation	(38)	(50)
Changes in operating assets and liabilities:		
Receivables	(64,094)	6,891
Prepaid expenses and other current assets	(22,856)	(10,352)
Medical claims and benefits payable	(29,043)	123,062
Accounts payable and accrued liabilities	(16,968)	(22,982)
Deferred revenue	(95,849)	125,426
Income taxes	8,976	(19,737)
Net cash (used in) provided by operating activities	(111,748)	235,983
Investing activities:		
Purchases of equipment	(35,229)	(33,301)
Purchases of investments	(532,151)	(144,348)
Sales and maturities of investments	149,420	136,772
Proceeds from sale of subsidiary, net of cash surrendered	—	9,162
Change in deferred contract costs	6,994	(23,055)
Increase in restricted investments	(12,834)	(2,154)
Change in other non-current assets and liabilities	(8,012)	(4,383)
Net cash used in investing activities	(431,812)	(61,307)
Financing activities:		
Proceeds from issuance of 1.125% Notes, net of deferred issuance costs	537,973	—
Proceeds from sale-leaseback transactions	158,694	—
Purchase of 1.125% Notes call option	(149,331)	—
Proceeds from issuance of warrants	75,074	—
Treasury stock purchases	(50,000)	—
Repayment of amounts borrowed under credit facility	(40,000)	(10,000)
Amount borrowed under credit facility	—	60,000
Principal payments on term loan	(47,471)	(573)
Settlement of interest rate swap	(875)	—
Proceeds from employee stock plans	4,852	5,485
Excess tax benefits from employee stock compensation	1,544	3,677
Net cash provided by financing activities	490,460	58,589
Net (decrease) increase in cash and cash equivalents	(53,100)	233,265
Cash and cash equivalents at beginning of period	795,770	493,827
Cash and cash equivalents at end of period	$ 742,670	$ 727,092

MOLINA HEALTHCARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued)

	Six Months Ended June 30,	
	2013	2012
	(Amounts in thousands) (Unaudited)	
Supplemental cash flow information:		
Cash paid during the period for:		
Income taxes	$ 41,407	$ 1,074
Interest	$ 21,933	$ 4,719
Schedule of non-cash investing and financing activities:		
Retirement of treasury stock	$ 53,000	$ —
Common stock used for stock-based compensation	$ 5,669	$ 9,390
Details of change in fair value of derivatives:		
Gain on 1.125% Call Option	$ 57,792	$ —
Loss on embedded cash conversion option	(57,686)	—
Loss on 1.125% Warrants	(3,923)	—
Gain (loss) on interest rate swap	433	(1,086)
Change in fair value of derivatives	$ (3,384)	$ (1,086)
Details of sale of subsidiary:		
Decrease in carrying value of assets	$ —	$ 30,942
Decrease in carrying value of liabilities	—	(23,527)
Gain on sale	—	1,747
Proceeds from sale of subsidiary, net of cash surrendered	$ —	$ 9,162

See accompanying notes.

MOLINA HEALTHCARE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
June 30, 2013

1. Basis of Presentation

Organization and Operations

Molina Healthcare, Inc. provides quality and cost-effective Medicaid-related solutions to meet the health care needs of low-income families and individuals and to assist state agencies in their administration of the Medicaid program. We report our financial performance based on two reportable segments: Health Plans and Molina Medicaid Solutions.

Our Health Plans segment comprises health plans in California, Florida, Michigan, New Mexico, Ohio, Texas, Utah, Washington, and Wisconsin, and includes our direct delivery business. As of June 30, 2013, these health plans served approximately 1.8 million members eligible for Medicaid, Medicare, and other government-sponsored health care programs for low-income families and individuals. The health plans are operated by our respective wholly owned subsidiaries in those states, each of which is licensed as a health maintenance organization, or HMO. Our direct delivery business consists of primary care community clinics in California, Florida, New Mexico, and Washington.

Our health plans' state Medicaid contracts generally have terms of three to four years with annual adjustments to premium rates. These contracts are renewable at the discretion of the state. In general, either the state Medicaid agency or the health plan may terminate the state contract with or without cause. Most of these contracts contain renewal options that are exercisable by the state. Our health plan subsidiaries have generally been successful in retaining their contracts. Our state contracts are generally at greatest risk of loss when a state issues a new request for proposals, or RFP, subject to competitive bidding by other health plans. If one of our health plans is not a successful responsive bidder to a state RFP, its contract may be subject to non-renewal. For instance, on February 17, 2012, the Division of Purchasing of the Missouri Office of Administration notified us that our Missouri health plan, Alliance for Community Health, L.L.C., was not awarded a contract under the Missouri HealthNet Managed Care Request for Proposal; therefore, the Missouri health plan's prior contract with the state expired without renewal on June 30, 2012 subject to certain transition obligations. On April 5, 2013, the Missouri health plan assigned its affiliate, Molina Healthcare of Illinois, Inc., substantially all of its assets and liabilities. Additionally, the Missouri health plan surrendered its certificate of authority as a health maintenance organization. The Missouri health plan's revenues amounted to $0.2 million and $113.8 million for the six months ended June 30, 2013 and 2012, respectively.

Until the second quarter of 2013, we reported the results of the Missouri health plan in continuing operations because of our continuing significant involvement in the payment of medical claims incurred on or prior to June 30, 2012, for that entity. On May 13, 2013, we abandoned our equity interests in the Missouri health plan to an unrelated entity, and assigned the Missouri health plan's surviving rights, duties and obligations (which we believe to be insignificant) to Molina Healthcare of Illinois, Inc. Effective June 30, 2013, the transition obligations associated with the Missouri health plan's contract with the state terminated. As a result of these activities, we commenced reporting the Missouri health plan as a discontinued operation as of June 30, 2013. In connection with the abandonment of our equity interests in the Missouri health plan to an unrelated entity, we recognized a $9.5 million tax benefit for the tax deduction associated with the basis of such equity interests, which is included in discontinued operations in our consolidated statement of operations. Additionally, we recognized a pretax loss of $0.5 million for the write off of the Missouri health plan's remaining assets in the second quarter of 2013.

Our state Medicaid contracts may be periodically amended to include or exclude certain health benefits (such as pharmacy services, behavioral health services, or long-term care services); populations (such as the aged, blind or disabled, or ABD); and regions or service areas. For example, our Texas health plan added significant membership effective March 1, 2012, in service areas we had not previously served (the Hidalgo and El Paso service areas); and among populations we had not previously served within existing service areas, such as the Temporary Assistance for Needy Families, or TANF, population in the Dallas service area. Additionally, the health benefits provided to our TANF and ABD members in Texas under our contracts with the state were expanded to include inpatient facility and pharmacy services effective March 1, 2012.

On July 3, 2013, we announced that our New Mexico health plan has entered into a definitive agreement to assume Lovelace Community Health Plan's contract for the New Mexico Medicaid Salud! Program. Lovelace Community Health Plan currently participates in the New Mexico Medicaid Salud! State Coverage Insurance Program and arranges for healthcare services for approximately 84,000 New Mexicans. Our New Mexico health plan serves over 92,000 Medicaid members across the state. Subject to satisfaction of customary closing conditions, we anticipate completing the transaction on August 1, 2013; the total payment to Lovelace Community Health Plan will be based on the membership transferred as of that date.

Our Molina Medicaid Solutions segment provides business processing and information technology development and administrative services to Medicaid agencies in Idaho, Louisiana, Maine, New Jersey, and West Virginia, and drug rebate administration services in Florida.

On June 9, 2011, Molina Medicaid Solutions received notice from the state of Louisiana that the state intended to award the contract for a replacement Medicaid Management Information System (MMIS) to a different vendor, CNSI. However, in March 2013, the state of Louisiana cancelled its contract award to CNSI. CNSI is currently challenging the contract cancellation. The state has informed us that we will continue to perform under our current contract until a successor is named. At such time as a new RFP may be issued, we intend to respond to the state's RFP. For the six months ended June 30, 2013, our revenue under the Louisiana MMIS contract was approximately $20.2 million, or 20.3% of total service revenue. So long as our Louisiana MMIS contract continues, we expect to recognize approximately $40 million of service revenue annually under this contract.

Consolidation and Interim Financial Information

The consolidated financial statements include the accounts of Molina Healthcare, Inc., its subsidiaries and variable interest entities in which Molina Healthcare, Inc. is considered to be the primary beneficiary. Such variable interest entities are insignificant to our consolidated financial position and results of operations. In the opinion of management, all adjustments considered necessary for a fair presentation of the results as of the date and for the interim periods presented have been included; such adjustments consist of normal recurring adjustments. All significant intercompany balances and transactions have been eliminated. The consolidated results of operations for the current interim period are not necessarily indicative of the results for the entire year ending December 31, 2013.

The unaudited consolidated interim financial statements have been prepared under the assumption that users of the interim financial data have either read or have access to our audited consolidated financial statements for the fiscal year ended December 31, 2012. Accordingly, certain disclosures that would substantially duplicate the disclosures contained in the December 31, 2012 audited consolidated financial statements have been omitted. These unaudited consolidated interim financial statements should be read in conjunction with our December 31, 2012 audited consolidated financial statements.

Reclassifications

We have reclassified certain amounts in the 2012 consolidated balance sheet, and statements of operations and cash flows to conform to the 2013 presentation.

2. Significant Accounting Policies

Revenue Recognition

Premium Revenue – Health Plans Segment

Premium revenue is fixed in advance of the periods covered and, except as described below, is not generally subject to significant accounting estimates. Premium revenues are recognized in the month that members are entitled to receive health care services.

Certain components of premium revenue are subject to accounting estimates. The components of premium revenue subject to estimation fall into two categories:

(1) Contractual provisions that may limit revenue based upon the costs incurred or the profits realized under a specific contract: These are contractual provisions that require the health plan to return premiums to the extent that certain thresholds are not met. In some instances premiums are returned when medical costs fall below a certain percentage of gross premiums; or when administrative costs or profits exceed a certain percentage of gross premiums. In other instances, premiums are partially determined by the acuity of care provided to members (risk adjustment). To the extent that our expenses and profits change

from the amounts previously reported (due to changes in estimates), our revenue earned for those periods will also change. In all of these instances, our revenue is only subject to estimate due to the fact that the thresholds themselves contain elements (expense or profit) that are subject to estimate. While we have adequate experience and data to make sound estimates of our expenses or profits, changes to those estimates may be necessary, which in turn would lead to changes in our estimates of revenue. In general, a change in estimate relating to expense or profit would offset any related change in estimate to premium, resulting in no or small impact to net income. The following contractual provisions fall into this category:

California Health Plan Medical Cost Floors (Minimums): A portion of certain premiums received by our California health plan may be returned to the state if certain minimum amounts are not spent on defined medical care costs. We recorded a liability under the terms of these contract provisions of approximately $0.7 million and $0.3 million at June 30, 2013, and December 31, 2012, respectively.

Florida Health Plan Medical Cost Floor (Minimum): A portion of premiums received by our Florida health plan may be returned to the state if certain minimum amounts are not spent on defined behavioral health care costs (in all counties except Broward). A similar minimum expenditure is required for total health care costs in Broward county only. At both June 30, 2013, and December 31, 2012, we had not recorded any liability under the terms of these contract provisions.

New Mexico Health Plan Medical Cost Floors (Minimums) and Administrative Cost and Profit Ceilings (Maximums): Our contract with the state of New Mexico directs that a portion of premiums received may be returned to the state if certain minimum amounts are not spent on defined medical care costs, or if administrative costs or profit, as defined in the contract, exceed certain amounts. At both June 30, 2013, and December 31, 2012, we had not recorded any liability under the terms of these contract provisions.

Ohio Health Plan Medical Cost Floors (Minimums): Sanctions may be levied by the state if certain minimum amounts are not spent on defined medical care costs. These sanctions include the requirements to file a corrective action plan as well as an enrollment freeze.

Texas Health Plan Profit Sharing: Under our contract with the state of Texas, there is a profit-sharing agreement under which we pay a rebate to the state of Texas if our Texas health plan generates pretax income, as defined in the contract, above a certain specified percentage, as determined in accordance with a tiered rebate schedule. We are limited in the amount of administrative costs that we may deduct in calculating the rebate, if any. As a result of profits in excess of the amount we are allowed to fully retain, we had accrued an aggregate liability of approximately $3.9 million and $3.2 million pursuant to our profit-sharing agreement with the state of Texas at June 30, 2013, and December 31, 2012, respectively.

Washington Health Plan Medical Cost Floors (Minimums): A portion of certain premiums received by our Washington health plan may be returned to the state if certain minimum amounts are not spent on defined medical care costs. At June 30, 2013, and December 31, 2012, we had not recorded any liability under the terms of this contract provision.

Medicare Revenue Risk Adjustment: Based on member encounter data that we submit to the Centers for Medicare and Medicaid Services, or CMS, our Medicare premiums are subject to retroactive adjustment for both member risk scores and member pharmacy cost experience for up to two years after the original year of service. This adjustment takes into account the acuity of each member's medical needs relative to what was anticipated when premiums were originally set for that member. In the event that a member requires less acute medical care than was anticipated by the original premium amount, CMS may recover premium from us. In the event that a member requires more acute medical care than was anticipated by the original premium amount, CMS may pay us additional retroactive premium. A similar retroactive reconciliation is undertaken by CMS for our Medicare members' pharmacy utilization. We estimate the amount of Medicare revenue that will ultimately be realized for the periods presented based on our knowledge of our members' heath care utilization patterns and CMS practices. Based on our knowledge of member health care utilization patterns and expenses we have recorded a net receivable of approximately $7.1 million and $0.3 million as of June 30, 2013 and December 31, 2012, respectively for anticipated Medicare risk adjustment premiums.

(2) Quality incentives that allow us to recognize incremental revenue if certain quality standards are met: These are contract provisions that allow us to earn additional premium revenue in certain states if we achieve certain quality-of-care or administrative measures. We estimate the amount of revenue that will ultimately be realized for the periods presented based on our experience and expertise in meeting the quality and administrative measures as well as our ongoing and current monitoring of our progress in meeting those measures. The amount of the revenue that we will realize under these contractual provisions is determinable based upon that experience. The following contractual provisions fall into this category:

New Mexico Health Plan Quality Incentive Premiums: Under our contract with the state of New Mexico, incremental revenue of up to 0.75% of our total premium is earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care and administrative measures dictated by the state.

Ohio Health Plan Quality Incentive Premiums: Under our contract with the state of Ohio, incremental revenue of up to 1% of our total premium is earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care measures dictated by the state.

Texas Health Plan Quality Incentive Premiums: Effective March 1, 2012, under our contract with the state of Texas, incremental revenue of up to 5% of our total premium may be earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care measures established by the state.

Wisconsin Health Plan Quality Incentive Premiums: Under our contract with the state of Wisconsin, incremental revenue of up to 3.25% of total premium is earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care measures dictated by the state.

The following table quantifies the quality incentive premium revenue recognized for the periods presented, including the amounts earned in the period presented and prior periods. Although the reasonably possible effects of a change in estimate related to quality incentive premium revenue as of June 30, 2013 are not known, we have no reason to believe that the adjustments to prior years noted below are not indicative of the potential future changes in our estimates as of June 30, 2013.

	Three Months Ended June 30, 2013				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
	(In thousands)				
New Mexico	$ 588	$ 535	$ 49	$ 584	$ 86,527
Ohio	2,964	1,087	553	1,640	292,706
Texas	15,675	15,675	2,752	18,427	324,600
Wisconsin	1,269	—	495	495	37,740
	$ 20,496	$ 17,297	$ 3,849	$ 21,146	$ 741,573

	Three Months Ended June 30, 2012				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
	(In thousands)				
New Mexico	$ 561	$ 482	$ 630	$ 1,112	$ 82,706
Ohio	2,720	2,720	—	2,720	297,069
Texas	18,252	14,284	—	14,284	359,486
Wisconsin	449	—	246	246	18,788
	$ 21,982	$ 17,486	$ 876	$ 18,362	$ 758,049

	Six Months Ended June 30, 2013				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
			(In thousands)		
New Mexico	$ 1,173	$ 867	$ 157	$ 1,024	$ 172,325
Ohio	5,969	2,139	553	2,692	584,224
Texas	31,939	29,187	8,747	37,934	659,896
Wisconsin	2,030	—	1,104	1,104	64,864
	$ 41,111	$ 32,193	$ 10,561	$ 42,754	$ 1,481,309

	Six Months Ended June 30, 2012				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
			(In thousands)		
New Mexico	$ 1,116	$ 818	$ 658	$ 1,476	$ 163,932
Ohio	5,398	5,398	966	6,364	590,594
Texas	24,002	20,034	—	20,034	557,722
Wisconsin	865	—	246	246	35,930
	$ 31,381	$ 26,250	$ 1,870	$ 28,120	$ 1,348,178

Service Revenue and Cost of Service Revenue — Molina Medicaid Solutions Segment

The payments received by our Molina Medicaid Solutions segment under its state contracts are based on the performance of multiple services. The first of these is the design, development and implementation (DDI) of a Medicaid Management Information System (MMIS). An additional service, following completion of DDI, is the operation of the MMIS under a business process outsourcing (BPO) arrangement. While providing BPO services (which include claims payment and eligibility processing), we also provide the state with other services including both hosting and support and maintenance. Our Molina Medicaid Solutions contracts may extend over a number of years, particularly in circumstances where we are delivering extensive and complex DDI services, such as the initial design, development and implementation of a complete MMIS. For example, the terms of our most recently implemented Molina Medicaid Solutions contracts (in Idaho and Maine) were each seven years in total, consisting of two years allocated for the delivery of DDI services, followed by five years for the performance of BPO services. We receive progress payments from the state during the performance of DDI services based upon the attainment of predetermined milestones. We receive a flat monthly payment for BPO services under our Idaho and Maine contracts. The terms of our other Molina Medicaid Solutions contracts – which primarily involve the delivery of BPO services with only minimal DDI activity (consisting of system enhancements) – are shorter in duration than our Idaho and Maine contracts.

We have evaluated our Molina Medicaid Solutions contracts to determine if such arrangements include a software element. Based on this evaluation, we have concluded that these arrangements do not include a software element. As such, we have concluded that our Molina Medicaid Solutions contracts are multiple-element service arrangements.

Additionally, we evaluate each required deliverable under our multiple-element service arrangements to determine whether it qualifies as a separate unit of accounting. Such evaluation is generally based on whether the deliverable has standalone value to the customer. The arrangement's consideration that is fixed or determinable is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. In general, the consideration allocated to each unit of accounting is recognized as the related goods or services are delivered, limited to the consideration that is not contingent.

We have concluded that the various service elements in our Molina Medicaid Solutions contracts represent a single unit of accounting due to the fact that DDI, which is the only service performed in advance of the other services (all other services are performed over an identical period), does not have standalone value because our DDI services are not sold separately by any vendor and the customer could not resell our DDI services. Further, we have no objective and reliable evidence of fair value for any of the individual elements in these contracts, and at no point in the contract will we have objective and reliable

evidence of fair value for the undelivered elements in the contracts. We lack objective and reliable evidence of the fair value of the individual elements of our Molina Medicaid Solutions contracts for the following reasons:

- Each contract calls for the provision of its own specific set of services. While all contracts support the system of record for state MMIS, the actual services we provide vary significantly between contracts; and
- The nature of the MMIS installed varies significantly between our older contracts (proprietary mainframe systems) and our new contracts (commercial off-the-shelf technology solutions).

Because we have determined the services provided under our Molina Medicaid Solutions contracts represent a single unit of accounting and because we are unable to determine a pattern of performance of services during the contract period, we recognize all revenue (both the DDI and BPO elements) associated with such contracts on a straight-line basis over the period during which BPO, hosting, and support and maintenance services are delivered. As noted above, the period of performance of BPO services under our Idaho and Maine contracts is five years. Therefore, absent any contingencies as discussed in the following paragraph, we would recognize all revenue associated with those contracts over a period of five years. In cases where there is no DDI element associated with our contracts, BPO revenue is recognized on a monthly basis as specified in the applicable contract or contract extension.

Provisions specific to each contract may, however, lead us to modify this general principle. In those circumstances, the right of the state to refuse acceptance of services, as well as the related obligation to compensate us, may require us to delay recognition of all or part of our revenue until that contingency (the right of the state to refuse acceptance) has been removed. In those circumstances we defer recognition of any contingent revenue (whether DDI, BPO services, hosting, and support and maintenance services) until the contingency has been removed. These types of contingency features are present in our Maine and Idaho contracts. In those states, we deferred recognition of revenue until the contingencies were removed.

Costs associated with our Molina Medicaid Solutions contracts include software-related costs and other costs. With respect to software related costs, we apply the guidance for internal-use software and capitalize external direct costs of materials and services consumed in developing or obtaining the software, and payroll and payroll-related costs associated with employees who are directly associated with and who devote time to the computer software project. With respect to all other direct costs, such costs are expensed as incurred, unless corresponding revenue is being deferred. If revenue is being deferred, direct costs relating to delivered service elements are deferred as well and are recognized on a straight-line basis over the period of revenue recognition, in a manner consistent with our recognition of revenue that has been deferred. Such direct costs can include:

- Transaction processing costs;
- Employee costs incurred in performing transaction services ;
- Vendor costs incurred in performing transaction services;
- Costs incurred in performing required monitoring of and reporting on contract performance ;
- Costs incurred in maintaining and processing member and provider eligibility ; and
- Costs incurred in communicating with members and providers .

The recoverability of deferred contract costs associated with a particular contract is analyzed on a periodic basis using the undiscounted estimated cash flows of the whole contract over its remaining contract term. If such undiscounted cash flows are insufficient to recover the long-lived assets and deferred contract costs, the deferred contract costs are written down by the amount of the cash flow deficiency. If a cash flow deficiency remains after reducing the balance of the deferred contract costs to zero, any remaining long-lived assets are evaluated for impairment. Any such impairment recognized would equal the amount by which the carrying value of the long-lived assets exceeds the fair value of those assets .

Income Taxes

The provision for income taxes is determined using an estimated annual effective tax rate, which is generally greater than the U.S. federal statutory rate primarily because of state taxes and non-deductible compensation under a provision of the Affordable Care Act that limits deductions claimed by health insurers on compensation earned after December 31, 2009 that is paid after December 31, 2012. The effective tax rate may be subject to fluctuations during the year as new information is obtained. Such information may affect the assumptions used to estimate the annual effective tax rate, including factors such as the mix of pretax earnings in the various tax jurisdictions in which we operate, valuation allowances against deferred tax assets, the recognition or derecognition of tax benefits related to uncertain tax positions, and changes in or the interpretation of tax laws in jurisdictions where we conduct business. We recognize deferred tax assets and liabilities for temporary differences

between the financial reporting basis and the tax basis of our assets and liabilities, along with net operating loss and tax credit carryovers.

The total amount of unrecognized tax benefits was $10.6 million as of June 30, 2013 and December 31, 2012. Approximately $8.4 million of the unrecognized tax benefits recorded at June 30, 2013 and December 31, 2012, relate to a tax position claimed on a state refund claim that will not result in a cash payment for income taxes if our claim is denied. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was $7.4 million as of June 30, 2013 and December 31, 2012. We expect that during the next 12 months it is reasonably possible that unrecognized tax benefit liabilities may decrease by as much as $8.6 million due to the expiration of statute of limitations and the resolution to the state refund claim described above.

Our continuing practice is to recognize interest and/or penalties related to unrecognized tax benefits in income tax expense. As of June 30, 2013, and December 31, 2012, we had accrued $75,000 and $56,000, respectively, for the payment of interest and penalties.

Recent Accounting Pronouncements

Reclassifications Out of Accumulated Other Comprehensive Income . In February 2013, the Financial Accounting Standards Board (FASB) issued guidance for the reporting of amounts reclassified out of accumulated other comprehensive income. The new guidance requires entities to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. generally accepted accounting principles (GAAP) to be reclassified in its entirety to net income. The new guidance does not change the current requirements for reporting net income or other comprehensive income in financial statements and is effective prospectively for reporting periods beginning after December 15, 2012. The adoption of this new guidance in 2013 did not impact our financial position, results of operations or cash flows.

Balance Sheet Offsetting. In December 2011, the FASB issued guidance for new disclosure requirements related to the nature of an entity's rights of set-off and related arrangements associated with its financial instruments and derivative instruments. The new guidance is effective for annual reporting periods, and interim periods within those years, beginning on or after January 1, 2013. The adoption of this new guidance in 2013 did not impact our financial position, results of operations or cash flows.

Federal Premium-Based Assessment. In July 2011, the FASB issued guidance related to accounting for the fees to be paid by health insurers to the federal government under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (ACA). The ACA imposes an annual fee on health insurers for each calendar year beginning on or after January 1, 2014. The fee will be imposed beginning in 2014 based on a company's share of the industry's net premiums written during the preceding calendar year.

The new guidance specifies that the liability for the fee should be estimated and recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the fee is payable with a corresponding deferred cost that is amortized to expense using a straight-line method of allocation unless another method better allocates the fee over the calendar year that it is payable. The new guidance is effective for annual reporting periods beginning after December 31, 2013, when the fee initially becomes effective. As enacted, this federal premium-based assessment is non-deductible for income tax purposes, and is anticipated to be significant. It is yet undetermined how this premium-based assessment will be factored into the calculation of our premium rates, if at all. Accordingly, adoption of this guidance and the enactment of this assessment as currently written will have a material impact on our financial position, results of operations, or cash flows in future periods. We are currently evaluating the impact of the fee to our financial position, results of operations and cash flows.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants (AICPA), and the Securities and Exchange Commission (SEC) did not have, or are not believed by management to have, a material impact on our present or future consolidated financial statements.

3. Net Income per Share

The following table sets forth the calculation of the denominators used to compute basic and diluted net income per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Shares outstanding at the beginning of the period	45,415	46,347	46,762	45,815
Weighted-average number of shares repurchased	—	—	(1,248)	—
Weighted-average number of shares issued	31	8	198	361
Denominator for basic net income per share	45,446	46,355	45,712	46,176
Dilutive effect of employee stock options and stock grants (1)	378	—	488	—
Dilutive effect of convertible senior notes	683	—	306	—
Denominator for diluted net income per share (2)	46,507	46,355	46,506	46,176

(1) Unvested restricted shares are included in the calculation of diluted income per share when their grant date fair values are below the average fair value of the common shares for each of the periods presented. Options to purchase common shares are included in the calculation of diluted income per share when their exercise prices are below the average fair value of the common shares for each of the periods presented. For the three and six months ended June 30, 2013 there were no anti-dilutive weighted restricted shares. For the three and six months ended June 30, 2013 there were approximately 60,000 and 42,800 anti-dilutive weighted options, respectively. Potentially dilutive unvested restricted shares and stock options were not included in the computation of diluted loss per share for the three and six months ended June 30, 2012, because to do so would have been anti-dilutive.

(2) Potentially dilutive shares issuable pursuant to our 1.125% Warrants (defined in Note 10, "Long-Term Debt") were not included in the computation of diluted income per share for the three and six month period ended June 30, 2013, because to do so would have been anti-dilutive. Potentially dilutive shares issuable pursuant to our 3.75% Notes (defined in Note 10, "Long-Term Debt") were not included in the computation of diluted loss per share for the three and six month period ended June 30, 2012, because to do so would have been anti-dilutive.

4. Stock-Based Compensation

At June 30, 2013, we had employee equity incentives outstanding under two plans: (1) the 2011 Equity Incentive Plan; and (2) the 2002 Equity Incentive Plan (from which equity incentives are no longer awarded).

In March 2013, our named executive officers were granted restricted stock awards with performance conditions as follows: our chief executive officer was awarded 186,858 shares, our chief financial officer was awarded 93,429 shares, our chief operating officer was awarded 62,286 shares, our chief accounting officer was awarded 28,029 shares, and our general counsel was awarded 21,800 shares. These awards were apportioned into four equal increments, and will vest in accordance with the following four measures: (i) 1/4th will vest in equal 1/3rd increments over three years on March 1, 2014, March 1, 2015, and March 1, 2016; (ii) 1/4th will vest upon our achievement of three-year Total Stockholder Return as determined by Institutional Shareholder Services Inc. (ISS) calculations for the three-year period ending December 31, 2013 equal to or greater than the 50th percentile within our ISS peer group; (iii) 1/4th shall vest upon our achievement of total revenue in any of the 2013, 2014, or 2015 fiscal years equal to or greater than $12 billion; and (iv) 1/4th shall vest upon our achievement of the three-year earnings before interest, taxes, depreciation and amortization (EBITDA) margin percentage for the three-year period ending December 31, 2013 equal to or greater than 2.5%. In the event the vesting conditions are not achieved, the awards shall lapse. As of June 30, 2013, such performance goals have not yet been met, but we do expect the awards to vest in full.

Charged to general and administrative expenses, total stock-based compensation expense was as follows for the three month and six month periods ended June 30, 2013 and 2012:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Restricted stock and performance awards	$ 7,111	$ 4,452	$ 10,959	$ 8,850
Employee stock purchase plan and stock options	618	694	1,191	962
	$ 7,729	$ 5,146	$ 12,150	$ 9,812

As of June 30, 2013, there was $35.2 million of total unrecognized compensation expense related to unvested restricted share awards, which we expect to recognize over a remaining weighted-average period of 1.9 years. Also as of June 30, 2013,

there was $0.7 million of total unrecognized compensation expense related to unvested stock options, which we expect to recognize over a weighted-average period of 2.5 years.

Restricted stock activity for the six months ended June 30, 2013 is summarized below:

	Shares	Weighted Average Grant Date Fair Value
Unvested balance as of December 31, 2012	986,577	$ 23.74
Granted	1,038,880	31.53
Vested	(495,221)	23.64
Forfeited	(21,751)	26.63
Unvested balance as of June 30, 2013	1,508,485	29.10

The total fair value of restricted stock and stock unit awards, including those with performance conditions, granted during the six months ended June 30, 2013 and 2012 was $33.1 million and $22.4 million, respectively. The total fair value of restricted stock and stock unit awards vested during the six months ended June 30, 2013 and 2012 was $16.2 million and $23.6 million, respectively.

Stock option activity for the six months ended June 30, 2013 is summarized below:

	Options	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual term
			(In thousands)	(Years)
Outstanding as of December 31, 2012	414,061	$ 22.39		
Granted	45,000	33.02		
Exercised	(54,500)	17.93		
Forfeited	(300)	17.63		
Outstanding as of June 30, 2013	404,261	24.18	$ 5,255	3.8
Stock options exercisable and expected to vest as of June 30, 2013	404,261	24.18	$ 5,255	3.8
Exercisable as of June 30, 2013	349,261	22.74	$ 5,045	2.9

The weighted-average grant date fair value per share of stock options awarded to the new members of our board of directors during the six months ended June 30, 2013 was $14.67. The weighted-average grant date fair value per share of the stock option awarded to the director appointed during 2012 was $13.97. To determine the fair values of these stock options we applied risk-free interest rates of 1.1% to 1.4%, expected volatilities of 41.3% to 43.0%, dividend yields of 0%, and expected lives of 6 years to 7 years.

5. Fair Value Measurements

Our consolidated balance sheets include the following financial instruments: cash and cash equivalents, investments, receivables, a derivative asset, trade accounts payable, medical claims and benefits payable, long-term debt, a derivative liability, and other liabilities. We consider the carrying amounts of cash and cash equivalents, receivables, other current assets and current liabilities to approximate their fair values because of the relatively short period of time between the origination of these instruments and their expected realization or payment. For our financial instruments measured at fair value on a recurring basis, we prioritize the inputs used in measuring fair value according to a three-tier fair value hierarchy as follows:

- *Level 1 — Observable inputs such as quoted prices in active markets:* Our Level 1 financial instruments recorded at fair value consist of investments including government-sponsored enterprise securities (GSEs) and U.S. treasury notes that are classified as current investments in the accompanying consolidated balance sheets. These financial instruments are actively traded and therefore the fair value for these securities is based on quoted market prices on one or more securities exchanges.

- *Level 2 — Inputs other than quoted prices in active markets that are either directly or indirectly observable:* Our Level 2 financial instruments recorded at fair value consist of investments including corporate debt securities, municipal securities, and certificates of deposit that are classified as current investments in the accompanying consolidated balance sheets. Our investments classified as Level 2 are traded frequently though not necessarily daily. Fair value for these investments is determined using a market approach based on quoted prices for similar securities in active markets or quoted prices for identical securities in inactive markets.
- *Level 3 — Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions:* Our Level 3 financial instruments recorded at fair value include non-current auction rate securities that are designated as available-for-sale, and are reported at fair value of $12.5 million (par value of $13.4 million) as of June 30, 2013. To estimate the fair value of these securities we use valuation data from our primary pricing source, a third party who provides a marketplace for illiquid assets with over 10,000 participants including global financial institutions, hedge funds, private equity funds, mutual funds, corporations and other institutional investors. This valuation data is based on a range of prices that represent indicative bids from potential buyers. To validate the reasonableness of the data, we compare these valuations to data from two other third-party pricing sources, which also provide a range of prices representing indicative bids from potential buyers. We have concluded that these estimates, given the lack of market available pricing, provide a reasonable basis for determining the fair value of the auction rate securities as of June 30, 2013.

  Additionally, Level 3 financial instruments include derivative financial instruments comprising the 1.125% Call Option asset, and the embedded cash conversion option liability. These derivatives are not actively traded and are valued based on an option pricing model that uses observable and unobservable market data for inputs. Significant market data inputs used to determine fair value as of June 30, 2013 included our common stock price, time to maturity of the derivative instruments, the risk-free interest rate, and the implied volatility of our common stock. As described further in Note 10, “Long-Term Debt,” and Note 11, “Derivative Financial Instruments,” the 1.125% Call Option asset and the embedded cash conversion option liability were designed such that changes in their fair values would offset, with minimal impact to the consolidated statements of operations. Therefore, the sensitivity of changes in the unobservable inputs to the option pricing model for such instruments is mitigated.

Our financial instruments measured at fair value on a recurring basis at June 30, 2013, were as follows:

	Total	Level 1	Level 2	Level 3
	(In thousands)			
Corporate debt securities	$ 463,723	$ —	$ 463,723	$ —
GSEs	84,101	84,101	—	—
Municipal securities	105,936	—	105,936	—
U.S. treasury notes	26,495	26,495	—	—
Certificates of deposit	38,289	—	38,289	—
Auction rate securities	12,527	—	—	12,527
1.125% Call Option derivative asset	207,123	—	—	207,123
Total assets measured at fair value on a recurring basis	$ 938,194	$ 110,596	$ 607,948	$ 219,650
Embedded cash conversion option derivative liability	$ 207,017	$ —	$ —	$ 207,017

Our financial instruments measured at fair value on a recurring basis at December 31, 2012, were as follows:

	Total	Level 1	Level 2	Level 3
		(In thousands)		
Corporate debt securities	$ 191,008	$ —	$ 191,008	$ —
GSEs	29,525	29,525	—	—
Municipal securities	75,848	—	75,848	—
U.S. treasury notes	35,740	35,740	—	—
Certificates of deposit	10,724	—	10,724	—
Auction rate securities	13,419	—	—	13,419
Total assets measured at fair value on a recurring basis	$ 356,264	$ 65,265	$ 277,580	$ 13,419
Interest rate swap derivative liability	$ 1,307	$ —	$ 1,307	$ —

The following tables present activity relating to our assets (liabilities) measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Changes in Level 3 Instruments for the Six Months Ended June 30, 2013		
	Total	Auction Rate Securities	Derivatives, Net
		(In thousands)	
Balance at December 31, 2012	$ 13,419	$ 13,419	$ —
Net unrealized gains included in other comprehensive income	358	358	—
Net unrealized gains (losses) included in other expense	(3,817)	—	(3,817)
Issuances	(75,074)	—	(75,074)
Settlements and derivative redesignation	77,747	(1,250)	78,997
Balance at June 30, 2013	$ 12,633	$ 12,527	$ 106
The amount of total unrealized gains for the period included in other comprehensive income attributable to the change in accumulated other comprehensive losses relating to assets still held at June 30, 2013	$ 290	$ 290	$ —

	Changes in Level 3 Instruments for the Year Ended December 31, 2012		
	Total	Auction Rate Securities	Derivatives, Net
		(In thousands)	
Balance at December 31, 2011	$ 16,134	$ 16,134	$ —
Net unrealized gains included in other comprehensive income	1,635	1,635	—
Settlements	(4,350)	(4,350)	—
Balance at December 31, 2012	$ 13,419	$ 13,419	$ —
The amount of total unrealized gains for the period included in other comprehensive income attributable to the change in accumulated other comprehensive losses relating to assets still held at December 31, 2012	$ 1,059	$ 1,059	$ —

Fair Value Measurements – Disclosure Only

The carrying amounts and estimated fair values of our long-term debt, as well as the applicable fair value hierarchy tiers, are contained in the tables below. Our convertible senior notes are classified as Level 2 financial instruments. Fair value for these securities is determined using a market approach based on quoted prices for similar securities in active markets or quoted prices for identical securities in inactive markets. As described in greater detail Note 10, "Long-Term Debt," we recorded lease financing obligations in connection with sale-leaseback transactions executed in the first half of 2013. The lease financing obligations are classified as Level 3 financial instruments because certain inputs used to determine their fair value are unobservable. At June 30, 2013, the carrying amount of the lease financing obligations approximate their fair value because of the short period of time between the origination of the obligations in 2013, and June 30, 2013. The credit facility was repaid and terminated effective February 15, 2013, and the term loan was repaid on June 13, 2013.

	June 30, 2013				
	Carrying Value	Total Fair Value	Level 1	Level 2	Level 3
			(In thousands)		
1.125% Notes	$ 407,215	$ 608,416	$ —	$ 608,416	$ —
3.75% Notes	178,610	242,466	—	242,466	—
Lease financing obligations	175,666	175,666	—	—	175,666
	$ 761,491	$ 1,026,548	$ —	$ 850,882	$ 175,666

	December 31, 2012				
	Carrying Value	Total Fair Value	Level 1	Level 2	Level 3
			(In thousands)		
3.75% Notes	$ 175,468	$ 208,460	$ —	$ 208,460	$ —
Term loan	47,471	47,471	—	—	47,471
Credit facility	40,000	40,000	—	—	40,000
	$ 262,939	$ 295,931	$ —	$ 208,460	$ 87,471

6. Investments

The following tables summarize our investments as of the dates indicated:

	June 30, 2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(In thousands)		
Corporate debt securities	$ 465,943	$ 215	$ 2,436	$ 463,722
GSEs	84,310	9	218	84,101
Municipal securities	106,933	103	1,100	105,936
U.S. treasury notes	26,557	11	72	26,496
Certificates of deposit	38,291	3	5	38,289
Subtotal - current investments	722,034	341	3,831	718,544
Auction rate securities	13,400	—	873	12,527
	$ 735,434	$ 341	$ 4,704	$ 731,071

	December 31, 2012			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
		(In thousands)		
Corporate debt securities	$ 190,545	$ 528	$ 65	$ 191,008
GSEs	29,481	45	1	29,525
Municipal securities	75,909	185	246	75,848
U.S. treasury notes	35,700	42	2	35,740
Certificates of deposit	10,715	9	—	10,724
Subtotal - current investments	342,350	809	314	342,845
Auction rate securities	14,650	—	1,231	13,419
	$ 357,000	$ 809	$ 1,545	$ 356,264

The contractual maturities of our investments as of June 30, 2013 are summarized below:

	Cost	Estimated Fair Value
	(In thousands)	
Due in one year or less	$ 348,784	$ 348,700
Due one year through five years	373,250	369,844
Due after ten years	13,400	12,527
	$ 735,434	$ 731,071

Gross realized gains and gross realized losses from sales of available-for-sale securities are calculated under the specific identification method and are included in investment income. Net realized investment gains for the three months ended June 30, 2013, and 2012 were $48,000 and $174,000, respectively. Net realized investment gains for the six months ended June 30, 2013, and 2012 were $142,000 and $238,000, respectively.

We monitor our investments for other-than-temporary impairment. For investments other than our auction rate securities, discussed below, we have determined that unrealized gains and losses at June 30, 2013, and December 31, 2012, are temporary in nature, because the change in market value for these securities has resulted from fluctuating interest rates, rather than a deterioration of the credit worthiness of the issuers. So long as we hold these securities to maturity, we are unlikely to experience gains or losses. In the event that we dispose of these securities before maturity, we expect that realized gains or losses, if any, will be immaterial.

The following tables segregate those available-for-sale investments that have been in a continuous loss position for less than 12 months, and those that have been in a loss position for 12 months or more as of June 30, 2013.

	In a Continuous Loss Position for Less than 12 Months			In a Continuous Loss Position for 12 Months or More		
	Estimated Fair Value	Unrealized Losses	Total Number of Securities	Estimated Fair Value	Unrealized Losses	Total Number of Securities
	(Dollars in thousands)					
Corporate debt securities	$ 349,918	$ 2,436	158	$ —	$ —	—
Municipal securities	82,592	1,100	100	—	—	—
GSEs	70,453	218	27	—	—	—
U.S. treasury notes	20,720	72	17	—	—	—
Certificates of deposit	4,743	5	19	—	—	—
Auction rate securities	—	—	—	12,527	873	18
	$ 528,426	$ 3,831	321	$ 12,527	$ 873	18

The following table segregates those available-for-sale investments that have been in a continuous loss position for less than 12 months, and those that have been in a loss position for 12 months or more as of December 31, 2012.

	In a Continuous Loss Position for Less than 12 Months			In a Continuous Loss Position for 12 Months or More		
	Estimated Fair Value	Unrealized Losses	Total Number of Securities	Estimated Fair Value	Unrealized Losses	Total Number of Securities
	(Dollars in thousands)					
Corporate debt securities	$ 44,457	$ 65	23	$ —	$ —	—
Municipal securities	35,223	246	43	—	—	—
GSEs	5,004	1	1	—	—	—
U.S. treasury notes	4,511	2	5	—	—	—
Auction rate securities	—	—	—	13,419	1,231	21
	$ 89,195	$ 314	72	$ 13,419	$ 1,231	21

Auction Rate Securities

Due to events in the credit markets, the auction rate securities held by us experienced failed auctions beginning in the first quarter of 2008, and such auctions have not resumed. Therefore, quoted prices in active markets have not been available since

early 2008. Our investments in auction rate securities are collateralized by student loan portfolios guaranteed by the U.S. government, and the range of maturities for such securities is from 18 years to 34 years. Considering the relative insignificance of these securities when compared with our liquid assets and other sources of liquidity, we have no current intention of selling these securities nor do we expect to be required to sell these securities before a recovery in their cost basis. For this reason, and because the decline in the fair value of the auction securities was not due to the credit quality of the issuers, we do not consider the auction rate securities to be other-than-temporarily impaired at June 30, 2013. At the time of the first failed auctions during first quarter 2008, we held a total of $82.1 million in auction rate securities at par value; since that time, we have settled $68.7 million of these instruments at par value.

For the six months ended June 30, 2013, and 2012, we recorded pretax unrealized gains of $0.4 million and $1.0 million, respectively, to accumulated other comprehensive income for the changes in their fair value. Any future fluctuation in fair value related to these instruments that we deem to be temporary, including any recoveries of previous write-downs, would be recorded to accumulated other comprehensive income. If we determine that any future valuation adjustment was other-than-temporary, we would record a charge to earnings as appropriate.

7. Receivables

Receivables consist primarily of amounts due from the various states in which we operate. Accounts receivable were as follows:

	June 30, 2013	December 31, 2012
	(In thousands)	
Health Plans segment:		
California	$ 94,479	$ 28,553
Florida	1,277	953
Michigan	11,087	12,873
New Mexico	11,720	9,059
Ohio	37,103	40,980
Texas	4,647	7,459
Utah	4,507	3,359
Washington	15,292	17,587
Wisconsin	16,332	4,098
Other	852	2,177
Total Health Plans segment	197,296	127,098
Molina Medicaid Solutions segment	16,480	22,584
	$ 213,776	$ 149,682

8. Restricted Investments

Pursuant to the regulations governing our Health Plans segment subsidiaries, we maintain statutory deposits and deposits required by state authorities in certificates of deposit and U.S. treasury securities. We also maintain restricted investments as protection against the insolvency of certain capitated providers. Additionally, in connection with the Molina Medicaid Solutions segment contracts with the states of Maine and Idaho, we maintain restricted investments as collateral for letters of credit. The

following table presents the balances of restricted investments:

	June 30, 2013	December 31, 2012
	(In thousands)	
California	$ 373	$ 373
Florida	8,492	5,738
Michigan	1,014	1,014
New Mexico	15,917	15,915
Ohio	9,081	9,082
Texas	3,500	3,503
Utah	3,314	3,126
Washington	151	151
Other	4,792	5,199
Total Health Plans segment	46,634	44,101
Molina Medicaid Solutions segment	10,301	—
	$ 56,935	$ 44,101

The contractual maturities of our held-to-maturity restricted investments as of June 30, 2013 are summarized below.

	Amortized Cost	Estimated Fair Value
	(In thousands)	
Due in one year or less	$ 52,694	$ 52,697
Due one year through five years	4,241	4,238
	$ 56,935	$ 56,935

9. Medical Claims and Benefits Payable

The following table presents the components of the change in our medical claims and benefits payable for the periods indicated. The amounts displayed for “Components of medical care costs related to: Prior periods” represent the amount by which our original estimate of claims and benefits payable at the beginning of the period were (more) or less than the actual amount of the liability based on information (principally the payment of claims) developed since that liability was first reported. The following table shows the components of the change in medical claims and benefits payable from continuing and discontinued operations as of the periods indicated:

	Six Months Ended June 30, 2013	Three Months Ended June 30, 2013	Year Ended Dec. 31, 2012
		(Dollars in thousands)	
Balances at beginning of period	$ 494,530	$ 491,145	$ 402,476
Components of medical care costs related to:			
Current period	2,647,083	1,345,592	5,136,055
Prior periods	(62,757)	(50,020)	(39,295)
Total medical care costs	2,584,326	1,295,572	5,096,760
Payments for medical care costs related to:			
Current period	2,206,474	940,186	4,649,363
Prior periods	406,895	381,044	355,343
Total paid	2,613,369	1,321,230	5,004,706
Balances at end of period	$ 465,487	$ 465,487	$ 494,530
Benefit from prior period as a percentage of:			
Balance at beginning of period	12.7%	10.2%	9.8%
Premium revenue, trailing twelve months	1.0%	0.8%	0.7%
Medical care costs, trailing twelve months	1.2%	1.0%	0.8%

Assuming that our initial estimate of claims incurred but not paid (IBNP) is accurate, we believe that amounts ultimately paid out would generally be between 8% and 10% less than the liability recorded at the end of the period as a result of the inclusion in that liability of the allowance for adverse claims development and the accrued cost of settling those claims. Because the amount of our initial liability is merely an estimate (and therefore not perfectly accurate), we will always experience variability in that estimate as new information becomes available with the passage of time. Therefore, there can be no assurance that amounts ultimately paid out will fall within the range of 8% to 10% lower than the liability that was initially recorded. Furthermore, because our initial estimate of IBNP is derived from many factors, some of which are qualitative in nature rather than quantitative, we are seldom able to assign specific values to the reasons for a change in estimate - we only know when the circumstances for any one or more factors are out of the ordinary.

As indicated above, the amounts ultimately paid out on our liabilities in fiscal years 2013 and 2012 were less than what we had expected when we had established our reserves. For example, for the year ended December 31, 2012, the amounts ultimately paid out were less than the amount of the reserves we had established as of December 31, 2011 by 9.8%. While many related factors working in conjunction with one another determine the accuracy of our estimates, we are seldom able to quantify the impact that any single factor has on a change in estimate. In addition, given the variability inherent in the reserving process, we will only be able to identify specific factors if they represent a significant departure from expectations. As a result, we do not expect to be able to fully quantify the impact of individual factors on changes in estimates.

We recognized favorable prior period claims development in the amount of $62.8 million for the six months ended June 30, 2013. This amount represents our estimate, as of June 30, 2013, of the extent to which our initial estimate of medical claims and benefits payable at December 31, 2012 was more than the amount that will ultimately be paid out in satisfaction of that liability. We believe the overestimation of our claims liability at December 31, 2012 was due primarily to the following factors:

- At our Texas health plan, STAR+PLUS (the state's program for ABD members) membership declined during mid– to late– 2012. This caused a reduction in costs per member that we did not fully recognize in our December 31, 2012 reserve estimates.
- At our Washington health plan, prior to July 2012, certain high-cost newborns that were approved for supplemental security income (SSI) coverage by the state were retroactively dis-enrolled from our Healthy Options (TANF) coverage, and the health plan was reimbursed for the claims paid on behalf of these members. Starting July 1, 2012, these newborns, as well as other high-cost disabled members, are now covered by the health plan under the Healthy Options Blind and Disabled (HOBD) program. At the end of 2012, we had limited claims history with which to estimate the claims liability of the HOBD members, and as a result the liability for these high-cost members was overstated.
- For our New Mexico health plan, we overestimated the impact of certain high-dollar outstanding claim payments as of December 31, 2012.

We recognized favorable prior period claims development in the amount of $50.0 million for the three months ended June 30, 2013. This amount represents our estimate as of June 30, 2013, of the extent to which our initial estimate of medical claims and benefits payable at March 31, 2013 was more than the amount that will ultimately be paid out in satisfaction of that liability. We believe the overestimation of our claims liability at March 31, 2013 was due primarily to the following factors:

- At our Washington health plan, we had limited claims history with which to estimate the incurred claims for members enrolled in the HOBD program. Because claims on this group of members were being paid at a rate faster than expected, the reserves for unpaid claims were overstated.
- At our Ohio and New Mexico health plans, we overestimated the impact of several potential high-dollar claims on critically ill members.

We recognized favorable prior period claims development in the amount of $36.4 million and $39.3 million for the six months ended June 30, 2012, and the year ended December 31, 2012, respectively. This was primarily caused by the overestimation of our liability claims and medical benefits at December 31, 2011, as a result of the following factors:

- At our Washington health plan, we underestimated the amount of recoveries we would collect for certain high-cost newborn claims, resulting in an overestimation of reserves at year end.
- At our Texas health plan, we overestimated the cost of new members in STAR+PLUS, in the Dallas region.
- The overestimation of our liability for medical claims and benefits payable was partially offset by an underestimation of that liability at our Missouri health plan, as a result of the costs associated with an unusually large number of premature infants during the fourth quarter of 2011.

In estimating our claims liability at June 30, 2013, we adjusted our base calculation to take account of the following factors which we believe are reasonably likely to change our final claims liability amount:

- In our Texas health plan, we have noted an unusually large number of claims with incurred dates older than 10 months. This has caused some distortion in the claims lag pattern that we use to estimate the incurred claims.
- Our Wisconsin health plan is experiencing significant membership increases, and approximately doubled in size during the first four months of 2013. This new membership is transitioning to our health plan from a terminated health plan. We enrolled approximately 50,000 new members in February, March and April 2013. We have computed a separate reserve analysis for these members and have noted that paid claims thus far are less than what we would expect for newly transitioned members. It has been our experience that when members move to new health plans, there is a delay in the submission of claims for payment. Therefore, we have increased the reserves for this membership, in anticipation of higher claims costs eventually being reported for these members.
- In our Michigan health plan, there were a large number of claim recoveries recorded in June 2013 due to overpayments that resulted from a system configuration issue. These recoveries impacted the completion factors used to estimate incurred claims. While we have attempted to remove this distortion from the claims data to develop a more accurate reserve estimate, this type of correction in claims data adds a degree of uncertainty for the Michigan reserves as of June 30, 2013.

The use of a consistent methodology in estimating our liability for claims and medical benefits payable minimizes the degree to which the under- or overestimation of that liability at the close of one period may affect consolidated results of operations in subsequent periods. In particular, the use of a consistent methodology should result in the replenishment of reserves during any given period in a manner that generally offsets the benefit of favorable prior period development in that period. Facts and circumstances unique to the estimation process at any single date, however, may still lead to a material impact on consolidated results of operations in subsequent periods. Any absence of adverse claims development (as well as the expensing through general and administrative expense of the costs to settle claims held at the start of the period) will lead to the recognition of a benefit from prior period claims development in the period subsequent to the date of the original estimate. In 2012, and for the six months ended June 30, 2013, the absence of adverse development of the liability for claims and medical benefits payable at the close of the previous period resulted in the recognition of substantial favorable prior period development. In both years, however, the recognition of a benefit from prior period claims development did not have a material impact on our consolidated results of operations because the replenishment of reserves in the respective periods generally offset the benefit from the prior period.

10. Long-Term Debt

As of June 30, 2013, maturities of long-term debt for the years ending December 31 are as follows (in thousands):

	Total	2013	2014	2015	2016	2017	Thereafter
1.125% Notes	$ 550,000	$ —	$ —	$ —	$ —	$ —	$ 550,000
3.75% Notes	187,000	—	187,000	—	—	—	—
	$ 737,000	$ —	$ 187,000	$ —	$ —	$ —	$ 550,000

1.125% Cash Convertible Senior Notes due 2020

On February 15, 2013, we settled the issuance of $550.0 million aggregate principal amount of 1.125% Cash Convertible Senior Notes due 2020 (the 1.125% Notes). This transaction included the initial issuance of $450.0 million on February 11, 2013, plus the exercise of the full amount of the $100.0 million over-allotment option on February 13, 2013. The aggregate net proceeds of the 1.125% Notes were $458.9 million, after payment of the net cost of the Call Spread Overlay described below and in Note 11, "Derivative Financial Instruments," and transaction costs. Additionally, we used $50.0 million of the net proceeds to purchase shares of our common stock (see Note 12, "Stockholders' Equity"), and $40.0 million to repay the principal owed under our Credit Facility.

Interest on the 1.125% Notes is payable semiannually in arrears on January 15 and July 15 of each year, at a rate of 1.125% per annum commencing on July 15, 2013. The 1.125% Notes will mature on January 15, 2020 unless repurchased or converted in accordance with their terms prior to such date.

The 1.125% Notes are convertible only into cash, and not into shares of our common stock or any other securities. Holders may convert their 1.125% Notes solely into cash at their option at any time prior to the close of business on the business day immediately preceding July 15, 2019 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2013 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period immediately after any five consecutive trading day period in which the trading price per $1,000 principal amount of 1.125% Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events. On or after July 15, 2019 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 1.125% Notes solely into cash at any time, regardless of the foregoing circumstances. Upon conversion, in lieu of receiving shares of our common stock, a holder will receive an amount in cash, per $1,000 principal amount of 1.125% Notes, equal to the settlement amount, determined in the manner set forth in the indenture.

The initial conversion rate will be 24.5277 shares of our common stock per $1,000 principal amount of 1.125% Notes (equivalent to an initial conversion price of approximately $40.77 per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, we will pay a cash make-whole premium by increasing the conversion rate for a holder who elects to convert its 1.125% Notes in connection with such a corporate event in certain circumstances. We may not redeem the 1.125% Notes prior to the maturity date, and no sinking fund is provided for the 1.125% Notes.

If we undergo a fundamental change (as defined in the indenture to the 1.125% Notes), holders may require us to repurchase for cash all or part of their 1.125% Notes at a repurchase price equal to 100% of the principal amount of the 1.125% Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The indenture provides for customary events of default, including cross acceleration to certain other indebtedness of ours, and our significant subsidiaries.

The 1.125% Notes are senior unsecured obligations, and rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the 1.125% Notes; equal in right of payment to any of our unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

The 1.125% Notes contain an embedded cash conversion option. We have determined that the embedded cash conversion option is a derivative financial instrument, required to be separated from the 1.125% Notes and accounted for separately as a derivative liability, with changes in fair value reported in our consolidated statements of operations until the embedded cash conversion option transaction settles or expires. The initial fair value liability of the embedded cash conversion option was $149.3 million, which simultaneously reduced the carrying value of the 1.125% Notes (effectively an original issuance

discount). For further discussion of the derivative financial instruments relating to the 1.125% Notes, refer to Note 11, "Derivative Financial Instruments."

As noted above, the reduced carrying value on the 1.125% Notes resulted in a debt discount that is amortized to the 1.125% Notes' principal amount through the recognition of interest expense over the expected life of the debt. This has resulted in our recognition of interest expense on the 1.125% Notes at an effective rate approximating what we would have incurred had nonconvertible debt with otherwise similar terms been issued. The effective interest rate of the 1.125% Notes is 5.9%, which is imputed based on the amortization of the fair value of the embedded cash conversion option over the remaining term of the 1.125% Notes. As of June 30, 2013, we expect the 1.125% Notes to be outstanding until their January 15, 2020 maturity date, for a remaining amortization period of 6.5 years. The 1.125% Notes' if-converted value did not exceed their principal amount as of June 30, 2013.

Also in connection with the settlement of the 1.125% Notes, we paid approximately $16.9 million in transaction costs. Such costs have been allocated to the 1.125% Notes, the 1.125% Call Option (defined below) and the 1.125% Warrants (defined below) according to their relative fair values. The amount allocated to the 1.125% Notes, or $12.0 million, was capitalized and will be amortized over the term of the 1.125% Notes. The aggregate amount allocated to the 1.125% Call Option and 1.125% Warrants, or $4.9 million, was recorded to interest expense in the quarter ended March 31, 2013.

1.125% Notes Call Spread Overlay

Concurrent with the issuance of the 1.125% Notes, we entered into privately negotiated hedge transactions (collectively, the 1.125% Call Option) and warrant transactions (collectively, the 1.125% Warrants), with certain of the initial purchasers of the 1.125% Notes (the Counterparties). These transactions represent a Call Spread Overlay, whereby the cost of the 1.125% Call Option we purchased to cover the cash outlay upon conversion of the 1.125% Notes was reduced by the sales price of the 1.125% Warrants. Assuming full performance by the Counterparties (and 1.125% Warrants strike prices in excess of the conversion price of the 1.125% Notes), these transactions are intended to offset cash payments due upon any conversion of the 1.125% Notes. We used $149.3 million of the proceeds from the settlement of the 1.125% Notes to pay for the 1.125% Call Option, and simultaneously received $75.1 million for the sale of the 1.125% Warrants, for a net cash outlay of $74.2 million for the Call Spread Overlay. The 1.125% Call Option is a derivative financial instrument. Until April 22, 2013, the 1.125% Warrants were classified as derivative financial instruments; refer to Note 11, "Derivative Financial Instruments" for further discussion.

Aside from the initial payment of a premium to the Counterparties of $149.3 million for the 1.125% Call Option, we will not be required to make any cash payments to the Counterparties under the 1.125% Call Option, and will be entitled to receive from the Counterparties an amount of cash, generally equal to the amount by which the market price per share of common stock exceeds the strike price of the 1.125% Call Options during the relevant valuation period. The strike price under the 1.125% Call Option is initially equal to the conversion price of the 1.125% Notes. Additionally, if the market value per share of our common stock exceeds the strike price of the 1.125% Warrants on any trading day during the 160 trading day measurement period under the 1.125% Warrants, we will be obligated to issue to the Counterparties a number of shares equal in value to the product of the amount by which such market value exceeds such strike price and 1/160th of the aggregate number of shares of our common stock underlying the 1.125% Warrants, subject to a share delivery cap. We will not receive any additional proceeds if the 1.125% Warrants are exercised. Pursuant to the 1.125% Warrants, we issued 13,490,236 warrants with a strike price of $53.8475 per share. The number of warrants and the strike price are subject to adjustment under certain circumstances.

3.75% Convertible Senior Notes due 2014

We had $187.0 million of 3.75% Convertible Senior Notes due 2014 (the 3.75% Notes) outstanding as of June 30, 2013 and December 31, 2012, respectively. The 3.75% Notes rank equally in right of payment with our existing and future senior indebtedness. The 3.75% Notes are convertible into cash and, under certain circumstances, shares of our common stock. The initial conversion rate is 31.9601 shares of our common stock per one thousand dollar principal amount of the 3.75% Notes. This represents an initial conversion price of approximately $31.29 per share of our common stock. In addition, if certain corporate transactions that constitute a change of control occur prior to maturity, we will increase the conversion rate in certain circumstances.

Because the 3.75% Notes have cash settlement features, we have allocated the proceeds from their issuance between a liability component and an equity component. The reduced carrying value on the 3.75% Notes resulted in a debt discount that is amortized back to the 3.75% Notes' principal amount through the recognition of non-cash interest expense over the expected life of the debt. This has resulted in our recognition of interest expense on the 3.75% Notes at an effective rate approximating what we would have incurred had nonconvertible debt with otherwise similar terms had been issued. The effective interest rate

of the 3.75% Notes is 7.5%, principally based on the seven-year U.S. Treasury note rate as of the October 2007 issuance date, plus an appropriate credit spread. As of June 30, 2013, we expect the 3.75% Notes to be outstanding until their October 1, 2014 maturity date, for a remaining amortization period of 15 months. As of June 30, 2013, the 3.75% Notes' if-converted value exceeded their principal amount by approximately $46 million. The 3.75% Notes' if-converted value did not exceed their principal amount as of December 31, 2012. At June 30, 2013, the equity component of the 3.75% Notes, net of the impact of deferred taxes, was $24.0 million.

The principal amounts, unamortized discount and net carrying amounts of the 1.125% Notes and 3.75% Notes were as follows:

	Principal Balance	Unamortized Discount	Net Carrying Amount
		(In thousands)	
June 30, 2013:			
1.125% Notes	$ 550,000	$ 142,785	$ 407,215
3.75% Notes	187,000	8,390	178,610
	$ 737,000	$ 151,175	$ 585,825
December 31, 2012:			
3.75% Notes	$ 187,000	$ 11,532	$ 175,468

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
		(In thousands)		
Interest cost recognized for the period relating to the:				
Contractual interest coupon rate	$ 3,300	$ 1,753	$ 5,827	$ 3,506
Amortization of the discount	5,965	1,472	9,688	2,915
Total interest cost recognized	$ 9,265	$ 3,225	$ 15,515	$ 6,421

Lease Financing Obligations

On June 12, 2013 we entered into a sale-leaseback transaction for the sale and contemporaneous leaseback of two properties, including the Molina Center located in Long Beach, California, and the building that houses our Ohio health plan located in Columbus, Ohio. We sold the two properties for $158.6 million in the aggregate. Due to our continuing involvement with these leased properties, the sale did not qualify for sale-leaseback accounting treatment and we remain the "accounting owner" of the properties. The carrying values of these properties, including the related intangible assets, amounted to $78.8 million in the aggregate as of June 30, 2013. These assets continue to be included in our consolidated balance sheets, and also continue to be depreciated and amortized over their remaining useful lives. The sales price of $158.6 million was recorded as a lease financing obligation, which is amortized over the 25-year lease term such that there will be no gain or loss recorded if the lease is not extended at the end of its term. Payments under the lease adjust the lease financing obligation, and the imputed interest is recorded to interest expense in our consolidated statements of operations. Transaction costs associated with this transaction, amounting to $3.5 million, have been deferred and will be amortized over the initial lease term. Future minimum rental income on noncancelable leases from third party tenants of these properties, as reported in our December 31, 2012 Form 10-K, is now considered to be sublease rental income, and continues to be reported in rental income in our consolidated statements of operations. The future minimum rental income previously reported as of December 31, 2012 is consistent with our expected sublease rental income as of June 30, 2013. For information regarding the future minimum lease obligation, refer to Note 14, “Commitments and Contingencies.”

As described and defined in further detail in Note 15, "Related Party Transactions," we entered into a lease for office space in February 2013 consisting of two office buildings then under construction. We have concluded that we are the accounting owner of the construction projects because of our continuing involvement in those projects. Therefore, we have recorded $17.0 million to property, equipment and capitalized software, net, in the accompanying consolidated balance sheet as of June 30, 2013, which represents the total cost, including imputed interest, incurred by the Landlord thus far in the construction projects. As of June 30, 2013, the aggregate amounts recorded to property, equipment and capitalized software, net, for both Building A and B are also recorded as a corresponding lease financing obligation of $17.0 million. Payments under the lease adjust the lease financing obligation, and the imputed interest is recorded to interest expense in our consolidated statements of operations. In addition to the capitalization of the costs incurred by the Landlord, we impute and record rent expense relating to the ground leases for the property sites. Such rent expense is computed based on the fair value of the land

and our incremental borrowing rate, and was immaterial for the six months ended June 30, 2013. For information regarding the future minimum lease obligation, refer to Note 14, “Commitments and Contingencies.”

Term Loan

In December 2011, our wholly owned subsidiary, Molina Center LLC, entered into a term loan agreement with various lenders and East West Bank to borrow $48.6 million to finance a portion of the purchase price for the Molina Center, located in Long Beach, California. On June 13, 2013, we repaid the principal balance outstanding under the term loan on that date with proceeds we received in the sale-leaseback transaction described above.

Credit Facility

On February 15, 2013, we used approximately $40.0 million of the net proceeds from the offering of the 1.125% Notes to repay all of the outstanding indebtedness under our $170 million revolving Credit Facility, with various lenders and U.S. Bank National Association, as Line of Credit Issuer, Swing Line Lender, and Administrative Agent. As of December 31, 2012, there was $40.0 million outstanding under the Credit Facility.

We terminated the Credit Facility in connection with the closing of the offering and sale of the 1.125% Notes. Two letters of credit in the aggregate principal amount of $10.3 million that reduced the amount available for borrowing under the Credit Facility as of December 31, 2012, were transferred to direct issue letters of credit with another financial institution. Such direct issue letters of credit are collateralized by restricted investments.

11. Derivative Financial Instruments

The following table summarizes the fair values and the presentation of our derivative financial instruments (defined and discussed individually below) in the consolidated balance sheets:

	Balance Sheet Location	June 30, 2013
		(In thousands)
Derivative asset:		
1.125% Call Option	Non-current assets: Derivative asset	$ 207,123
Derivative liability:		
Embedded cash conversion option	Non-current liabilities: Derivative liability	$ 207,017

Our derivative financial instruments do not qualify for hedge treatment, therefore the change in fair value of these instruments is recognized immediately in our consolidated statements of operations, in other expense. The following table summarizes the gains (losses) recorded in the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Derivative gains (losses):				
1.125% Call Option	$ 59,738	$ —	$ 57,792	$ —
Embedded cash conversion option	(59,708)	—	(57,686)	—
1.125% Warrants	(3,923)	—	(3,923)	—
Interest rate swap	390	(1,086)	433	(1,086)
	$ (3,503)	$ (1,086)	$ (3,384)	$ (1,086)

1.125% Notes Call Spread Overlay

As described in Note 10, "Long-Term Debt," we entered into a Call Spread Overlay, whereby the cost of the 1.125% Call Option we purchased to cover the cash outlay upon conversion of the debentures was reduced by the sales price of the 1.125% Warrants. Assuming full performance by the Counterparties (and 1.125% Warrants strike prices in excess of the conversion price of the 1.125% Notes), these transactions are intended to offset cash payments due upon any conversion of the 1.125% Notes.

The 1.125% Call Option, which is indexed to our common stock, is a derivative asset that requires mark-to-market accounting treatment due to the cash settlement features until the 1.125% Call Option settles or expires. The 1.125% Call Option is measured and reported at fair value on a recurring basis, within Level 3 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the 1.125% Call Option, refer to Note 5, "Fair Value Measurements."

Until April 22, 2013, the 1.125% Warrants were recorded as a derivative liability that required mark-to-market accounting treatment due to certain terms in the 1.125% Warrants that prevented such instruments being considered to be indexed in our common stock. Effective April 22, 2013, we entered into amended and restated warrant confirmations with the Counterparties to clarify these terms, such that 1.125% Warrants are no longer considered to be derivative instruments, and have been recorded to additional paid-in capital. For the six months ended June 30, 2013, we recorded a loss of $3.9 million for the change in fair value of the 1.125% Warrants from February 15, 2013 to April 22, 2013.

Embedded Cash Conversion Option

The embedded cash conversion option within the 1.125% Notes is required to be separated from the 1.125% Notes and accounted for separately as a derivative liability, with changes in fair value reported in our consolidated statements of operations until the cash conversion option settles or expires. The initial fair value liability of the embedded cash conversion option was $149.3 million, which simultaneously reduced the carrying value of the 1.125% Notes (effectively an original issuance discount). The embedded cash conversion option is measured and reported at fair value on a recurring basis, within Level 3 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the embedded cash conversion option, refer to Note 5, "Fair Value Measurements."

Interest Rate Swap

In May 2012, we entered into a $42.5 million notional amount interest rate swap agreement, with an effective date of March 1, 2013. On June 14, 2013, we settled the interest rate swap for $0.9 million.

12. Stockholders' Equity

Stockholders' equity increased $94.1 million during the six months ended June 30, 2013. The increase was primarily due to the $79.0 million reclassification of the 1.125% Warrants to additional paid-in capital, net income of $54.5 million, and $11.3 million related to employee stock transactions, partially offset by $50.0 million in repurchases of our common stock, as described in further detail below.

Common Shares Authorized. On May 1, 2013, our stockholders approved an amendment to our certificate of incorporation to increase the number of authorized shares of our common stock from 80,000,000 to 150,000,000.

1.125% Warrants. As described in Note 11, "Derivative Financial Instruments," we reclassified the 1.125% Warrants to additional paid-in capital during the second quarter of 2013, resulting in a $79.0 million increase to stockholders' equity. If the market value per share of our common stock exceeds the strike price of the 1.125% Warrants on any trading day during the 160 trading day measurement period under the 1.125% Warrants, we will be obligated to issue to the Counterparties a number of shares equal in value to the product of the amount by which such market value exceeds such strike price and 1/160th of the aggregate number of shares of our common stock underlying the 1.125% Warrants, subject to a share delivery cap. We will not receive any additional proceeds if the 1.125% Warrants are exercised. Pursuant to the 1.125% Warrants, we issued 13,490,236 warrants with strike price of $53.8475 per share. The number of warrants and the strike price are subject to adjustment under certain circumstances. The 1.125% Warrants could separately have a dilutive effect to the extent that the market value per share of our common stock (as measured under the terms of the warrant transactions) exceeds the applicable strike price of the 1.125% Warrants.

Securities Repurchases and Repurchase Program. In connection with the issuance and settlement of the 1.125% Notes, we used a portion of the net proceeds from the offering to repurchase $50 million of our common stock in negotiated transactions with institutional investors in the offering, concurrently with the pricing of the offering. On February 12, 2013, we repurchased a total of 1,624,959 shares at $30.77 per share, which was our closing stock price on that date.

Effective as of February 13, 2013, our board of directors authorized the repurchase of $75 million in aggregate of either our common stock or the 3.75% Notes, in addition to the $50 million repurchase discussed above. The repurchase program extends through December 31, 2014.

Shelf Registration Statement. In May 2012, we filed an automatic shelf registration statement on Form S-3 with the SEC covering the issuance of an indeterminate number of our securities, including common stock, warrants, or debt securities. We may publicly offer securities from time to time at prices and terms to be determined at the time of the offering.

Stock Plans. In connection with the plans described in Note 4, "Stock-Based Compensation," we issued approximately 546,000 shares of common stock, net of shares used to settle employees' income tax obligations, for the six months ended June 30, 2013.

13. Segment Reporting

We report our financial performance based on two reportable segments: Health Plans and Molina Medicaid Solutions. Our reportable segments are consistent with how we manage the business and view the markets we serve. Our Health Plans segment consists of our state health plans and also includes our direct delivery business. Our state health plans represent operating segments that have been aggregated for reporting purposes because they share similar economic characteristics.

Our Molina Medicaid Solutions segment provides design, development, implementation; business process outsourcing solutions; hosting services; and information technology support services to state Medicaid agencies.

We rely on an internal management reporting process that provides segment information to the operating income level for purposes of making financial decisions and allocating resources. The accounting policies of the segments are the same as those described in Note 2, "Significant Accounting Policies." The cost of services shared between the Health Plans and Molina Medicaid Solutions segments is charged to the Health Plans segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Revenue from continuing operations:				
Health Plans:				
Premium revenue	$ 1,548,612	$ 1,432,403	$ 3,083,045	$ 2,701,196
Investment income	1,628	1,059	3,144	2,738
Rental and other income	5,922	3,977	10,616	8,236
Molina Medicaid Solutions:				
Service revenue	49,672	41,724	99,428	83,929
	$ 1,605,834	$ 1,479,163	$ 3,196,233	$ 2,796,099
Depreciation and amortization reported in the consolidated statements of cash flows:				
Health Plans	$ 15,685	$ 15,104	$ 30,922	$ 28,847
Molina Medicaid Solutions	6,423	4,567	12,985	9,163
	$ 22,108	$ 19,671	$ 43,907	$ 38,010
Operating income (loss) from continuing operations:				
Health Plans	$ 40,151	$ (56,072)	$ 101,671	$ (28,169)
Molina Medicaid Solutions	6,295	6,642	12,648	15,051
Total operating income (loss) from continuing operations	46,446	(49,430)	114,319	(13,118)
Interest expense	(11,667)	(3,808)	(24,704)	(8,106)
Other expense	(3,502)	(1,086)	(3,371)	(1,086)
Income (loss) from continuing operations before income taxes	$ 31,277	$ (54,324)	$ 86,244	$ (22,310)

	June 30, 2013	December 31, 2012
	(In thousands)	
Goodwill and intangible assets, net:		
Health Plans	$ 137,071	$ 139,710
Molina Medicaid Solutions	85,068	89,089
	$ 222,139	$ 228,799
Total assets:		
Health Plans	$ 2,376,308	$ 1,702,212
Molina Medicaid Solutions	203,608	232,610
	$ 2,579,916	$ 1,934,822

14. Commitments and Contingencies

Sale-Leaseback Transactions

As described in Note 10, "Long-Term Debt," we entered into sale-leaseback transactions that have been classified as lease financing obligations. For the sale-leaseback transaction entered into in June 2013, the initial lease term is 25 years, with five five-year renewal options. For the sale-leaseback transaction relating to the construction project completed in June 2013, the initial lease term is 11.5 years, with two five-year renewal options. We expect minimum lease payments under these leases, for the six months ended December 31, 2013, to be $6.6 million. Future minimum lease payments due under these leases beginning January 1, 2014 are as follows:

	(In thousands)
2014	$ 14,395
2015	18,277
2016	18,877
2017	19,496
2018	20,137
Thereafter	385,813
Total minimum lease payments	$ 476,995

Legal Proceedings

The health care and business process outsourcing industries are subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Penalties associated with violations of these laws and regulations include significant fines and penalties, exclusion from participating in publicly funded programs, and the repayment of previously billed and collected revenues.

We are involved in legal actions in the ordinary course of business, some of which seek monetary damages, including claims for punitive damages, which are not covered by insurance. We have accrued liabilities for certain matters for which we deem the loss to be both probable and estimable. Although we believe that our estimates of such losses are reasonable, these estimates could change as a result of further developments of these matters. The outcome of legal actions is inherently uncertain and such pending matters for which accruals have not been established have not progressed sufficiently through discovery and/or development of important factual information and legal issues to enable us to estimate a range of possible loss, if any. While it is not possible to accurately predict or determine the eventual outcomes of these items, an adverse determination in one or more of these pending matters could have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Provider Claims

Many of our medical contracts are complex in nature and may be subject to differing interpretations regarding amounts due for the provision of various services. Such differing interpretations have led certain medical providers to pursue us for additional compensation. The claims made by providers in such circumstances often involve issues of contract compliance,

interpretation, payment methodology, and intent. These claims often extend to services provided by the providers over a number of years.

Various providers have contacted us seeking additional compensation for claims that we believe to have been settled. These matters, when finally concluded and determined, will not, in our opinion, have a material adverse effect on our business, consolidated financial position, results of operations, or cash flows.

Regulatory Capital and Dividend Restrictions

Our health plans, which are operated by our respective wholly owned subsidiaries in those states, are subject to state laws and regulations that, among other things, require the maintenance of minimum levels of statutory capital, as defined by each state. Such state laws and regulations also restrict the timing, payment, and amount of dividends and other distributions that may be paid to us as the sole stockholder. To the extent our subsidiaries must comply with these regulations, they may not have the financial flexibility to transfer funds to us. The net assets in these subsidiaries (after intercompany eliminations) which may not be transferable to us in the form of loans, advances, or cash dividends was $607.5 million at June 30, 2013, and $549.7 million at December 31, 2012. Because of the statutory restrictions that inhibit the ability of our health plans to transfer net assets to us, the amount of retained earnings readily available to pay dividends to our stockholders is generally limited to cash, cash equivalents and investments held by the parent company – Molina Healthcare, Inc. Such cash, cash equivalents and investments amounted to $527.8 million and $46.9 million as of June 30, 2013, and December 31, 2012, respectively.

The National Association of Insurance Commissioners, or NAIC, adopted rules effective December 31, 1998, which, if implemented by the states, set minimum capitalization requirements for insurance companies, HMOs, and other entities bearing risk for health care coverage. The requirements take the form of risk-based capital (RBC) rules. Michigan, New Mexico, Ohio, Texas, Utah, Washington, and Wisconsin have adopted these rules, which may vary from state to state. California and Florida have not adopted NAIC risk-based capital requirements for HMOs and have not formally given notice of their intention to do so. Such requirements, if adopted by California and Florida, may increase the minimum capital required for those states.

As of June 30, 2013, our health plans had aggregate statutory capital and surplus of approximately $627.7 million compared with the required minimum aggregate statutory capital and surplus of approximately $363.2 million. All of our health plans were in compliance with the minimum capital requirements at June 30, 2013. We have the ability and commitment to provide additional capital to each of our health plans when necessary to ensure that statutory capital and surplus continue to meet regulatory requirements.

As described in Note 2, "Significant Accounting Policies," the ACA imposes an annual fee on health insurers for each calendar year beginning on or after January 1, 2014. The fee will be imposed beginning in 2014 based on a company's share of the industry's net premiums written during the preceding calendar year. If the fee assessment is enacted as written, our minimum capitalization requirements will increase significantly on January 1, 2014; we are currently evaluating the impact of the fee assessment to our financial position, results of operations and cash flows.

15. Related Party Transactions

Leased Office Buildings

On February 27, 2013, we entered into a lease (the Lease) with 6th & Pine Development, LLC (the Landlord) for office space located in Long Beach, California. The Lease consists of two office buildings, one of which is under construction. The building which comprises approximately 90,000 square feet of office and storage space (Building A) was completed in June 2013; immediately following its completion, we occupied Building A and commenced lease payments. The second building (Building B) is expected to comprise approximately 120,000 square feet of office space.

The term of the Lease with respect to Building A commenced on June 6, 2013, and the term of the Lease with respect to Building B is expected to commence on November 1, 2014. The initial term of the Lease with respect to both buildings expires on December 31, 2024, subject to two options to extend the term for a period of five years each. Initial annual rent for Building A is approximately $2.6 million, and initial annual rent for Building B is expected to be approximately $4.0 million. Rent will increase 3.75% per year through the initial term. Rent during the extension terms will be the greater of then-current rent or fair market rent.

The principal members of the Landlord are John C. Molina, our chief financial officer and a director of the Company, and his wife. In addition, in connection with the development of the buildings being leased, the Landlord has pledged shares of common stock in the Company he holds as trustee. Dr. J. Mario Molina, our chief executive officer and chairman of the board of directors, holds a partial interest in such shares as trust beneficiary.

Medical Services

We have an equity investment in a medical service provider that provides certain vision services to our members; we account for this investment under the equity method of accounting. For the three months ended June 30, 2013 and 2012, we paid $8.7 million and $7.0 million, respectively, for medical service fees to this provider. For the six months ended June 30, 2013 and 2012, we paid $16.4 million, and $13.6 million, respectively, for medical service fees to this provider.

16. Variable Interest Entities

Joseph M. Molina M.D., Professional Corporations

The Joseph M. Molina, M.D. Professional Corporations (JMMPC) were created in 2012 to further advance our direct delivery business. JMMPC's sole shareholder is Dr. J. Mario Molina, our Chairman of the Board, President and Chief Executive Officer. Dr. Molina is paid no salary and receives no dividends in connection with his work for, or ownership of, JMMPC. JMMPC provides outpatient professional medical services to the general public for routine non-life threatening, outpatient health care needs. Substantially all of the individuals served by JMMPC are members of our health plans. JMMPC does not have agreements to provide professional medical services with any other entities.

Our wholly owned subsidiary, American Family Care, Inc. (AFC), has entered into services agreements with JMMPC to provide clinic facilities, clinic administrative support staff, patient scheduling services and medical supplies to JMMPC. The services agreements were designed such that JMMPC will not operate at a loss, ensuring the availability of quality care and access for our health plan members. The services agreements provide that the administrative fees charged to JMMPC by AFC are reviewed annually to assure the achievement of this goal.

Our California, Florida, New Mexico and Washington health plans have entered into primary care capitation agreements with JMMPC. These agreements also direct our health plans to fund JMMPC's operating deficits, or receive JMMPC's operating surpluses, based on a monthly reconciliation. Because the AFC services agreements described above mitigate the likelihood of significant operating deficits or surpluses, such monthly reconciliation amounts are insignificant.

We have determined that JMMPC is a variable interest entity, or VIE, and that we are its primary beneficiary. We have reached this conclusion under the power and benefits criterion model according to GAAP. Specifically, we have the power to direct the activities that most significantly affect JMMPC's economic performance, and the obligation to absorb losses or right to receive benefits that are potentially significant to the VIE, under the agreements described above. Because we are its primary beneficiary, we have consolidated JMMPC. JMMPC's assets may be used to settle only JMMPC's obligations, and JMMPC's creditors have no recourse to the general credit of Molina Healthcare, Inc. As of June 30, 2013, JMMPC had total assets of $1.4 million, comprising primarily cash and equivalents, and total liabilities of $1.1 million, comprising primarily accrued payroll and employee benefits.

Our maximum exposure to loss as a result of our involvement with JMMPC is equal to the amounts needed to fund JMMPC's ongoing payroll and employee benefits. We believe that such loss exposure will be immaterial to our consolidated operating results and cash flows for the foreseeable future. We provided an initial cash infusion of $0.3 million to JMMPC in the first quarter of 2012 to fund its start-up operations.

New Markets Tax Credit

During the fourth quarter of 2011, our New Mexico data center subsidiary entered into a financing transaction with Wells Fargo Community Investment Holdings, LLC, or Wells Fargo, its wholly owned subsidiary New Mexico Healthcare Data Center Investment Fund, LLC, or Investment Fund, and certain of Wells Fargo's affiliated Community Development Entities, or CDEs, in connection with our participation in the federal government's New Markets Tax Credit Program, or NMTC. The NMTC was established by Congress in 2000 to facilitate new or increased investments in businesses and real estate projects in low-income communities. The NMTC attracts investment capital to low-income communities by permitting investors to receive a tax credit against their federal income tax return in exchange for equity investments in specialized financial institutions, called CDEs, which provide financing to qualified active businesses operating in low-income communities. The credit amounts to 39% of the original investment amount and is claimed over a period of seven years (five percent for each of the first three years, and six percent for each of the remaining four years). The investment in the CDE cannot be redeemed before the end of the seven-year period.

In the fourth quarter of 2011, as a result of a series of simultaneous financing transactions, Wells Fargo contributed capital of $5.9 million to the Investment Fund, and Molina Healthcare, Inc. loaned the principal amount of $15.5 million to the Investment Fund. The Investment Fund then contributed the proceeds to certain CDEs, which, in turn, loaned the proceeds of $20.9 million to our New Mexico data center subsidiary. Wells Fargo will be entitled to claim the NMTC while we effectively received net loan proceeds equal to Wells Fargo's contribution to the Investment Fund, or approximately $5.9 million.

Additionally, financing costs incurred in structuring the arrangement amounting to $1.2 million were deferred and will be recognized as expense over the term of the loans. This transaction also includes a put/call feature that becomes enforceable at the end of the seven-year compliance period. Wells Fargo may exercise its put option or we can exercise the call, both of which will serve to transfer the debt obligation to us. Incremental costs to maintain the structure during the compliance period will be recognized as incurred.

We have determined that the financing arrangement with Investment Fund and CDEs is a VIE, and that we are the primary beneficiary of the VIE. We reached this conclusion based on the following:

- The ongoing activities of the VIE-collecting and remitting interest and fees and NMTC compliance-were all considered in the initial design and are not expected to significantly affect economic performance throughout the life of the VIE;
- Contractual arrangements obligate us to comply with NMTC rules and regulations and provide various other guarantees to Investment Fund and CDEs;
- Wells Fargo lacks a material interest in the underling economics of the project; and
- We are obligated to absorb losses of the VIE.

Because we are the primary beneficiary of the VIE, we have included it in our consolidated financial statements. Wells Fargo's contribution of $5.9 million is included in cash at December 31, 2012 and the offsetting Wells Fargo's interest in the financing arrangement is included in other liabilities in the accompanying consolidated balance sheets.

As described above, this transaction also includes a put/call provision whereby we may be obligated or entitled to repurchase Wells Fargo's interest in the Investment Fund. The value attributed to the put/call is nominal. The NMTC is subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code and applicable U.S. Treasury regulations. We are required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Non-compliance with applicable requirements could result in Wells Fargo's projected tax benefits not being realized and, therefore, require us to indemnify Wells Fargo for any loss or recapture of NMTCs related to the financing until such time as the recapture provisions have expired under the applicable statute of limitations. We do not anticipate any credit recaptures will be required in connection with this arrangement.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations.*

Forward Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements regarding our business, financial condition, and results of operations within the meaning of Section 27A of the Securities Act of 1933, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, or Securities Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation reform Act of 1995, and we are including this statement for purposes of complying with these safe harbor provisions. All statements, other than statements of historical facts, included in this quarterly report may be deemed to be forward-looking statements for purposes of the Securities Act and the Securities Exchange Act. Without limiting the foregoing, we use the words “anticipate(s),” “believe(s),” “estimate(s),” “expect(s),” “intend(s),” “may,” “plan(s),” “project(s),” “will,” “would,” “could,” “should” and similar expressions to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we will actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and, accordingly, you should not place undue reliance on our forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from the forward-looking statements that we make. You should read these factors and the other cautionary statements as being applicable to all related forward-looking statements wherever they appear in this quarterly report. We caution you that we do not undertake any obligation to update forward-looking statements made by us. Forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results in future periods to differ materially from those projected, estimated, expected, or contemplated as a result of, but not limited to, risk factors related to the following:

- uncertainties associated with the implementation of the Affordable Care Act, including the impact of the health insurance industry excise tax, the expansion of Medicaid eligibility in participating states to previously uninsured populations unfamiliar with managed care, the implementation of state insurance exchanges currently expected to become operational by October 1, 2013, the effect of various implementing regulations, and uncertainties regarding the impact of other federal or state health care and insurance reform measures, including the duals demonstration programs in California, Ohio, Michigan, and Texas;
- the success of our medical cost containment initiatives in Texas, and other risks associated with the expansion of our Texas health plan's service areas in 2012;
- significant budget pressures on state governments and their potential inability to maintain current rates, to implement expected rate increases, or to maintain existing benefit packages or membership eligibility thresholds or criteria;
- management of our medical costs, including seasonal flu patterns and rates of utilization that are consistent with our expectations and our accruals for incurred but not reported medical costs;
- the success of our efforts to retain existing government contracts and to obtain new government contracts in connection with state requests for proposals (RFPs) in both existing and new states, and our ability to increase our revenues consistent with our expectations;
- accurate estimation of incurred but not reported medical costs across our health plans;
- risks associated with the continued growth in new Medicaid and Medicare enrollees, and the development of actuarially sound rates with respect to such new enrollees, including duals;
- retroactive adjustments to premium revenue or accounting estimates which require adjustment based upon subsequent developments, including Medicaid pharmaceutical rebates;
- continuation and renewal of the government contracts of both our health plans and Molina Medicaid Solutions and the terms under which such contracts are renewed;
- government audits and reviews, and any enrollment freeze or monitoring program that may result therefrom;
- changes with respect to our provider contracts and the loss of providers;
- the establishment of a federal or state medical cost expenditure floor as a percentage of the premiums we receive, and the interpretation and implementation of medical cost expenditure floors, administrative cost and profit ceilings, and profit sharing arrangements;
- interpretation and implementation of at-risk premium rules regarding the achievement of certain quality measures;
- approval by state regulators of dividends and distributions by our health plan subsidiaries;
- changes in funding under our contracts as a result of regulatory changes, programmatic adjustments, or other reforms;
- high dollar claims related to catastrophic illness;
- the favorable resolution of litigation, arbitration, or administrative proceedings, including our pending litigation against the state of California related to rates paid to our California plan in earlier years that were not actuarially sound;
- restrictions and covenants in any future credit facility;
- the relatively small number of states in which we operate health plans;
- the availability of adequate financing to fund and capitalize our expansion and growth activities and to meet our liquidity needs, including the interest expense and other costs associated with such financing;

- a state's failure to renew its federal Medicaid waiver;
- inadvertent unauthorized disclosure of protected health information;
- changes generally affecting the managed care or Medicaid management information systems industries;
- increases in government surcharges, taxes, and assessments;
- changes in general economic conditions, including unemployment rates; and
- increasing consolidation in the Medicaid industry.

Investors should refer to Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2012, for a discussion of certain risk factors that could materially affect our business, financial condition, cash flows, or results of operations. Given these risks and uncertainties, we can give no assurance that any results or events projected or contemplated by our forward-looking statements will in fact occur.

This document and the following discussion of our financial condition and results of operations should be read in conjunction with the accompanying consolidated financial statements and the notes to those statements appearing elsewhere in this report and the audited financial statements and Management’s Discussion and Analysis appearing in our Annual Report on Form 10-K for the year ended December 31, 2012.

Overview

Molina Healthcare, Inc. provides quality and cost-effective Medicaid-related solutions to meet the health care needs of low-income families and individuals and to assist state agencies in their administration of the Medicaid program. We report our financial performance based on two reportable segments: Health Plans and Molina Medicaid Solutions.

Our Health Plans segment comprises health plans in California, Florida, Michigan, New Mexico, Ohio, Texas, Utah, Washington, and Wisconsin, and includes our direct delivery business. As of June 30, 2013, these health plans served approximately 1.8 million members eligible for Medicaid, Medicare, and other government-sponsored health care programs for low-income families and individuals. The health plans are operated by our respective wholly owned subsidiaries in those states, each of which is licensed as a health maintenance organization, or HMO. Our direct delivery business consists of primary care community clinics in California, Florida, New Mexico, and Washington.

Our health plans' state Medicaid contracts generally have terms of three to four years with annual adjustments to premium rates. These contracts are renewable at the discretion of the state. In general, either the state Medicaid agency or the health plan may terminate the state contract with or without cause. Most of these contracts contain renewal options that are exercisable by the state. Our health plan subsidiaries have generally been successful in retaining their contracts. Our state contracts are generally at greatest risk of loss when a state issues a new request for proposals, or RFP, subject to competitive bidding by other health plans. If one of our health plans is not a successful responsive bidder to a state RFP, its contract may be subject to non-renewal. For instance, on February 17, 2012, the Division of Purchasing of the Missouri Office of Administration notified us that our Missouri health plan, Alliance for Community Health, L.L.C., was not awarded a contract under the Missouri HealthNet Managed Care Request for Proposal; therefore, the Missouri health plan's prior contract with the state expired without renewal on June 30, 2012 subject to certain transition obligations. On April 5, 2013, the Missouri health plan assigned its affiliate, Molina Healthcare of Illinois, Inc., substantially all of its assets and liabilities. Additionally, the Missouri health plan surrendered its certificate of authority as a health maintenance organization. The Missouri health plan's revenues amounted to $0.2 million and $113.8 million for the six months ended June 30, 2013 and 2012, respectively.

Until the second quarter of 2013, we reported the results of the Missouri health plan in continuing operations because of our continuing significant involvement in the payment of medical claims incurred on or prior to June 30, 2012, for that entity. On May 13, 2013, we abandoned our equity interests in the Missouri health plan to an unrelated entity, and assigned the Missouri health plan's surviving rights, duties and obligations (which we believe to be insignificant) to Molina Healthcare of Illinois, Inc. Effective June 30, 2013, the transition obligations associated with the Missouri health plan's contract with the state terminated. As a result of these activities, we commenced reporting the Missouri health plan as a discontinued operation as of June 30, 2013. In connection with the abandonment of our equity interests in the Missouri health plan to an unrelated entity, we recognized a $9.5 million tax benefit for the tax deduction associated with the basis of such equity interests, which is included in discontinued operations in our consolidated statement of operations. Additionally, we recognized a pretax loss of $0.5 million for the write off of the Missouri health plan's remaining assets in the second quarter of 2013.

Our state Medicaid contracts may be periodically amended to include or exclude certain health benefits (such as pharmacy services, behavioral health services, or long-term care services); populations (such as the aged, blind or disabled, or ABD); and regions or service areas. For example, our Texas health plan added significant membership effective March 1, 2012, in service areas we had not previously served (the Hidalgo and El Paso service areas); and among populations we had not previously served within existing service areas, such as the Temporary Assistance for Needy Families, or TANF, population in the Dallas service area. Additionally, the health benefits provided to our TANF and ABD members in Texas under our contracts with the state were expanded to include inpatient facility and pharmacy services effective March 1, 2012.

On July 3, 2013, we announced that our New Mexico health plan has entered into a definitive agreement to assume Lovelace Community Health Plan's contract for the New Mexico Medicaid Salud! Program. Lovelace Community Health Plan currently participates in the New Mexico Medicaid Salud! State Coverage Insurance Program and arranges for healthcare services for approximately 84,000 New Mexicans. Our New Mexico health plan serves over 92,000 Medicaid members across the state. Subject to satisfaction of customary closing conditions, we anticipate completing the transaction on August 1, 2013; the total payment to Lovelace Community Health Plan will be based on the membership transferred as of that date.

On February 14, 2013, we announced that the Florida Agency for Health Care Administration awarded our Florida health plan contracts in three regions under the Statewide Medicaid Managed Care Long-Term Care program. As a result of the awards, we will now enter into a comprehensive pre-contracting assessment, with the program currently scheduled to commence on December 1, 2013. Under the program, we will provide long-term care benefits, including institutional and home and community-based services.

On February 11, 2013, we announced that our New Mexico health plan was selected by the New Mexico Human Services Department, or HSD, to participate in the new Centennial Care program. In addition to continuing to provide physical and acute health care services, under the new program our New Mexico health plan will expand its services to provide behavioral health and long-term care services. The selection of our New Mexico health plan was made by HSD pursuant to its request for proposals issued in August 2012. The operational start date for the program is currently scheduled for January 2014.

Our Molina Medicaid Solutions segment provides business processing and information technology development and administrative services to Medicaid agencies in Idaho, Louisiana, Maine, New Jersey, and West Virginia, and drug rebate administration services in Florida.

On June 9, 2011, Molina Medicaid Solutions received notice from the state of Louisiana that the state intended to award the contract for a replacement Medicaid Management Information System (MMIS) to a different vendor, CNSI. However, in March 2013, the state of Louisiana cancelled its contract award to CNSI. CNSI is currently challenging the contract cancellation. The state has informed us that we will continue to perform under our current contract until a successor is named. At such time as a new RFP may be issued, we intend to respond to the state's RFP. For the six months ended June 30, 2013, our revenue under the Louisiana MMIS contract was approximately $20.2 million, or 20.3% of total service revenue. So long as our Louisiana MMIS contract continues, we expect to recognize approximately $40 million of service revenue annually under this contract.

Composition of Revenue and Membership

Health Plans Segment

Our Health Plans segment derives its revenue, in the form of premiums, chiefly from Medicaid contracts with the states in which our health plans operate. Premium revenue is fixed in advance of the periods covered and, except as described in “Critical Accounting Policies” below, is not generally subject to significant accounting estimates. For the six months ended June 30, 2013, we received approximately 96% of our premium revenue as a fixed amount per member per month, or PMPM, pursuant to our Medicaid contracts with state agencies, our Medicare contracts with the Centers for Medicare and Medicaid Services, or CMS, and our contracts with other managed care organizations for which we operate as a subcontractor. These premium revenues are recognized in the month that members are entitled to receive health care services. The state Medicaid programs and the federal Medicare program periodically adjust premium rates.

For the six months ended June 30, 2013, we recognized approximately 4% of our premium revenue in the form of “birth income” — a one-time payment for the delivery of a child — from the Medicaid programs in all of our state health plans except New Mexico. Such payments are recognized as revenue in the month the birth occurs.

The amount of the premiums paid to us may vary substantially between states and among various government programs. PMPM premiums for the Children’s Health Insurance Program, or CHIP, members are generally among our lowest, with rates as low as approximately $80 PMPM in Michigan. Premium revenues for Medicaid members are generally higher. Among the TANF Medicaid population — the Medicaid group that includes mostly mothers and children — PMPM premiums range between approximately $100 in California to $260 in Ohio. Among our ABD membership, PMPM premiums range from approximately $400 in Utah to $1,400 in Ohio. Contributing to the variability in Medicaid rates among the states is the practice of some states to exclude certain benefits from the managed care contract (most often pharmacy, inpatient, behavioral health and catastrophic case benefits) and retain responsibility for those benefits at the state level. Medicare membership generates the highest PMPM premiums in the aggregate, at approximately $1,100 PMPM.

The following table sets forth the approximate total number of members by state health plan as of the dates indicated:

	June 30, 2013	March 31, 2013	December 31, 2012	June 30, 2012
Total Ending Membership by Health Plan:				
California	355,000	332,000	336,000	350,000
Florida	81,000	75,000	73,000	70,000
Michigan	215,000	217,000	220,000	220,000
New Mexico	92,000	91,000	91,000	89,000
Ohio	240,000	242,000	244,000	260,000
Texas	266,000	274,000	282,000	301,000
Utah	87,000	87,000	87,000	86,000
Washington	413,000	416,000	418,000	356,000
Wisconsin	98,000	86,000	46,000	42,000
Total	1,847,000	1,820,000	1,797,000	1,774,000
Total Ending Membership for our Medicare Advantage Plans:				
California	8,100	7,700	7,700	7,000
Florida	600	600	900	900
Michigan	9,500	9,200	9,700	8,900
New Mexico	900	900	900	900
Ohio	400	300	300	200
Texas	2,300	1,900	1,500	800
Utah	7,800	7,600	8,200	8,300
Washington	6,600	6,100	6,500	5,700
Total	36,200	34,300	35,700	32,700
Total Ending Membership for our Aged, Blind or Disabled Population:				
California	45,400	44,600	44,700	41,100
Florida	11,200	10,400	10,300	10,400
Michigan	45,000	44,000	41,900	40,000
New Mexico	6,000	5,800	5,700	5,600
Ohio	28,000	28,200	28,200	29,600
Texas	92,000	94,200	95,900	111,000
Utah	9,400	9,200	9,000	8,800
Washington	31,700	31,300	30,000	4,400
Wisconsin	1,600	1,600	1,700	1,700
Total	270,300	269,300	267,400	252,600

Molina Medicaid Solutions Segment

The payments received by our Molina Medicaid Solutions segment under its state contracts are based on the performance of multiple services. The first of these is the design, development and implementation, or DDI, of a Medicaid Management Information System, or MMIS. An additional service, following completion of DDI, is the operation of the MMIS under a business process outsourcing, or BPO arrangement. While providing BPO services (which include claims payment and eligibility processing) we also provide the state with other services including both hosting and support and maintenance. Because we have determined the services provided under our Molina Medicaid Solutions contracts represent a single unit of accounting, we recognize revenue associated with such contracts on a straight-line basis over the period during which BPO, hosting, and support and maintenance services are delivered.

Composition of Expenses

Health Plans Segment

Operating expenses for the Health Plans segment include expenses related to the provision of medical care services, G&A expenses, and premium tax expenses. Our results of operations are impacted by our ability to effectively manage expenses related to medical care services and to accurately estimate medical costs incurred. Expenses related to medical care services are captured in the following four categories:

- *Fee-for-service* — Expenses paid for specific encounters or episodes of care according to a fee schedule or other basis established by the state or by contract with the provider.
- *Capitation* — Expenses for PMPM payments to the provider without regard to the frequency, extent, or nature of the medical services actually furnished.
- *Pharmacy* — Expenses for all drug, injectible, and immunization costs paid through our pharmacy benefit manager.
- *Other* — Expenses for medically related administrative costs of approximately $68.4 million, and $62.6 million, for the six months ended June 30, 2013 and 2012, respectively, as well as certain provider incentive costs, reinsurance, costs to operate our medical clinics, and other medical expenses.

Our medical care costs include amounts that have been paid by us through the reporting date as well as estimated liabilities for medical care costs incurred but not paid by us as of the reporting date. See "Critical Accounting Policies" below for a comprehensive discussion of how we estimate such liabilities.

Molina Medicaid Solutions Segment

Cost of service revenue consists primarily of the costs incurred to provide business process outsourcing and technology outsourcing services under our MMIS contracts. General and administrative costs consist primarily of indirect administrative costs and business development costs.

In some circumstances we may defer recognition of incremental direct costs (such as direct labor, hardware, and software) associated with a contract if revenue recognition is also deferred. Such deferred contract costs are amortized on a straight-line basis over the remaining original contract term, consistent with the revenue recognition period.

Second Quarter Financial Performance Summary, Continuing Operations

The following table and narrative briefly summarize our financial and operating performance for continuing operations for the three and six months ended June 30, 2013 and 2012. All ratios, with the exception of the medical care ratio and the premium tax ratio, are shown as a percentage of total revenue. The medical care ratio is computed as a percentage of premium revenue, net of premium tax and the premium tax ratio is computed as a percentage of premium revenue because there are direct relationships between premium revenue earned, and the cost of health care and premium taxes.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(Dollar amounts in thousands, except per share data)			
Net income (loss) per diluted share	$ 0.34	$ (0.71)	$ 1.00	$ (0.29)
Premium revenue	$ 1,548,612	$ 1,432,403	$ 3,083,045	$ 2,701,196
Service revenue	$ 49,672	$ 41,724	$ 99,428	$ 83,929
Operating income (loss)	$ 46,446	$ (49,430)	$ 114,319	$ (13,118)
Net income (loss)	$ 15,796	$ (33,057)	$ 46,318	$ (13,163)
Total ending membership	1,847,000	1,774,000	1,847,000	1,774,000
Premium revenue	96.4%	96.8 %	96.5%	96.6 %
Service revenue	3.1%	2.8 %	3.1%	3.0 %
Investment income	0.1%	0.1 %	0.1%	0.1 %
Rental and other income	0.4%	0.3 %	0.3%	0.3 %
Total revenue	100.0%	100.0 %	100.0%	100.0 %
Medical care ratio	86.2%	94.5 %	86.1%	91.4 %
General and administrative expense ratio	10.1%	8.5 %	9.5%	8.6 %
Premium tax ratio	3.0%	2.7 %	2.7%	3.0 %
Operating income (loss)	2.9%	(3.3)%	3.6%	(0.5)%
Net income (loss)	1.0%	(2.2)%	1.4%	(0.5)%
Effective tax rate	49.5%	(39.1)%	46.3%	(41.0)%

Reconciliation of Non-GAAP to GAAP Financial Measures

We have included presentations of earnings before interest, taxes, depreciation and amortization (EBITDA) below. EBITDA is a non-GAAP financial measure and is reconciled to net income, which we believe to be the most comparable GAAP measure (GAAP stands for U.S. generally accepted accounting principles).

EBITDA is not prepared in conformity with GAAP because it excludes depreciation and amortization, as well as interest expense and income tax expense. This non-GAAP financial measure should not be considered as an alternative to the GAAP measures of net income, operating income, operating margin, or cash provided by operating activities; nor should EBITDA be considered in isolation from these GAAP measures of operating performance. Management uses EBITDA as a supplemental metric in evaluating our financial performance, in evaluating financing and business development decisions, and in forecasting and analyzing future periods. For these reasons, management believes that EBITDA is a useful supplemental measure to investors in evaluating our performance and the performance of other companies in our industry.

	Three months ended June 30,		Six months ended June 30,	
	2013	2012	2013	2012
	(In thousands)			
Net income (loss)	$ 24,571	$ (37,306)	$ 54,486	$ (19,217)
Add back:				
Depreciation and amortization reported in the consolidated statements of cash flows	22,108	19,671	43,907	38,010
Interest expense	11,667	3,808	24,704	8,106
Income tax expense (benefit)	5,513	(25,769)	29,783	(14,736)
EBITDA	$ 63,859	$ (39,596)	$ 152,880	$ 12,163

Second Quarter 2013 Overview

For the second quarter of 2013, net income rose to $24.6 million, or $0.53 per diluted share, compared with a net loss of $37.3 million, or $0.80 per diluted share, for the second quarter of 2012. Net income per diluted share from continuing operations was $0.34 for the second quarter of 2013, versus a net loss of $0.71 per diluted share from continuing operations for the second quarter of 2012.

Premium revenue for the second quarter of 2013 increased 8% over the second quarter of 2012, primarily due to membership growth in Washington and Wisconsin and rate increases in Texas and Washington in the second half of 2012.

Our consolidated medical care ratio decreased to 86.2% in the second quarter of 2013, from 94.5% in the second quarter of 2012. The decline in the consolidated medical care ratio was the result of dramatically improved operating results in Texas combined with improved performance at most of our other health plans. Medical care ratios decreased in seven of our nine health plans; while medical margin (measured as the excess of premium revenue net of premium tax, over medical costs) increased in eight out of nine health plans.

General and administrative expenses increased to 10.1% of revenue in the second quarter of 2013, from 8.5% in the second quarter of 2012, primarily due to higher costs incurred as a result of our preparations for significant membership growth in 2014, and a litigation charge of $3.5 million related to the final settlement of a provider dispute.

Second quarter 2013 results include a one-time non-cash charge of $3.9 million related to warrants issued in conjunction with our convertible senior notes offering in February 2013. As originally issued, certain terms in the warrant agreements required that they be recorded as a derivative liability requiring mark-to-market accounting treatment. The warrants were reclassified to equity during the second quarter and there will be no further mark-to-market adjustments.

We previously reported that our Medicaid managed care contract with the state of Missouri expired without renewal on June 30, 2012. Effective June 30, 2013 the transition obligations associated with that contract terminated. Therefore, we have reclassified the results relating to the Missouri health plan to discontinued operations for all periods presented. These results are presented in a single line item, net of taxes, in the unaudited consolidated statements of operations. Additionally, we abandoned all of our equity interests in the Missouri health plan during the second quarter of 2013, resulting in the recognition of a tax benefit of approximately $9.5 million, which is also included in discontinued operations in the unaudited consolidated statements of operations.

Results of Operations, Continuing Operations

Three Months Ended June 30, 2013 Compared with the Three Months Ended June 30, 2012

Health Plans Segment

Premium Revenue

Premium revenue for the second quarter of 2013 increased 8% over the second quarter of 2012, primarily due to membership growth in Washington and Wisconsin, and rate increases in Texas and Washington in the second half of 2012. Medicare premium revenue was $131.5 million for the second quarter of 2013 compared with $120.8 million for the second quarter of 2012.

Growth in our ABD membership in Washington and California led to higher premium revenue PMPM in 2013. ABD membership, as a percent of total membership, has increased approximately 3% year over year. Premium revenue PMPM also increased in the second quarter of 2013 as a result of the inclusion of revenue for pharmacy benefits for the Utah health plan effective January 1, 2013.

Medical Care Costs

The following table provides the details of consolidated medical care costs for the periods indicated (dollars in thousands except PMPM amounts):

	Three Months Ended June 30,					
	2013			2012		
	Amount	PMPM	% of Total	Amount	PMPM	% of Total
Fee for service	$ 879,865	$ 158.96	68.0%	$ 925,039	$ 174.04	70.2%
Pharmacy	222,992	40.29	17.2	212,944	40.06	16.2
Capitation	138,409	25.00	10.7	136,376	25.66	10.3
Other	53,440	9.66	4.1	43,238	8.14	3.3
Total	$ 1,294,706	$ 233.91	100.0%	$ 1,317,597	$ 247.90	100.0%

Medical care costs decreased in the second quarter of 2013 primarily due to significantly lower medical care costs at our Texas health plan. Our consolidated medical care ratio decreased to 86.2% in the second quarter of 2013, from 94.5% in the second quarter of 2012. Higher margins at the Texas health plan, along with stable inpatient utilization and lower pharmacy unit costs across the Company, were the primary causes of the lower medical care ratio in the second quarter of 2013.

Individual Health Plan Analysis

The medical care ratio at the California health plan increased to 94.4% in the second quarter of 2013 from 90.5% in the second quarter of 2012. The higher medical care ratio was primarily the result of higher Medicare inpatient fee-for-service costs.

The medical care ratio of the Florida health plan decreased to 84.0% in the second quarter of 2013, from 84.5% in the second quarter of 2012 due to inpatient utilization reductions and lower pharmacy costs.

The medical care ratio of the Michigan health plan decreased to 84.7% in the second quarter of 2013, from 87.1% in the second quarter of 2012, primarily due to a reduction in inpatient costs.

The medical care ratio of the New Mexico health plan decreased to 80.8% in the second quarter of 2013, from 84.3% in the second quarter of 2012, primarily as a result of higher Medicaid premium rates PMPM effective January 1, 2013, and lower fee-for-service claims costs.

The medical care ratio of the Ohio health plan decreased to 79.8% for the second quarter of 2013, from 89.5% for the second quarter of 2012, due to reductions in inpatient, pharmacy and professional costs as well as a 4% premium rate increase effective January 1, 2013.

The medical care ratio of the Texas health plan was 86.5% in the second quarter of 2013 compared with 111.5% in the second quarter of 2012 (which included a premium deficiency reserve (PDR) of $10 million). We received a blended rate increase in Texas of approximately 4%, or $4.5 million per month, effective September 1, 2012; and implemented various medical cost containment initiatives in the second half of 2012.

The medical care ratio of the Utah health plan decreased to 79.6% in the second quarter of 2013, from 82.5% in the second quarter of 2012 primarily due to a lower fee-for-service claim costs.

The medical care ratio of the Washington health plan increased to 88.0% in the second quarter of 2013, from 85.5% in the second quarter of 2012 primarily due to the addition of ABD members effective July 1, 2012. The higher premium revenue PMPM associated with the ABD membership, however, offset the increased medical care ratio, so that the excess of premium revenue over medical care costs increased to $36.0 million for the second quarter of 2013, compared with $29.6 million for the second quarter of 2012.

The medical care ratio of the Wisconsin health plan decreased to 82.6% in the second quarter of 2013, from 121.1% in the second quarter of 2012. A $3.0 million PDR was recorded in the second quarter of 2012. Absent the PDR, the medical care ratio would have been 105.2% in the second quarter of 2012. The health plan has successfully implemented several cost saving initiatives including improvements in provider contracts, in-sourcing the management of behavioral health services and enhanced utilization management activities. The health plan received a 3% premium rate increase effective January 1, 2013. Additionally, the health plan gained approximately 50,000 members in February, March and April due to another health plan's recent exit from the market. We are closely monitoring the utilization patterns and loss reserves for these new members.

Operating Data

The following table summarizes member months, premium revenue, medical care costs, medical care ratio, and premium taxes by health plan for the periods indicated (PMPM amounts are in whole dollars; member months and other dollar amounts are in thousands):

	Three Months Ended June 30, 2013						
	Member Months (1)	Premium Revenue		Medical Care Costs		Premium Tax Expense	MCR (2)	Medical Margin
		Total	PMPM	Total	PMPM			
California	1,055	$ 191,059	$ 181.19	$ 170,777	$ 161.96	$ 10,132	94.4%	$ 10,150
Florida	238	61,838	260.61	51,915	218.80	1	84.0	9,922
Michigan	648	168,446	259.88	141,859	218.86	961	84.7	25,626
New Mexico	275	86,527	314.76	68,253	248.28	2,078	80.8	16,196
Ohio	722	292,706	405.05	215,664	298.44	22,599	79.8	54,443
Texas	805	324,600	403.06	275,959	342.66	5,645	86.5	42,996
Utah	261	77,511	296.69	61,677	236.08	—	79.6	15,834
Washington	1,238	305,000	246.30	263,512	212.80	5,467	88.0	36,021
Wisconsin	293	37,740	128.79	31,185	106.43	—	82.6	6,555
Other (3)	—	3,185	—	13,905	—	—	—	(10,720)
	5,535	$ 1,548,612	$ 279.77	$ 1,294,706	$ 233.91	$ 46,883	86.2%	$ 207,023

	Three Months Ended June 30, 2012						
	Member Months (1)	Premium Revenue		Medical Care Costs		Premium Tax Expense	MCR (2)	Medical Margin
		Total	PMPM	Total	PMPM			
California	1,056	$ 167,644	$ 158.77	$ 149,239	$ 141.34	$ 2,683	90.5%	$ 15,722
Florida	210	57,303	273.00	48,442	230.79	(21)	84.5	8,882
Michigan	662	162,758	245.89	141,682	214.04	31	87.1	21,045
New Mexico	266	82,706	310.94	67,836	255.03	2,257	84.3	12,613
Ohio	762	297,069	389.85	245,284	321.89	23,011	89.5	28,774
Texas	907	359,486	396.63	393,237	433.87	6,670	111.5	(40,421)
Utah	259	76,911	297.00	63,419	244.90	—	82.5	13,492
Washington	1,068	207,376	194.14	174,045	162.93	3,701	85.5	29,630
Wisconsin	125	18,788	150.12	22,758	181.84	—	121.1	(3,970)
Other (3)	—	2,362	—	11,655	—	22	—	(9,315)
	5,315	$ 1,432,403	$ 269.53	$ 1,317,597	$ 247.90	$ 38,354	94.5%	$ 76,452

(1) A member month is defined as the aggregate of each month's ending membership for the period presented.

(2) The MCR represents medical costs as a percentage of premium revenues, where premium revenue is reduced by premium tax expense.
(3) "Other" medical care costs also include medically related administrative costs at the parent company.

Molina Medicaid Solutions Segment

Performance of the Molina Medicaid Solutions segment was as follows:

	Three Months Ended June 30,	
	2013	2012
	(In thousands)	
Service revenue before amortization	$ 50,400	$ 41,877
Amortization recorded as reduction of service revenue	(728)	(153)
Service revenue	49,672	41,724
Cost of service revenue	39,305	30,613
General and administrative costs	2,790	3,187
Amortization of customer relationship intangibles recorded as amortization	1,282	1,282
Operating income	$ 6,295	$ 6,642

Operating income for our Molina Medicaid Solutions segment decreased $0.3 million for the three months ended June 30, 2013, compared with the same prior year period. The decrease in operating income was primarily the result of a change in the mix of transactions processed from fee-for-service claims to managed care encounters (processing fees are lower for encounters than for fee-for-service claims) and changes to state contract revenues implemented during 2012.

Results of Operations, Continuing Operations

Six Months Ended June 30, 2013 Compared with the Six Months Ended June 30, 2012

Health Plans Segment

Premium Revenue

Premium revenue for the six months ended June 30, 2013 increased 14% over the six months ended June 30, 2012, due to both higher enrollment and higher premium revenue PMPM. Medicare premium revenue was $249.9 million for the six months ended June 30, 2013 compared with $230.5 million for the six months ended June 30, 2012.

Growth in our ABD membership in Washington and California led to higher premium revenue PMPM in 2013. ABD membership, as a percent of total membership, has increased approximately 3% year over year. Premium revenue PMPM also increased in the six months ended June 30, 2013 as a result of the inclusion of revenue for pharmacy benefits for the Utah health plan effective January 1, 2013, and as a result of the inclusion of revenue for inpatient facility and pharmacy benefits across all of the Texas health plan's membership effective March 1, 2012.

Medical Care Costs

The following table provides the details of consolidated medical care costs for the periods indicated (dollars in thousands except PMPM amounts):

	Six Months Ended June 30,					
	2013			2012		
	Amount	PMPM	% of Total	Amount	PMPM	% of Total
Fee for service	$ 1,746,620	$ 159.48	67.6%	$ 1,653,024	$ 160.57	69.0%
Pharmacy	454,830	41.53	17.6	386,181	37.51	16.1
Capitation	278,733	25.45	10.8	269,968	26.22	11.3
Other	102,438	9.35	4.0	86,291	8.38	3.6
Total	$ 2,582,621	$ 235.81	100.0%	$ 2,395,464	$ 232.68	100.0%

Our medical care ratio decreased in the six months ended June 30, 2013, when compared with the six months ended June 30, 2012, primarily due to improved financial performance at our Texas health plan.

Operating Data

The following table summarizes member months, premium revenue, medical care costs, medical care ratio, and premium taxes by health plan for the periods indicated (PMPM amounts are in whole dollars; member months and other dollar amounts are in thousands):

	Six Months Ended June 30, 2013							
	Member Months (1)	Premium Revenue		Medical Care Costs		Premium Tax Expense	MCR (2)	Medical Margin
		Total	PMPM	Total	PMPM			
California	2,056	$ 378,939	$ 184.33	$ 330,540	$ 160.79	$ 10,224	89.6%	$ 38,175
Florida	461	120,005	260.39	101,319	219.84	4	84.4	18,682
Michigan	1,300	336,122	258.56	288,607	222.01	2,080	86.4	45,435
New Mexico	549	172,325	314.15	140,402	255.95	3,876	83.3	28,047
Ohio	1,448	584,224	403.39	443,118	305.96	45,309	82.2	95,797
Texas	1,637	659,896	403.02	542,408	331.27	11,490	83.7	105,998
Utah	520	152,467	293.16	126,706	243.63	—	83.1	25,761
Washington	2,488	608,719	244.67	524,909	210.98	10,900	87.8	72,910
Wisconsin	493	64,864	131.53	54,849	111.22	—	84.6	10,015
Other (3)	—	5,484	—	29,763	—	—	—	(24,279)
	10,952	$ 3,083,045	$ 281.51	$ 2,582,621	$ 235.81	$ 83,883	86.1%	$ 416,541

	Six Months Ended June 30, 2012							
	Member Months (1)	Premium Revenue		Medical Care Costs		Premium Tax Expense	MCR (2)	Medical Margin
		Total	PMPM	Total	PMPM			
California	2,115	$ 329,329	$ 155.70	$ 290,588	$ 137.39	$ 4,992	89.6%	$ 33,749
Florida	418	113,493	271.44	98,011	234.41	(14)	86.3	15,496
Michigan	1,327	330,664	249.20	275,893	207.92	8,071	85.5	46,700
New Mexico	532	163,932	308.29	134,947	253.78	4,210	84.5	24,775
Ohio	1,508	590,594	391.77	481,985	319.72	45,864	88.5	62,745
Texas	1,499	557,722	372.11	573,326	382.53	9,867	104.6	(25,471)
Utah	511	152,049	297.29	121,300	237.17	—	79.8	30,749
Washington	2,135	422,986	198.11	355,470	166.49	7,517	85.6	59,999
Wisconsin	250	35,930	143.54	39,644	158.31	—	110.3	(3,714)
Other (3)	—	4,497	—	24,300	—	33	—	(19,836)
	10,295	$ 2,701,196	$ 262.38	$ 2,395,464	$ 232.68	$ 80,540	91.4%	$ 225,192

(1) A member month is defined as the aggregate of each month's ending membership for the period presented.
(2) The MCR represents medical costs as a percentage of premium revenues, where premium revenue is reduced by premium tax expense.
(3) "Other" medical care costs also include medically related administrative costs at the parent company.

Molina Medicaid Solutions Segment

Performance of the Molina Medicaid Solutions segment was as follows:

	Six Months Ended June 30,	
	2013	2012
	(In thousands)	
Service revenue before amortization	$ 100,885	$ 84,235
Amortization recorded as reduction of service revenue	(1,457)	(306)
Service revenue	99,428	83,929
Cost of service revenue	79,075	61,107
General and administrative costs	5,141	5,207
Amortization of customer relationship intangibles recorded as amortization	2,564	2,564
Operating income	$ 12,648	$ 15,051

Operating income for our Molina Medicaid Solutions segment decreased $2.4 million for the six months ended June 30, 2013, compared with the same prior year period. The decrease in operating income was primarily the result of a change in the mix of transactions processed from fee-for-service claims to managed care encounters (processing fees are lower for encounters than for fee-for-service claims) and changes to state contract revenues implemented during 2012.

Consolidated Expenses

General and Administrative Expenses

General and administrative expenses increased to 10.1% of total revenue for the three months ended June 30, 2013, compared with 8.5% of total revenue for the three months ended June 30, 2012. General and administrative expenses increased to 9.5% of total revenue for the six months ended June 30, 2013, compared with 8.6% of total revenue for the six months ended June 30, 2012. The increased ratio of general and administrative expenses to total revenue for both the three months and six months ended June 30, 2013, was primarily due to higher costs incurred as a result of our preparations for significant membership growth in 2014.

Premium Tax Expense

Premium tax expense was 3.0% of premium revenue in the three months ended June 30, 2013, compared with 2.7% in the three months ended June 30, 2012, and 2.7% of premium revenue in the six months ended June 30, 2013, compared with 3.0% in the six months ended June 30, 2012. The year-to-date decrease in 2013 was primarily due to the reduction of premium taxes at the Michigan and California health plans effective in 2012.

Depreciation and Amortization

Depreciation and amortization related to our Health Plans segment is recorded in "Depreciation and amortization" in the consolidated statements of operations. Amortization related to our Molina Medicaid Solutions segment is recorded within three different headings in the consolidated statements of operations as follows:

- Amortization of purchased intangibles relating to customer relationships is reported as amortization within the heading "Depreciation and amortization;"
- Amortization of purchased intangibles relating to contract backlog is recorded as a reduction of "Service revenue;" and
- Amortization of capitalized software is recorded within the heading "Cost of service revenue."

The following table presents all depreciation and amortization recorded in our consolidated statements of operations, regardless of whether the item appears as depreciation and amortization, a reduction of service revenue, or as cost of service revenue.

	Three Months Ended June 30,			
	2013		2012	
	Amount	% of Total Revenue	Amount	% of Total Revenue
	(Dollar amounts in thousands)			
Depreciation and amortization of capitalized software, continuing operations	$ 12,896	0.8%	$ 10,674	0.7%
Amortization of intangible assets, continuing operations	4,119	0.3	5,536	0.4
Depreciation and amortization, continuing operations	17,015	1.1	16,210	1.1
Depreciation and amortization, discontinued operations	—	—	177	—
Amortization recorded as reduction of service revenue	728	—	153	—
Amortization of capitalized software recorded as cost of service revenue	4,365	0.3	3,131	0.2
	$ 22,108	1.4%	$ 19,671	1.3%

	Six Months Ended June 30,			
	2013		2012	
	Amount	% of Total Revenue	Amount	% of Total Revenue
	(Dollar amounts in thousands)			
Depreciation and amortization of capitalized software, continuing operations	$ 25,341	0.8%	$ 19,969	0.7%
Amortization of intangible assets, continuing operations	8,237	0.3	11,089	0.4
Depreciation and amortization, continuing operations	33,578	1.1	31,058	1.1
Depreciation and amortization, discontinued operations	2	—	354	—
Amortization recorded as reduction of service revenue	1,457	—	306	—
Amortization of capitalized software recorded as cost of service revenue	8,870	0.3	6,292	0.2
	$ 43,907	1.4%	$ 38,010	1.3%

Interest Expense

Interest expense increased to $11.7 million for the three months ended June 30, 2013, from $3.8 million for the three months ended June 30, 2012, and increased to $24.7 million for the six months ended June 30, 2013, from $8.1 million for the six months ended June 30, 2012 primarily due to the issuance of the 1.125% Notes in February 2013. Interest expense includes amortization of the discount on our convertible senior notes, which amounted to $6.0 million and $1.5 million for the three months ended June 30, 2013, and 2012, respectively, and $9.7 million and $2.9 million for the six months ended June 30, 2013, and 2012, respectively. Interest expense in the first half of 2013 also includes the immediate recognition of approximately $6 million of interest expense relating to debt issuance costs. The remainder of the fees associated with that issuance, amounting to approximately $12 million, are being expensed over the life of the 1.125% Notes.

As described in further detail below, in "Future Sources and Uses of Liquidity – *Lease Financing Obligations*," lease payments under the sale-leaseback transactions adjust the lease financing obligation, and the imputed interest is recorded to interest expense in our consolidated statements of operations.

Other Expense

Other expense increased to $3.5 million for the three months ended June 30, 2013, from $1.1 million for the three months ended June 30, 2012, with a comparable increase for the six months ended June 30, 2013, over the same period in 2012. Other expense includes primarily gains or losses associated with changes in the fair value of our derivative financial instruments. In the second quarter of 2013 we recorded a one-time non-cash charge of $3.9 million related to warrants issued in conjunction with our convertible senior notes offering in February 2013, as described above in "Second Quarter 2013 Overview." For the three months and six months ended June 30, 2012, we recorded a $1.1 million charge for the fair value of

an interest rate swap derivative liability. We settled the interest rate swap in the second quarter of 2013, which resulted in a gain of approximately $0.4 million, which partially offset the $3.9 million charge described above.

Income Taxes

The provision for income taxes in continuing operations is recorded at an effective rate of 49.5% for the three months ended June 30, 2013 compared with 39.1% for the three months ended June 30, 2012, and 46.3% for the six months ended June 30, 2013 compared with 41.0% for the six months ended June 30, 2012. The increase is primarily due to an increase in non-deductible compensation, and the non-deductibility of the $3.9 million charge related to the warrants, as described above.

Liquidity and Capital Resources

Introduction

We manage our cash, investments, and capital structure to meet the short- and long-term obligations of our business while maintaining liquidity and financial flexibility. We forecast, analyze, and monitor our cash flows to enable prudent investment management and financing within the confines of our financial strategy.

Our regulated subsidiaries generate significant cash flows from premium revenue. Such cash flows are our primary source of liquidity. Thus, any future decline in our profitability may have a negative impact on our liquidity. We generally receive premium revenue in advance of the payment of claims for the related health care services. A majority of the assets held by our regulated subsidiaries are in the form of cash, cash equivalents, and investments. After considering expected cash flows from operating activities, we generally invest cash of regulated subsidiaries that exceeds our expected short-term obligations in longer term, investment-grade, and marketable debt securities to improve our overall investment return. These investments are made pursuant to board approved investment policies which conform to applicable state laws and regulations. Our investment policies are designed to provide liquidity, preserve capital, and maximize total return on invested assets, all in a manner consistent with state requirements that prescribe the types of instruments in which our subsidiaries may invest. These investment policies require that our investments have final maturities of five years or less (excluding auction rate securities and variable rate securities, for which interest rates are periodically reset) and that the average maturity be two years or less. Professional portfolio managers operating under documented guidelines manage our investments. As of June 30, 2013, a substantial portion of our cash was invested in a portfolio of highly liquid money market securities, and our investments consisted solely of investment-grade debt securities. All of our investments are classified as current assets, except for our restricted investments, and our investments in auction rate securities, which are classified as non-current assets. Our restricted investments are invested principally in certificates of deposit and U.S. treasury securities.

Investment income was $3.1 million for the six months ended June 30, 2013, compared with $2.7 million for the six months ended June 30, 2012. Our annualized portfolio yield for the six months ended June 30, 2013 was 0.4% compared with 0.5% for the six months ended June 30, 2012.

Investments and restricted investments are subject to interest rate risk and will decrease in value if market rates increase. We have the ability to hold our restricted investments until maturity. Declines in interest rates over time will reduce our investment income.

Cash in excess of the capital needs of our regulated health plans is generally paid to our non-regulated parent company in the form of dividends, when and as permitted by applicable regulations, for general corporate use.

Liquidity

Cash used in operating activities for the six months ended June 30, 2013 was $111.7 million compared with $236.0 million provided by operating activities for the six months ended June 30, 2012, a change of $347.7 million. The decrease in cash from operating activities was primarily due to the changes in deferred revenue and medical claims and benefits payable, partially offset by the change in accounts receivable. Deferred revenue and medical claims and benefits payable were a use of operating cash amounting to $124.9 million in the aggregate in the six months ended June 30, 2013, compared with a source of operating cash of $248.5 million in the aggregate in the same period in 2012. Accounts receivable was a use of operating cash amounting to $64.1 million in the six months ended June 30, 2013, compared with a source of operating cash of $6.9 million in the same period in 2012.

Cash used in investing activities for the six months ended June 30, 2013 was $431.8 million compared with $61.3 million for the six months ended June 30, 2012, an increase of $370.5 million. This increase was primarily due to increased purchases of investments in 2013, a result of increased cash generated in financing activities, described below.

Cash provided by financing activities for the six months ended June 30, 2013 was $490.5 million compared with $58.6 million for the six months ended June 30, 2012, an increase of $431.9 million. The significant increase was primarily due to $538.0 million in proceeds we received from our offering of 1.125% Notes, $158.7 million received from sale-leaseback transactions, and $75.1 million from the sale of warrants, partially offset by $149.3 million paid for the purchased call option relating to the 1.125% Notes, $50.0 million paid for repurchases of our common stock, $47.5 million used to repay our term loan, and $40.0 million used to repay our Credit Facility.

Financial Condition

On a consolidated basis, at June 30, 2013, we had working capital of $1,037.6 million compared with $521.1 million at December 31, 2012. At June 30, 2013, and December 31, 2012, we had cash and investments, including restricted investments, of $1,530.7 million, and $1,196.1 million, respectively. We believe that our cash resources and internally generated funds will be sufficient to support our operations, regulatory requirements, and capital expenditures for at least the next 12 months.

Regulatory Capital and Dividend Restrictions

Our health plans, which are operated by our respective wholly owned subsidiaries in those states, are subject to state laws and regulations that, among other things, require the maintenance of minimum levels of statutory capital, as defined by each state. Such state laws and regulations also restrict the timing, payment, and amount of dividends and other distributions that may be paid to us as the sole stockholder. To the extent our subsidiaries must comply with these regulations, they may not have the financial flexibility to transfer funds to us. The net assets in these subsidiaries (after intercompany eliminations) which may not be transferable to us in the form of loans, advances, or cash dividends was $607.5 million at June 30, 2013, and $549.7 million at December 31, 2012. Because of the statutory restrictions that inhibit the ability of our health plans to transfer net assets to us, the amount of retained earnings readily available to pay dividends to our stockholders is generally limited to cash, cash equivalents and investments held by the parent company – Molina Healthcare, Inc. Such cash, cash equivalents and investments amounted to $527.8 million and $46.9 million as of June 30, 2013, and December 31, 2012, respectively.

The National Association of Insurance Commissioners, or NAIC, adopted rules effective December 31, 1998, which, if implemented by the states, set minimum capitalization requirements for insurance companies, HMOs, and other entities bearing risk for health care coverage. The requirements take the form of risk-based capital (RBC) rules. Michigan, New Mexico, Ohio, Texas, Utah, Washington, and Wisconsin have adopted these rules, which may vary from state to state. California and Florida have not adopted NAIC risk-based capital requirements for HMOs and have not formally given notice of their intention to do so. Such requirements, if adopted by California and Florida, may increase the minimum capital required for those states.

As of June 30, 2013, our health plans had aggregate statutory capital and surplus of approximately $627.7 million compared with the required minimum aggregate statutory capital and surplus of approximately $363.2 million. All of our health plans were in compliance with the minimum capital requirements at June 30, 2013. We have the ability and commitment to provide additional capital to each of our health plans when necessary to ensure that statutory capital and surplus continue to meet regulatory requirements.

As described in Note 2 to the accompanying Notes to the Consolidated Financial Statements, the ACA imposes an annual fee on health insurers for each calendar year beginning on or after January 1, 2014. The fee will be imposed beginning in 2014 based on a company's share of the industry's net premiums written during the preceding calendar year. If the fee assessment is enacted as written, our minimum capitalization requirements will increase significantly on January 1, 2014; we are currently evaluating the impact of the fee assessment to our financial position, results of operations and cash flows.

Future Sources and Uses of Liquidity

As of June 30, 2013, maturities of long-term debt for the years ending December 31 are as follows (in thousands):

	Total	2013	2014	2015	2016	2017	Thereafter
1.125% Notes	$ 550,000	$ —	$ —	$ —	$ —	$ —	$ 550,000
3.75% Notes	187,000	—	187,000	—	—	—	—
	$ 737,000	$ —	$ 187,000	$ —	$ —	$ —	$ 550,000

1.125% Cash Convertible Senior Notes due 2020

On February 15, 2013, we settled the issuance of $550.0 million aggregate principal amount of 1.125% Cash Convertible Senior Notes due 2020 (the 1.125% Notes). This transaction included the initial issuance of $450.0 million on February 11, 2013, plus the exercise of the full amount of the $100.0 million over-allotment option on February 13, 2013. The aggregate net

proceeds of the 1.125% Notes were $458.9 million, after payment of the net cost of the Call Spread Overlay described below and transaction costs. Additionally, we used $50.0 million of the net proceeds to purchase shares of our common stock, and $40.0 million to repay the principal owed under our Credit Facility.

Interest on the 1.125% Notes is payable semiannually in arrears on January 15 and July 15 of each year, at a rate of 1.125% per annum commencing on July 15, 2013. The 1.125% Notes will mature on January 15, 2020 unless repurchased or converted in accordance with their terms prior to such date.

The 1.125% Notes are convertible only into cash, and not into shares of our common stock or any other securities. Holders may convert their 1.125% Notes solely into cash at their option at any time prior to the close of business on the business day immediately preceding July 15, 2019 only under the following circumstances: (1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2013 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period immediately after any five consecutive trading day period in which the trading price per $1,000 principal amount of 1.125% Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events. On or after July 15, 2019 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their 1.125% Notes solely into cash at any time, regardless of the foregoing circumstances. Upon conversion, in lieu of receiving shares of our common stock, a holder will receive an amount in cash, per $1,000 principal amount of 1.125% Notes, equal to the settlement amount, determined in the manner set forth in the indenture.

The initial conversion rate will be 24.5277 shares of our common stock per $1,000 principal amount of 1.125% Notes (equivalent to an initial conversion price of approximately $40.77 per share of common stock). The conversion rate will be subject to adjustment in some events but will not be adjusted for any accrued and unpaid interest. In addition, following certain corporate events that occur prior to the maturity date, we will pay a cash make-whole premium by increasing the conversion rate for a holder who elects to convert its 1.125% Notes in connection with such a corporate event in certain circumstances. We may not redeem the 1.125% Notes prior to the maturity date, and no sinking fund is provided for the 1.125% Notes.

If we undergo a fundamental change (as defined in the indenture to the 1.125% Notes), holders may require us to repurchase for cash all or part of their 1.125% Notes at a repurchase price equal to 100% of the principal amount of the 1.125% Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The indenture provides for customary events of default, including cross acceleration to certain other indebtedness of ours, and our significant subsidiaries.

The 1.125% Notes are senior unsecured obligations, and rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the 1.125% Notes; equal in right of payment to any of our unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries.

The 1.125% Notes contain an embedded cash conversion option. We have determined that the embedded cash conversion option is a derivative financial instrument, required to be separated from the 1.125% Notes and accounted for separately as a derivative liability, with changes in fair value reported in our consolidated statements of operations until the embedded cash conversion option transaction settles or expires. The initial fair value liability of the embedded cash conversion option was $149.3 million, which simultaneously reduced the carrying value of the 1.125% Notes (effectively an original issuance discount).

As noted above, the reduced carrying value on the 1.125% Notes resulted in a debt discount that is amortized to the 1.125% Notes' principal amount through the recognition of interest expense over the expected life of the debt. This has resulted in our recognition of interest expense on the 1.125% Notes at an effective rate approximating what we would have incurred had nonconvertible debt with otherwise similar terms been issued. The effective interest rate of the 1.125% Notes is 5.9%, which is imputed based on the amortization of the fair value of the embedded cash conversion option over the remaining term of the 1.125% Notes. As of June 30, 2013, we expect the 1.125% Notes to be outstanding until their January 15, 2020 maturity date, for a remaining amortization period of 6.5 years.

Also in connection with the settlement of the 1.125% Notes, we paid approximately $16.9 million in transaction costs. Such costs have been allocated to the 1.125% Notes, the 1.125% Call Option (defined below) and the 1.125% Warrants (defined below) according to their relative fair values. The amount allocated to the 1.125% Notes, or $12.0 million, was

capitalized and will be amortized over the term of the 1.125% Notes. The aggregate amount allocated to the 1.125% Call Option and 1.125% Warrants, or $4.9 million, was recorded to interest expense in the quarter ended March 31, 2013.

1.125% Notes Call Spread Overlay

Concurrent with the issuance of the 1.125% Notes, we entered into privately negotiated hedge transactions (collectively, the 1.125% Call Option) and warrant transactions (collectively, the 1.125% Warrants), with certain of the initial purchasers of the 1.125% Notes (the Counterparties). These transactions represent a Call Spread Overlay, whereby the cost of the 1.125% Call Option we purchased to cover the cash outlay upon conversion of the 1.125% Notes was reduced by the sales price of the 1.125% Warrants. Assuming full performance by the Counterparties (and 1.125% Warrants strike prices in excess of the conversion price of the 1.125% Notes), these transactions are intended to offset cash payments due upon any conversion of the 1.125% Notes. We used $149.3 million of the proceeds from the settlement of the 1.125% Notes to pay for the 1.125% Call Option, and simultaneously received $75.1 million for the sale of the 1.125% Warrants, for a net cash outlay of $74.2 million for the Call Spread Overlay. The 1.125% Call Option is a derivative financial instrument.

Aside from the initial payment of a premium to the Counterparties of $149.3 million for the 1.125% Call Option, we will not be required to make any cash payments to the Counterparties under the 1.125% Call Option, and will be entitled to receive from the Counterparties an amount of cash, generally equal to the amount by which the market price per share of common stock exceeds the strike price of the 1.125% Call Options during the relevant valuation period. The strike price under the 1.125% Call Option is initially equal to the conversion price of the 1.125% Notes. Additionally, if the market value per share of our common stock exceeds the strike price of the 1.125% Warrants on any trading day during the 160 trading day measurement period under the 1.125% Warrants, we will be obligated to issue to the Counterparties a number of shares equal in value to the product of the amount by which such market value exceeds such strike price and 1/160th of the aggregate number of shares of our common stock underlying the 1.125% Warrants, subject to a share delivery cap. We will not receive any additional proceeds if the 1.125% Warrants are exercised. Pursuant to the 1.125% Warrants, we issued 13,490,236 warrants with a strike price of $53.8475 per share. The number of warrants and the strike price are subject to adjustment under certain circumstances.

3.75% Convertible Senior Notes due 2014

We had $187.0 million of 3.75% Convertible Senior Notes due 2014 (the 3.75% Notes) outstanding as of June 30, 2013 and December 31, 2012, respectively. The 3.75% Notes rank equally in right of payment with our existing and future senior indebtedness. The 3.75% Notes are convertible into cash and, under certain circumstances, shares of our common stock. The initial conversion rate is 31.9601 shares of our common stock per one thousand dollar principal amount of the 3.75% Notes. This represents an initial conversion price of approximately $31.29 per share of our common stock. In addition, if certain corporate transactions that constitute a change of control occur prior to maturity, we will increase the conversion rate in certain circumstances.

Lease Financing Obligations

On June 12, 2013, we entered into a sale-leaseback transaction for the sale and contemporaneous leaseback of two properties, including the Molina Center located in Long Beach, California, and the building that houses our Ohio health plan located in Columbus, Ohio. We sold the two properties for $158.6 million in the aggregate. Due to our continuing involvement with these leased properties, the sale did not qualify for sale-leaseback accounting treatment and we remain the "accounting owner" of the properties. The carrying values of these properties, including the related intangible assets, amounted to $78.8 million in the aggregate as of June 30, 2013. These assets continue to be included in our consolidated balance sheets, and also continue to be depreciated and amortized over their remaining useful lives. The sales price of $158.6 million was recorded as a lease financing obligation, which is amortized over the 25-year lease term such that there will be no gain or loss recorded if the lease is not extended at the end of its term. Payments under the lease adjust the lease financing obligation, and the imputed interest is recorded to interest expense in our consolidated statements of operations. Transaction costs associated with this transaction, amounting to $3.5 million, have been deferred and will be amortized over the initial lease term.

We entered into a lease for office space in February 2013 consisting of two office buildings then under construction. We have concluded that we are the accounting owner of the construction projects because of our continuing involvement in those projects. Therefore, we have recorded $17.0 million to property, equipment and capitalized software, net, in the accompanying consolidated balance sheet as of June 30, 2013, which represents the total cost, including imputed interest, incurred by the landlord thus far in the construction projects. As of June 30, 2013, the aggregate amounts recorded to property, equipment and capitalized software, net, for both Building A and B are also recorded as a corresponding lease financing obligation of $17.0 million. Payments under the lease adjust the lease financing obligation, and the imputed interest is recorded to interest expense in our consolidated statements of operations. In addition to the capitalization of the costs incurred by the landlord, we impute and record rent expense relating to the ground leases for the property sites. Such rent expense is computed based on the fair value of the land and our incremental borrowing rate, and was immaterial for the six months ended June 30, 2013.

Term Loan

In December 2011, our wholly owned subsidiary, Molina Center LLC, entered into a term loan agreement with various lenders and East West Bank to borrow $48.6 million to finance a portion of the purchase price for the Molina Center, located in Long Beach, California. On June 13, 2013, we repaid the principal balance outstanding under the term loan on that date, with proceeds we received in the sale-leaseback transaction described above.

Credit Facility

On February 15, 2013, we used approximately $40.0 million of the net proceeds from the offering of the 1.125% Notes to repay all of the outstanding indebtedness under our $170 million revolving Credit Facility, with various lenders and U.S. Bank National Association, as Line of Credit Issuer, Swing Line Lender, and Administrative Agent. As of December 31, 2012, there was $40.0 million outstanding under the Credit Facility.

We terminated the Credit Facility in connection with the closing of the offering and sale of the 1.125% Notes. Two letters of credit in the aggregate principal amount of $10.3 million that reduced the amount available for borrowing under the Credit Facility as of December 31, 2012, were transferred to direct issue letters of credit with another financial institution. Such direct issue letters of credit are collateralized by restricted investments.

Shelf Registration Statement

In the second quarter of 2012, we filed a shelf registration statement on Form S-3 with the Securities and Exchange Commission covering the registration, issuance, and sale of an indeterminate amount of our securities, including common stock, preferred stock, senior or subordinated debt securities, or warrants. We may publicly offer securities from time to time at prices and terms to be determined at the time of the offering.

Securities Repurchase Program

Effective as of February 13, 2013, our board of directors authorized the repurchase of $75 million in the aggregate of either our common stock or our 3.75% Notes, in addition to the $50 million of our common stock that we repurchased on February 12, 2013. The repurchase program extends through December 31, 2014.

Contractual Obligations

A summary of future obligations under our various contractual obligations and commitments as of December 31, 2012, was disclosed in our 2012 Annual Report on Form 10-K. Other than the transactions relating to our February 2013 offering of the 1.125% Notes, and the sale-leaseback transactions discussed above, there were no material changes to this previously filed information outside the ordinary course of business during the three months ended June 30, 2013. For further discussion and maturities of our long-term debt, see Note 10 of Notes to the Consolidated Financial Statements.

Critical Accounting Policies

When we prepare our consolidated financial statements, we use estimates and assumptions that may affect reported amounts and disclosures. Actual results could differ from these estimates. Our most significant accounting policies relate to:

- Health plan contractual provisions that may limit revenue based upon the costs incurred or the profits realized under a specific contract;
- Health plan quality incentives that allow us to recognize incremental revenue if certain quality standards are met;
- The recognition of revenue and costs associated with contracts held by our Molina Medicaid Solutions segment; and
- The determination of medical claims and benefits payable.

Premium Revenue – Health Plans Segment

Premium revenue is fixed in advance of the periods covered and, except as described below, is not generally subject to significant accounting estimates. Premium revenues are recognized in the month that members are entitled to receive health care services.

Certain components of premium revenue are subject to accounting estimates. The components of premium revenue subject to estimation fall into two categories:

(1) Contractual provisions that may limit revenue based upon the costs incurred or the profits realized under a specific contract: These are contractual provisions that require the health plan to return premiums to the extent that certain thresholds are not met. In some instances premiums are returned when medical costs fall below a certain percentage of gross premiums; or when administrative costs or profits exceed a certain percentage of gross premiums. In other instances, premiums are partially determined by the acuity of care provided to members (risk adjustment). To the extent that our expenses and profits change from the amounts previously reported (due to changes in estimates), our revenue earned for those periods will also change. In all of these instances, our revenue is only subject to estimate due to the fact that the thresholds themselves contain elements (expense or profit) that are subject to estimate. While we have adequate experience and data to make sound estimates of our expenses or profits, changes to those estimates may be necessary, which in turn would lead to changes in our estimates of revenue. In general, a change in estimate relating to expense or profit would offset any related change in estimate to premium, resulting in no or small impact to net income. The following contractual provisions fall into this category:

California Health Plan Medical Cost Floors (Minimums): A portion of certain premiums received by our California health plan may be returned to the state if certain minimum amounts are not spent on defined medical care costs. We recorded a liability under the terms of these contract provisions of approximately $0.7 million and $0.3 million at June 30, 2013, and December 31, 2012, respectively.

Florida Health Plan Medical Cost Floor (Minimum): A portion of premiums received by our Florida health plan may be returned to the state if certain minimum amounts are not spent on defined behavioral health care costs (in all counties except Broward). A similar minimum expenditure is required for total health care costs in Broward county only. At both June 30, 2013, and December 31, 2012, we had not recorded any liability under the terms of these contract provisions.

New Mexico Health Plan Medical Cost Floors (Minimums) and Administrative Cost and Profit Ceilings (Maximums): Our contract with the state of New Mexico directs that a portion of premiums received may be returned to the state if certain minimum amounts are not spent on defined medical care costs, or if administrative costs or profit, as defined in the contract, exceed certain amounts. At both June 30, 2013, and December 31, 2012, we had not recorded any liability under the terms of these contract provisions.

Ohio Health Plan Medical Cost Floors (Minimums): Sanctions may be levied by the state if certain minimum amounts are not spent on defined medical care costs. These sanctions include the requirements to file a corrective action plan as well as an enrollment freeze.

Texas Health Plan Profit Sharing: Under our contract with the state of Texas, there is a profit-sharing agreement under which we pay a rebate to the state of Texas if our Texas health plan generates pretax income, as defined in the contract, above a certain specified percentage, as determined in accordance with a tiered rebate schedule. We are limited in the amount of administrative costs that we may deduct in calculating the rebate, if any. As a result of profits in excess of the amount we are allowed to fully retain, we had accrued an aggregate liability of approximately $3.9 million and $3.2 million pursuant to our profit-sharing agreement with the state of Texas at June 30, 2013, and December 31, 2012, respectively.

Washington Health Plan Medical Cost Floors (Minimums): A portion of certain premiums received by our Washington health plan may be returned to the state if certain minimum amounts are not spent on defined medical care costs. At June 30, 2013, and December 31, 2012, we had not recorded any liability under the terms of this contract provision.

Medicare Revenue Risk Adjustment: Based on member encounter data that we submit to CMS, our Medicare premiums are subject to retroactive adjustment for both member risk scores and member pharmacy cost experience for up to two years after the original year of service. This adjustment takes into account the acuity of each member's medical needs relative to what was anticipated when premiums were originally set for that member. In the event that a member requires less acute medical care than was anticipated by the original premium amount, CMS may recover premium from us. In the event that a member requires more acute medical care than was anticipated by the original premium amount, CMS may pay us additional retroactive premium. A similar retroactive reconciliation is undertaken by CMS for our Medicare members' pharmacy utilization. We estimate the amount of Medicare revenue that will ultimately be realized for the periods presented based on our knowledge of our members' heath care utilization patterns and CMS practices. Based on our knowledge of member health care utilization patterns and expenses we have recorded a net receivable of approximately $7.1 million and $0.3 million as of June 30, 2013 and December 31, 2012, respectively for anticipated Medicare risk adjustment premiums.

(2) Quality incentives that allow us to recognize incremental revenue if certain quality standards are met: These are contract provisions that allow us to earn additional premium revenue in certain states if we achieve certain quality-of-care or administrative measures. We estimate the amount of revenue that will ultimately be realized for the periods presented based on our experience and expertise in meeting the quality and administrative measures as well as our ongoing and current monitoring of our progress in meeting those measures. The amount of the revenue that we will realize under these contractual provisions is determinable based upon that experience. The following contractual provisions fall into this category:

New Mexico Health Plan Quality Incentive Premiums: Under our contract with the state of New Mexico, incremental revenue of up to 0.75% of our total premium is earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care and administrative measures dictated by the state.

Ohio Health Plan Quality Incentive Premiums: Under our contract with the state of Ohio, incremental revenue of up to 1% of our total premium is earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care measures dictated by the state.

Texas Health Plan Quality Incentive Premiums: Effective March 1, 2012, under our contract with the state of Texas, incremental revenue of up to 5% of our total premium is earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care measures established by the state.

Wisconsin Health Plan Quality Incentive Premiums: Under our contract with the state of Wisconsin, incremental revenue of up to 3.25% of total premium may be earned if certain performance measures are met. These performance measures are generally linked to various quality-of-care measures dictated by the state.

The following table quantifies the quality incentive premium revenue recognized for the periods presented, including the amounts earned in the period presented and prior periods. Although the reasonably possible effects of a change in estimate related to quality incentive premium revenue as of June 30, 2013 are not known, we have no reason to believe that the adjustments to prior years noted below are not indicative of the potential future changes in our estimates as of June 30, 2013.

	Three Months Ended June 30, 2013				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
	(In thousands)				
New Mexico	$ 588	$ 535	$ 49	$ 584	$ 86,527
Ohio	2,964	1,087	553	1,640	292,706
Texas	15,675	15,675	2,752	18,427	324,600
Wisconsin	1,269	—	495	495	37,740
	$ 20,496	$ 17,297	$ 3,849	$ 21,146	$ 741,573

	Three Months Ended June 30, 2012				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
	(In thousands)				
New Mexico	$ 561	$ 482	$ 630	$ 1,112	$ 82,706
Ohio	2,720	2,720	—	2,720	297,069
Texas	18,252	14,284	—	14,284	359,486
Wisconsin	449	—	246	246	18,788
	$ 21,982	$ 17,486	$ 876	$ 18,362	$ 758,049

	Six Months Ended June 30, 2013				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
	(In thousands)				
New Mexico	$ 1,173	$ 867	$ 157	$ 1,024	$ 172,325
Ohio	5,969	2,139	553	2,692	584,224
Texas	31,939	29,187	8,747	37,934	659,896
Wisconsin	2,030	—	1,104	1,104	64,864
	$ 41,111	$ 32,193	$ 10,561	$ 42,754	$ 1,481,309

	Six Months Ended June 30, 2012				
	Maximum Available Quality Incentive Premium - Current Year	Amount of Current Year Quality Incentive Premium Revenue Recognized	Amount of Quality Incentive Premium Revenue Recognized from Prior Year	Total Quality Incentive Premium Revenue Recognized	Total Revenue Recognized
	(In thousands)				
New Mexico	$ 1,116	$ 818	$ 658	$ 1,476	$ 163,932
Ohio	5,398	5,398	966	6,364	590,594
Texas	24,002	20,034	—	20,034	557,722
Wisconsin	865	—	246	246	35,930
	$ 31,381	$ 26,250	$ 1,870	$ 28,120	$ 1,348,178

Service Revenue and Cost of Service Revenue — Molina Medicaid Solutions Segment

The payments received by our Molina Medicaid Solutions segment under its state contracts are based on the performance of multiple services. The first of these is the design, development and implementation (DDI) of a Medicaid Management Information System (MMIS). An additional service, following completion of DDI, is the operation of the MMIS under a business process outsourcing (BPO) arrangement. While providing BPO services (which include claims payment and eligibility processing), we also provide the state with other services including both hosting and support and maintenance. Our Molina Medicaid Solutions contracts may extend over a number of years, particularly in circumstances where we are delivering extensive and complex DDI services, such as the initial design, development and implementation of a complete MMIS. For example, the terms of our most recently implemented Molina Medicaid Solutions contracts (in Idaho and Maine) were each seven years in total, consisting of two years allocated for the delivery of DDI services, followed by five years for the performance of BPO services. We receive progress payments from the state during the performance of DDI services based upon the attainment of predetermined milestones. We receive a flat monthly payment for BPO services under our Idaho and Maine contracts. The terms of our other Molina Medicaid Solutions contracts – which primarily involve the delivery of BPO services with only minimal DDI activity (consisting of system enhancements) – are shorter in duration than our Idaho and Maine contracts.

We have evaluated our Molina Medicaid Solutions contracts to determine if such arrangements include a software element. Based on this evaluation, we have concluded that these arrangements do not include a software element. As such, we have concluded that our Molina Medicaid Solutions contracts are multiple-element service arrangements.

Additionally, we evaluate each required deliverable under our multiple-element service arrangements to determine whether it qualifies as a separate unit of accounting. Such evaluation is generally based on whether the deliverable has standalone value to the customer. The arrangement's consideration that is fixed or determinable is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. In general, the consideration allocated to each unit of accounting is recognized as the related goods or services are delivered, limited to the consideration that is not contingent.

We have concluded that the various service elements in our Molina Medicaid Solutions contracts represent a single unit of accounting due to the fact that DDI, which is the only service performed in advance of the other services (all other services are performed over an identical period), does not have standalone value because our DDI services are not sold separately by any vendor and the customer could not resell our DDI services. Further, we have no objective and reliable evidence of fair value for any of the individual elements in these contracts, and at no point in the contract will we have objective and reliable evidence of fair value for the undelivered elements in the contracts. We lack objective and reliable evidence of the fair value of the individual elements of our Molina Medicaid Solutions contracts for the following reasons:

- Each contract calls for the provision of its own specific set of services. While all contracts support the system of record for state MMIS, the actual services we provide vary significantly between contracts; and
- The nature of the MMIS installed varies significantly between our older contracts (proprietary mainframe systems) and our new contracts (commercial off-the-shelf technology solutions).

Because we have determined the services provided under our Molina Medicaid Solutions contracts represent a single unit of accounting and because we are unable to determine a pattern of performance of services during the contract period, we recognize all revenue (both the DDI and BPO elements) associated with such contracts on a straight-line basis over the period during which BPO, hosting, and support and maintenance services are delivered. As noted above, the period of performance of BPO services under our Idaho and Maine contracts is five years. Therefore, absent any contingencies as discussed in the following paragraph, we would recognize all revenue associated with those contracts over a period of five years. In cases where there is no DDI element associated with our contracts, BPO revenue is recognized on a monthly basis as specified in the applicable contract or contract extension.

Provisions specific to each contract may, however, lead us to modify this general principle. In those circumstances, the right of the state to refuse acceptance of services, as well as the related obligation to compensate us, may require us to delay recognition of all or part of our revenue until that contingency (the right of the state to refuse acceptance) has been removed. In those circumstances we defer recognition of any contingent revenue (whether DDI, BPO services, hosting, and support and maintenance services) until the contingency has been removed. These types of contingency features are present in our Maine and Idaho contracts. In those states, we deferred recognition of revenue until the contingencies were removed.

Costs associated with our Molina Medicaid Solutions contracts include software-related costs and other costs. With respect to software related costs, we apply the guidance for internal-use software and capitalize external direct costs of materials and services consumed in developing or obtaining the software, and payroll and payroll-related costs associated with employees who are directly associated with and who devote time to the computer software project. With respect to all other direct costs, such costs are expensed as incurred, unless corresponding revenue is being deferred. If revenue is being deferred, direct costs relating to delivered service elements are deferred as well and are recognized on a straight-line basis over the period of revenue recognition, in a manner consistent with our recognition of revenue that has been deferred. Such direct costs can include:

- Transaction processing costs
- Employee costs incurred in performing transaction services
- Vendor costs incurred in performing transaction services
- Costs incurred in performing required monitoring of and reporting on contract performance
- Costs incurred in maintaining and processing member and provider eligibility
- Costs incurred in communicating with members and providers

The recoverability of deferred contract costs associated with a particular contract is analyzed on a periodic basis using the undiscounted estimated cash flows of the whole contract over its remaining contract term. If such undiscounted cash flows are insufficient to recover the long-lived assets and deferred contract costs, the deferred contract costs are written down by the amount of the cash flow deficiency. If a cash flow deficiency remains after reducing the balance of the deferred contract costs to zero, any remaining long-lived assets are evaluated for impairment. Any such impairment recognized would equal the amount by which the carrying value of the long-lived assets exceeds the fair value of those assets .

Medical Claims and Benefits Payable — Health Plans Segment

The following table provides the details of our medical claims and benefits payable as of the dates indicated:

	June 30, 2013	December 31, 2012	June 30, 2012
		(In thousands)	
Fee-for-service claims incurred but not paid (IBNP)	$ 360,153	$ 377,614	$ 378,782
Capitation payable	47,474	49,066	79,739
Pharmacy	37,241	38,992	34,848
Other	20,619	28,858	32,169
	$ 465,487	$ 494,530	$ 525,538

The determination of our liability for claims and medical benefits payable is particularly important to the determination of our financial position and results of operations in any given period. Such determination of our liability requires the application of a significant degree of judgment by our management.

As a result, the determination of our liability for claims and medical benefits payable is subject to an inherent degree of uncertainty. Our medical care costs include amounts that have been paid by us through the reporting date, as well as estimated liabilities for medical care costs incurred but not paid by us as of the reporting date. Such medical care cost liabilities include, among other items, unpaid fee-for-service claims, capitation payments owed providers, unpaid pharmacy invoices, and various medically related administrative costs that have been incurred but not paid. We use judgment to determine the appropriate assumptions for determining the required estimates.

The most important element in estimating our medical care costs is our estimate for fee-for-service claims which have been incurred but not paid by us. These fee-for-service costs that have been incurred but have not been paid at the reporting date are collectively referred to as medical costs that are "Incurred But Not Paid," or IBNP. Our IBNP, as reported on our balance sheet, represents our best estimate of the total amount of claims we will ultimately pay with respect to claims that we have incurred as of the balance sheet date. We estimate our IBNP monthly using actuarial methods based on a number of factors. As indicated in the table above, our estimated IBNP liability represented $360.2 million of our total medical claims and benefits payable of $465.5 million as of June 30, 2013. Excluding amounts that we anticipate paying on behalf of a capitated provider in Ohio (which we will subsequently withhold from that provider's monthly capitation payment), our IBNP liability at June 30, 2013, was $354.0 million.

The factors we consider when estimating our IBNP include, without limitation, claims receipt and payment experience (and variations in that experience), changes in membership, provider billing practices, health care service utilization trends, cost trends, product mix, seasonality, prior authorization of medical services, benefit changes, known outbreaks of disease or increased incidence of illness such as influenza, provider contract changes, changes to Medicaid fee schedules, and the incidence of high dollar or catastrophic claims. Our assessment of these factors is then translated into an estimate of our IBNP liability at the relevant measuring point through the calculation of a base estimate of IBNP, a further reserve for adverse claims development, and an estimate of the administrative costs of settling all claims incurred through the reporting date. The base estimate of IBNP is derived through application of claims payment completion factors and trended PMPM cost estimates.

For the fifth month of service prior to the reporting date and earlier, we estimate our outstanding claims liability based on actual claims paid, adjusted for estimated completion factors. Completion factors seek to measure the cumulative percentage of claims expense that will have been paid for a given month of service as of the reporting date, based on historical payment patterns.

The following table reflects the change in our estimate of claims liability as of June 30, 2013 that would have resulted had we changed our completion factors for the fifth through the twelfth months preceding June 30, 2013, by the percentages indicated. A reduction in the completion factor results in an increase in medical claims liabilities. Dollar amounts are in thousands.

Increase (Decrease) in Estimated Completion Factors	Increase (Decrease) in Medical Claims and Benefits Payable
(6)%	$ 154,224
(4)%	102,816
(2)%	51,408
2%	(51,408)
4%	(102,816)
6%	(154,224)

For the four months of service immediately prior to the reporting date, actual claims paid are not a reliable measure of our ultimate liability, given the inherent delay between the patient/physician encounter and the actual submission of a claim for payment. For these months of service, we estimate our claims liability based on trended PMPM cost estimates. These estimates are designed to reflect recent trends in payments and expense, utilization patterns, authorized services, and other relevant factors. The following table reflects the change in our estimate of claims liability as of June 30, 2013 that would have resulted had we altered our trend factors by the percentages indicated. An increase in the PMPM costs results in an increase in medical

claims liabilities. Dollar amounts are in thousands.

(Decrease) Increase in Trended Per member Per Month Cost Estimates	(Decrease) Increase in Medical Claims and Benefits Payable
(6)%	$ (77,698)
(4)%	(51,799)
(2)%	(25,899)
2%	25,899
4%	51,799
6%	77,698

The following per-share amounts are based on a combined federal and state statutory tax rate of 37%, and 46.5 million diluted shares outstanding for the six months ended June 30, 2013. Assuming a hypothetical 1% change in completion factors from those used in our calculation of IBNP at June 30, 2013, net income for the six months ended June 30, 2013 would increase or decrease by approximately $16.2 million, or $0.35 per diluted share. Assuming a hypothetical 1% change in PMPM cost estimates from those used in our calculation of IBNP at June 30, 2013, net income for the six months ended June 30, 2013 would increase or decrease by approximately $8.2 million, or $0.18 per diluted share. The corresponding figures for a 5% change in completion factors and PMPM cost estimates would be $81.0 million, or $1.74 per diluted share, and $40.8 million, or $0.88 per diluted share, respectively.

It is important to note that any change in the estimate of either completion factors or trended PMPM costs would usually be accompanied by a change in the estimate of the other component, and that a change in one component would almost always compound rather than offset the resulting distortion to net income. When completion factors are *overestimated*, trended PMPM costs tend to be *underestimated*. Both circumstances will create an overstatement of net income. Likewise, when completion factors are *underestimated*, trended PMPM costs tend to be *overestimated*, creating an understatement of net income. In other words, errors in estimates involving both completion factors and trended PMPM costs will usually act to drive estimates of claims liabilities and medical care costs in the same direction. If completion factors were overestimated by 1%, resulting in an overstatement of net income by approximately $16.2 million, it is likely that trended PMPM costs would be underestimated, resulting in an additional overstatement of net income.

After we have established our base IBNP reserve through the application of completion factors and trended PMPM cost estimates, we then compute an additional liability, once again using actuarial techniques, to account for adverse developments in our claims payments which the base actuarial model is not intended to and does not account for. We refer to this additional liability as the provision for adverse claims development. The provision for adverse claims development is a component of our overall determination of the adequacy of our IBNP. It is intended to capture the potential inadequacy of our IBNP estimate as a result of our inability to adequately assess the impact of factors such as changes in the speed of claims receipt and payment, the relative magnitude or severity of claims, known outbreaks of disease such as influenza, our entry into new geographical markets, our provision of services to new populations such as the aged, blind or disabled (ABD), changes to state-controlled fee schedules upon which a large proportion of our provider payments are based, modifications and upgrades to our claims processing systems and practices, and increasing medical costs. Because of the complexity of our business, the number of states in which we operate, and the need to account for different health care benefit packages among those states, we make an overall assessment of IBNP after considering the base actuarial model reserves and the provision for adverse claims development. We also include in our IBNP liability an estimate of the administrative costs of settling all claims incurred through the reporting date. The development of IBNP is a continuous process that we monitor and refine on a monthly basis as additional claims payment information becomes available. As additional information becomes known to us, we adjust our actuarial model accordingly to establish IBNP.

On a monthly basis, we review and update our estimated IBNP and the methods used to determine that liability. Any adjustments, if appropriate, are reflected in the period known. While we believe our current estimates are adequate, we have in the past been required to increase significantly our claims reserves for periods previously reported, and may be required to do so again in the future. Any significant increases to prior period claims reserves would materially decrease reported earnings for the period in which the adjustment is made.

In our judgment, the estimates for completion factors will likely prove to be more accurate than trended PMPM cost estimates because estimated completion factors are subject to fewer variables in their determination. Specifically, completion factors are developed over long periods of time, and are most likely to be affected by changes in claims receipt and payment experience and by provider billing practices. Trended PMPM cost estimates, while affected by the same factors, will also be influenced by health care service utilization trends, cost trends, product mix, seasonality, prior authorization of medical services, benefit changes, outbreaks of disease or increased incidence of illness, provider contract changes, changes to

Medicaid fee schedules, and the incidence of high dollar or catastrophic claims. As discussed above, however, errors in estimates involving trended PMPM costs will almost always be accompanied by errors in estimates involving completion factors, and vice versa. In such circumstances, errors in estimation involving both completion factors and trended PMPM costs will act to drive estimates of claims liabilities (and therefore medical care costs) in the same direction.

Assuming that our initial estimate of claims incurred but not paid (IBNP) is accurate, we believe that amounts ultimately paid out would generally be between 8% and 10% less than the liability recorded at the end of the period as a result of the inclusion in that liability of the allowance for adverse claims development and the accrued cost of settling those claims. Because the amount of our initial liability is merely an estimate (and therefore not perfectly accurate), we will always experience variability in that estimate as new information becomes available with the passage of time. Therefore, there can be no assurance that amounts ultimately paid out will fall within the range of 8% to 10% lower than the liability that was initially recorded. Furthermore, because our initial estimate of IBNP is derived from many factors, some of which are qualitative in nature rather than quantitative, we are seldom able to assign specific values to the reasons for a change in estimate - we only know when the circumstances for any one or more factors are out of the ordinary.

As shown in greater detail in the table below, the amounts ultimately paid out on our liabilities in fiscal years 2013 and 2012 were less than what we had expected when we had established our reserves. For example, for the year ended December 31, 2012, the amounts ultimately paid out were less than the amount of the reserves we had established as of December 31, 2011 by 9.8%. While many related factors working in conjunction with one another determine the accuracy of our estimates, we are seldom able to quantify the impact that any single factor has on a change in estimate. In addition, given the variability inherent in the reserving process, we will only be able to identify specific factors if they represent a significant departure from expectations. As a result, we do not expect to be able to fully quantify the impact of individual factors on changes in estimates.

We recognized favorable prior period claims development in the amount of $62.8 million for the six months ended June 30, 2013. This amount represents our estimate as of June 30, 2013 of the extent to which our initial estimate of medical claims and benefits payable at December 31, 2012 was more than the amount that will ultimately be paid out in satisfaction of that liability. We believe the overestimation of our claims liability at December 31, 2012 was due primarily to the following factors:

- At our Texas health plan, STAR+PLUS (the state's program for ABD members) membership declined during mid– to late– 2012. This caused a reduction in costs per member that we did not fully recognize in our December 31, 2012 reserve estimates.
- At our Washington health plan, prior to July 2012, certain high-cost newborns that were approved for supplemental security income (SSI) coverage by the state were retroactively dis-enrolled from our Healthy Options (TANF) coverage, and the health plan was reimbursed for the claims paid on behalf of these members. Starting July 1, 2012, these newborns, as well as other high-cost disabled members, are now covered by the health plan under the Healthy Options Blind and Disabled (HOBD) program. At the end of 2012, we had limited claims history with which to estimate the claims liability of the HOBD members, and as a result the liability for these high-cost members was overstated.
- For our New Mexico health plan, we overestimated the impact of certain high-dollar outstanding claim payments as of December 31, 2012.

We recognized favorable prior period claims development in the amount of $50.0 million for the three months ended June 30, 2013. This amount represents our estimate as of June 30, 2013 of the extent to which our initial estimate of medical claims and benefits payable at March 31, 2013 was more than the amount that will ultimately be paid out in satisfaction of that liability. We believe the overestimation of our claims liability at March 31, 2013 was due primarily to the following factors:

- At our Washington health plan, we had limited claims history with which to estimate the incurred claims for members enrolled in the HOBD program. Because claims on this group of members were being paid at a rate faster than expected, the reserves for unpaid claims were overstated.
- At our Ohio and New Mexico health plans, we overestimated the impact of several potential high-dollar claims on critically ill members.

We recognized favorable prior period claims development in the amount of $36.4 million and $39.3 million for the six months ended June 30, 2012, and the year ended December 31, 2012, respectively. This was primarily caused by the overestimation of our liability claims and medical benefits at December 31, 2011, as a result of the following factors:

- At our Washington health plan, we underestimated the amount of recoveries we would collect for certain high-cost newborn claims, resulting in an overestimation of reserves at year end.
- At our Texas health plan, we overestimated the cost of new members in STAR+PLUS, in the Dallas region.
- The overestimation of our liability for medical claims and benefits payable was partially offset by an underestimation of that liability at our Missouri health plan, as a result of the costs associated with an unusually large number of premature infants during the fourth quarter of 2011.

In estimating our claims liability at June 30, 2013, we adjusted our base calculation to take account of the following factors which we believe are reasonably likely to change our final claims liability amount:

- In our Texas health plan, we have noted an unusually large number of claims with incurred dates older than 10 months. This has caused some distortion in the claims lag pattern that we use to estimate the incurred claims.
- Our Wisconsin health plan is experiencing significant membership increases, and approximately doubled in size during the first four months of 2013. This new membership is transitioning to our health plan from a terminated health plan. We enrolled approximately 50,000 new members in February, March and April 2013. We have computed a separate reserve analysis for these members and have noted that paid claims thus far are less than what we would expect for newly transitioned members. It has been our experience that when members move to new health plans, there is a delay in the submission of claims for payment. Therefore, we have increased the reserves for this membership, in anticipation of higher claims costs eventually being reported for these members.
- In our Michigan health plan, there were a large number of claim recoveries recorded in June 2013 due to overpayments that resulted from a system configuration issue. These recoveries impacted the completion factors used to estimate incurred claims. While we have attempted to remove this distortion from the claims data to develop a more accurate reserve estimate, this type of correction in claims data adds a degree of uncertainty for the Michigan reserves as of June 30, 2013.

The use of a consistent methodology in estimating our liability for claims and medical benefits payable minimizes the degree to which the under- or overestimation of that liability at the close of one period may affect consolidated results of operations in subsequent periods. In particular, the use of a consistent methodology should result in the replenishment of reserves during any given period in a manner that generally offsets the benefit of favorable prior period development in that period. Facts and circumstances unique to the estimation process at any single date, however, may still lead to a material impact on consolidated results of operations in subsequent periods. Any absence of adverse claims development (as well as the expensing through general and administrative expense of the costs to settle claims held at the start of the period) will lead to the recognition of a benefit from prior period claims development in the period subsequent to the date of the original estimate. In 2012 and for the six months ended June 30, 2013, the absence of adverse development of the liability for claims and medical benefits payable at the close of the previous period resulted in the recognition of substantial favorable prior period development. In both years, however, the recognition of a benefit from prior period claims development did not have a material impact on our consolidated results of operations because the replenishment of reserves in the respective periods generally offset the benefit from the prior period.

The following table presents the components of the change in our medical claims and benefits payable for the periods indicated. The amounts displayed for “Components of medical care costs related to: Prior periods” represent the amount by which our original estimate of claims and benefits payable at the beginning of the period were (more) or less than the actual amount of the liability based on information (principally the payment of claims) developed since that liability was first reported. The following table shows the components of the change in medical claims and benefits payable from continuing and discontinued operations as of the periods indicated:

	Six Months Ended June 30,		Three Months Ended June 30,		Year Ended
	2013	2012	2013	2012	December 31, 2012
	(Dollars in thousands, except per-member amounts)				
Balances at beginning of period	$ 494,530	$ 402,476	$ 491,145	$ 455,833	$ 402,476
Components of medical care costs related to:					
Current period	2,647,083	2,544,922	1,345,592	1,377,084	5,136,055
Prior periods	(62,757)	(36,357)	(50,020)	493	(39,295)
Total medical care costs	2,584,326	2,508,565	1,295,572	1,377,577	5,096,760
Payments for medical care costs related to:					
Current period	2,206,474	2,033,611	940,186	891,573	4,649,363
Prior periods	406,895	351,892	381,044	416,299	355,343
Total paid	2,613,369	2,385,503	1,321,230	1,307,872	5,004,706
Balances at end of period	$ 465,487	$ 525,538	$ 465,487	$ 525,538	$ 494,530
Benefit from prior period as a percentage of:					
Balance at beginning of period	12.7%	9.0%	10.2%	(0.1)%	9.8%
Premium revenue, trailing twelve months	1.0%	0.7%	0.8%	— %	0.7%
Medical care costs, trailing twelve months	1.2%	0.8%	1.0%	— %	0.8%
Claims Data:					
Days in claims payable, fee for service	38	44	38	44	40
Number of members at end of period	1,847,000	1,853,000	1,847,000	1,853,000	1,797,000
Number of claims in inventory at end of period	109,900	209,200	109,900	209,200	122,700
Billed charges of claims in inventory at end of period	$ 200,400	$ 324,500	$ 200,400	$ 324,500	$ 255,200
Claims in inventory per member at end of period	0.06	0.11	0.06	0.11	0.07
Billed charges of claims in inventory per member at end of period	$ 108.50	$ 175.12	$ 108.50	$ 175.12	$ 142.01
Number of claims received during the period	10,524,500	10,375,700	5,253,500	5,520,100	20,842,400
Billed charges of claims received during the period	$ 10,477,900	$ 9,388,700	$ 5,307,200	$ 5,051,800	$ 19,429,300

Compliance Costs

Our health plans are regulated by both state and federal government agencies. Regulation of managed care products and health care services is an evolving area of law that varies from jurisdiction to jurisdiction. Regulatory agencies generally have discretion to issue regulations and interpret and enforce laws and rules. Changes in applicable laws and rules occur frequently. Compliance with such laws and rules may lead to additional costs related to the implementation of additional systems, procedures and programs that we have not yet identified.

Inflation

We use various strategies to mitigate the negative effects of health care cost inflation. Specifically, our health plans try to control medical and hospital costs through contracts with independent providers of health care services. Through these contracted providers, our health plans emphasize preventive health care and appropriate use of specialty and hospital services. There can be no assurance, however, that our strategies to mitigate health care cost inflation will be successful. Competitive pressures, new health care and pharmaceutical product introductions, demands from health care providers and customers, applicable regulations, or other factors may affect our ability to control health care costs.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents, investments, receivables, and restricted investments. We invest a substantial portion of our cash in the PFM Fund Prime Series — Institutional Class, and the PFM Fund Government Series. These funds represent a portfolio of highly liquid money market securities that are managed by PFM Asset Management LLC, a Virginia business trust registered as an open-end management investment fund. Our investments and a portion of our cash equivalents are managed by professional portfolio managers operating under documented investment guidelines. No investment that is in a loss position can be sold by our managers without our prior approval. Our investments consist solely of investment grade debt securities with a maximum

maturity of five years and an average duration of two years or less. Restricted investments are invested principally in certificates of deposit and U.S. treasury securities. Concentration of credit risk with respect to accounts receivable is limited due to payors consisting principally of the governments of each state in which our Health Plans segment and our Molina Medicaid Solutions segment operate.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures: Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has concluded, based upon its evaluation as of the end of the period covered by this report, that the Company's *"disclosure controls and procedures"* (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*)) are effective to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in Internal Control Over Financial Reporting: There has been no change in our internal control over financial reporting during the fiscal quarter ended June 30, 2013 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II — OTHER INFORMATION

Item 1. ***Legal Proceedings***

The health care and business process outsourcing industries are subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Penalties associated with violations of these laws and regulations include significant fines and penalties, exclusion from participating in publicly funded programs, and the repayment of previously billed and collected revenues.

We are involved in legal actions in the ordinary course of business, some of which seek monetary damages, including claims for punitive damages, which are not covered by insurance. We have accrued liabilities for certain matters for which we deem the loss to be both probable and estimable. Although we believe that our estimates of such losses are reasonable, these estimates could change as a result of further developments of these matters. The outcome of legal actions is inherently uncertain and such pending matters for which accruals have not been established have not progressed sufficiently through discovery and/or development of important factual information and legal issues to enable us to estimate a range of possible loss, if any. While it is not possible to accurately predict or determine the eventual outcomes of these items, an adverse determination in one or more of these pending matters could have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

Item 1A. ***Risk Factors***

Certain risk factors may have a material adverse effect on our business, financial condition, cash flows, or results of operations, and you should carefully consider them. In addition to the other information set forth in this report, the following risk factors were identified by the Company during the second quarter of 2013, and is a supplement to, and should be read together with, the risk factors discussed in Part I, Item 1A - Risk Factors, in our Annual Report on Form 10-K for the year ended December 31, 2012. The risk factors described herein and in our 2012 Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, cash flows, or results of operations.

Reductions in Medicare payments could reduce our earnings potential for our Medicare Advantage plans.

The American Taxpayer Relief Act (ATRA) of 2012, known as the "fiscal cliff" deal, delayed the sequestration mandated under the Sequestration Transparency Act of 2012 until March 1, 2013. Although Medicaid is exempt from cuts under ATRA, ATRA triggered automatic across-the-board budget cuts (known as "sequestration"), which included a 2% reduction of payments from the Centers for Medicare and Medicaid Services to our Medicare Advantage plans beginning April 1, 2013. Medicare Advantage plans will continue to be affected until Congress lifts the sequestration mandated under the Sequestration Transparency Act of 2012. The impact of sequestration cuts on our Medicare Advantage revenues is partially mitigated by reductions in provider reimbursements paid to those providers with rates indexed to the Medicare fee-for-service reimbursement rates. Such reduction in our Medicare payments may have an adverse effect on our earnings potential for our Medicare Advantage plans and our duals demonstration programs. In addition, reductions to provider reimbursement rates associated with sequestration may adversely impact our relations with the impacted providers.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Issuer Purchases of Equity Securities

Common Stock Repurchase in Connection with Offering of 1.125% Cash Convertible Senior Notes Due 2020. We used a portion of the net proceeds in this offering to repurchase $50.0 million of our common stock in negotiated transactions with institutional investors in the offering, concurrently with the pricing of the offering. On February 12, 2013, we repurchased a total of 1,624,959 shares at $30.77 per share, which was our closing stock price on that date.

Securities Repurchase Program. Effective as of February 13, 2013, our board of directors authorized the repurchase of $75 million in aggregate of either our common stock or the 3.75% Notes, in addition to the $50.0 million common stock repurchase discussed above. The repurchase program extends through December 31, 2014.

Purchases of common stock made by or on our behalf during the quarter ended June 30, 2013, including shares withheld by us to satisfy our employees' income tax obligations, are set forth below:

	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
April 1 - April 30	590	$ 30.76	—	$ 75,000,000
May 1 - May 31	541	$ 33.15	—	$ 75,000,000
June 1 - June 30	26,550	$ 37.26	—	$ 75,000,000
Total	27,681	$ 37.04	—	

(a) During the three months ended June 30, 2013, we withheld 27,681 shares of common stock under our 2002 Equity Incentive Plan and 2011 Equity Incentive Plan to settle our employees' income tax obligations.

Item 6. Exhibits

Exhibit No.	Title
3.1	Certificate of Amendment to Certificate of Incorporation.
3.2	Second Amendment and Restated Bylaws - Filed as Exhibit 3.1 to registrant's Form 8-K filed July 24, 2013.
10.1	Agreement of Purchase and Sale, dated as of June 12, 2013, by and between Molina Healthcare, Inc. and Molina Center, LLC, and AG Net Lease Acquisition Corp.
10.2	Lease Agreement, dated as of June 13, 2013, by and between AGNL Clinic, L.P., and Molina Healthcare, Inc.
10.3	Employment Agreement with Terry Bayer dated June 14, 2013 - Filed as Exhibit 10.1 to registrant's Form 8-K filed June 14, 2013.
10.4	Employment Agreement with Joseph White dated June 14, 2013 - Filed as Exhibit 10.2 to registrant's Form 8-K filed June 14, 2013.
10.5	Employment Agreement with Jeff Barlow dated June 14, 2013 - Filed as Exhibit 10.3 to registrant's Form 8-K filed June 14, 2013.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS (1)	XBRL Taxonomy Instance Document.
101.SCH (1)	XBRL Taxonomy Extension Schema Document.
101.CAL (1)	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF (1)	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB (1)	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE (1)	XBRL Taxonomy Extension Presentation Linkbase Document.

(1) Pursuant to Rule 406T of Regulation S-T, XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MOLINA HEALTHCARE, INC.
(Registrant)

Dated: July 25, 2013

/s/ JOSEPH M. MOLINA, M.D.

Joseph M. Molina, M.D.
Chairman of the Board,
Chief Executive Officer and President
(Principal Executive Officer)

Dated: July 25, 2013

/s/ JOHN C. MOLINA, J.D.

John C. Molina, J.D.
Chief Financial Officer and Treasurer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Title
3.1	Certificate of Amendment to Certificate of Incorporation.
3.2	Second Amendment and Restated Bylaws - Filed as Exhibit 3.1 to registrant's Form 8-K filed July 24, 2013.
10.1	Agreement of Purchase and Sale, dated as of June 12, 2013, by and between Molina Healthcare, Inc. and Molina Center, LLC, and AG Net Lease Acquisition Corp.
10.2	Lease Agreement, dated as of June 13, 2013, by and between AGNL Clinic, L.P., and Molina Healthcare, Inc.
10.3	Employment Agreement with Terry Bayer dated June 14, 2013 - Filed as Exhibit 10.1 to registrant's Form 8-K filed June 14, 2013.
10.4	Employment Agreement with Joseph White dated June 14, 2013 - Filed as Exhibit 10.2 to registrant's Form 8-K filed June 14, 2013.
10.5	Employment Agreement with Jeff Barlow dated June 14, 2013 - Filed as Exhibit 10.3 to registrant's Form 8-K filed June 14, 2013.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS (1)	XBRL Taxonomy Instance Document.
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CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
MOLINA HEALTHCARE, INC.

Molina Healthcare, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the " Corporation"), DOES HEREBY CERTIFY as follows:

1. The Corporation hereby amends and restates Article IV, Section A of its Certificate of Incorporation (the " Certificate of Incorporation") to read in its entirety as follows:

"A. The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 170,000,000, consisting of (a) 150,000,000 shares of Common Stock, par value $0.001 per share ("Common Stock"), and (b) 20,000,000 shares of Preferred Stock, par value $0.001 per share ("Preferred Stock")."

2. The foregoing amendment of the Certificate of Incorporation has been duly approved by the Board of Directors of the Corporation in accordance with Sections 141 and 242 of the General Corporation Law of the State of Delaware.

3. The foregoing amendment of the Certificate of Incorporation has been duly approved by the stockholders of the Corporation in accordance with Sections 228 and 242 of the General Corporation Law of the State of Delaware.

4. The foregoing amendment of the Certificate of Incorporation was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

*****

IN WITNESS WHEREOF, this Certificate of Amendment has been executed on behalf of the Corporation by its Chief Executive Officer on this 2nd day of May, 2013.

Molina Healthcare, Inc.

/s/ Joseph M. Molina, M.D.

Joseph M. Molina, M.D.

Chief Executive Officer

Execution Copy

AGREEMENT OF PURCHASE AND SALE

by and between

MOLINA HEALTHCARE, INC.,

a Delaware corporation,

and

MOLINA CENTER, LLC,

a Delaware limited liability company,

together as SELLER

and

AG NET LEASE ACQUISITION CORP.,

a Delaware corporation,

as BUYER

Properties: 200 & 300 Oceangate, Long Beach, CA

3000 Corporate Exchange, Columbus, OH

Dated as of: June 12, 2013

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Schedule 5.1(h) – Existing Leases, Access Agreements and License Agreements; Purchase Options, Termination Options, Etc.
Schedule 5.1(i) – Contracts
Schedule 5.1(j) – Permits
Schedule 5.1(k) – Plans
Schedule 5.1(l) – Warranties
Schedule 5.1(m) – Certificates of Occupancy
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Schedule 5.1(o) – Disclosure Reports
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EXHIBITS

Exhibit A-1 – Columbus Real Property
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Exhibit D-1 – Form of California Deed
Exhibit D-2 – Form of Ohio Deed
Exhibit E-1 – Form of Bill of Sale for Columbus Property
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Exhibit H – Form of Tenant Waiver Letter
Exhibit I – Form of SLB Lease Agreement
Exhibit J – Form of Memorandum of Lease Agreement (Long Beach)
Exhibit K -- Form of Memorandum of Lease Agreement (Columbus)
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Exhibit M – Form of Subordination, Nondisturbance and Attornment Agreement
Exhibit N – Notice of Subordination
Exhibit O-1 – Long Beach Title Pro Forma
Exhibit O-2 -- Columbus Title Pro Forma

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE (" Agreement") dated as of June 12, 2013 (the "Effective Date"), is by and among MOLINA HEALTHCARE, INC., a Delaware corporation ("Molina Healthcare"), Molina Center, LLC, a Delaware limited liability company ("Molina Center", together with Molina Healthcare individually or collectively, as the case may be, " Seller"), and AG NET LEASE ACQUISITION CORP., a Delaware corporation ("Buyer").

WITNESSETH:

WHEREAS, Seller is the owner of those certain Properties defined herein; and

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Properties on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows.

ARTICLE 1
CERTAIN DEFINITIONS

"Act of Bankruptcy" means with respect to any Person (a) the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of such Person or a substantial part of its property, (b) the admission by such Person of its inability to pay its debts as they become due, (c) the making of a general assignment for the benefit of such Person's creditors, (d) the commencement by or against such Person of a voluntary or involuntary proceeding under the Bankruptcy Code or any federal or state insolvency laws or laws for the composition of indebtedness or for the reorganization of debtors, (e) the adjudication of such Person as a bankrupt or insolvent or (f) the taking of any action for the purpose of effecting any of the foregoing.

"Advisor" is defined in Section 8.1.

"Agreement" is defined in the introductory paragraph of this Agreement.

"Apportioned Items" is defined in Section 11.4.

"Appurtenances" means, collectively, the Columbus Appurtenances and the Long Beach Appurtenances.

"Bankruptcy Law" means the United States Bankruptcy Code, 11 U.S.C.A. §§ 101 et seq. or any federal or state insolvency laws or laws for the reorganization of debtors.

"Bill of Sale" is defined in Section 4.1(b).

"Broker" is defined in Section 8.1.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banks in New York, New York, are required to be closed.

"Buyer" is defined in the introductory paragraph of this Agreement.

"Buyer Indemnified Parties" is defined in Section 5.6.

"Buyer Objection Notice" is defined in Section 5.4.

"Buyer Transaction Documents" is defined in Section 6.1(b).

"Buyer's Closing Deliveries" is defined in Section 11.3(b).

"Buyer's Default" means the failure of Buyer to (a) perform any of its obligations under this Agreement or (b) otherwise consummate the Transaction notwithstanding that all of the conditions to its obligation to close have been satisfied.

"Buyer's Transaction Costs" is defined in Section 8.2(a).

"Casualty" means any loss of or damage to or destruction of all or any portion of the Property.

"Certificates of Occupancy" is defined in Section 5.1(m).

"Closing" means the consummation of the purchase and sale contemplated hereunder.

"Closing Date" is defined in Section 11.2.

"Code" means United States Internal Revenue Code of 1986, as amended.

"Columbus Appurtenances" is defined in Section 2.1(a)(iii).

"Columbus Fixtures" is defined in Exhibit B-1

"Columbus Improvements" is defined in Section 2.1(a)(ii).

"Columbus Intangible Property" means the Plans, Permits and Warranties related to the Columbus Real Property, the Columbus Improvements, the Columbus Appurtenances, and/or the items listed in clauses (a) and (b) of the definition of Columbus Property Other Assets (but not any Columbus Property Excluded Items).

"Columbus Property" is defined in Section 2.1(a).

"Columbus Property Excluded Items" is defined in Exhibit B-1.

"Columbus Property Equipment" is defined in Exhibit B-1.

"Columbus Property Other Assets" is defined in Exhibit B-1.

"Columbus Real Property" is defined in Section 2.1(a)(i).

"Condemnation" means (a) any taking or damaging of all or any portion of either of the Properties (i) in or by condemnation or other eminent domain proceedings pursuant to any Legal Requirement, or (ii) by reason of any agreement with any condemnor in settlement of or under threat of any such condemnation or other eminent domain proceeding, or (b) any temporary requisition or confiscation of the use or occupancy of all or any portion of either of the Properties by any Governmental Authority, whether pursuant to an agreement with such governmental authority in settlement of or under threat of any such requisition or confiscation.

"Contracts" means utility contracts, service contracts and other agreements entered into by Seller and used in the ownership, use or operation of either of the Properties.

"Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"Deed" is defined in Section 4.1(a).

"Deposit" is defined in Section 2.2(b)(i).

"Due Diligence Period" is defined in Section 3.1.

"Effective Date" is defined in the introductory paragraph of this Agreement.

"Environmental Law" means any applicable federal, state or local law, statute, ordinance, rule, regulation, license, permit, authorization, approval, consent, court order, judgment, decree, injunction, code, requirement or agreement with any Governmental Authority (a) relating to pollution (or the cleanup thereof), or the protection of air, water vapor, surface water, groundwater, drinking water supply, land (including land surface or subsurface), plant, aquatic and animal life from injury caused by a Hazardous Substance or (b) concerning exposure to, or the use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, handling, labeling, production, disposal or remediation of any Hazardous Substance or Hazardous Condition. The term Environmental Law includes, without limitation, the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Clean Air Act, the Clean Water Act, the Solid Waste Disposal Act, the Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Occupational Safety and Health Act, the National Environmental Policy Act and the Hazardous Materials Transportation Act, each as amended and hereafter in effect and any similar state or local law.

"Environmental Reports" is defined in Section 5.1(n).

"Equipment" means, collectively, the Columbus Property Equipment and the Long Beach Property Equipment.

"Exchange Act" is defined in Section 12.11.

"Existing Insurance Policies" is defined in Section 5.1(v).

"Existing Mortgage" is defined in Section 5.1(r).

"Financial Statements" is defined in Section 5.1(w).

"Fixtures" means, collectively, the Columbus Fixtures and the Long Beach Fixtures.

"GAAP" means U.S. generally accepted accounting principles consistently applied.

"Governmental Authority" means any federal, state or local government, authority, agency or regulatory body.

"Hazardous Condition" means any condition that would support any claim or liability under any Environmental Law, including the presence of USTs at the Columbus Real Property or the Long Beach Real Property in violation of Environmental Law

"Hazardous Substance" means (a) any substance, material, product, derivative, compound, mineral, chemical, gas or mixture thereof, that is toxic, harmful or hazardous to the environment or public health or safety or (b) any substance supporting a claim under any Environmental Law, whether or not defined as hazardous as such under any Environmental Law. Hazardous Substances include, without limitation, medical waste, industrial waste, petroleum or petroleum-derived substances or waste, radon, radioactive materials, asbestos, asbestos-containing materials, urea-formaldehyde foam insulation, lead, toxic mold or other toxic microbial contamination, and polychlorinated biphenyls.

"Immaterial Casualty" means any Casualty that is not a Material Casualty.

"Immaterial Condemnation" means any Condemnation that is not a Material Condemnation.

"Improvements" means, collectively, the Columbus Improvements and the Long Beach Improvements.

"Indemnified Party" is defined in Section 8.1.

"Intangible Property" means, collectively, the Long Beach Intangible Property and the Columbus Intangible Property.

"Knowledge of Seller" is defined in Section 5.3.

"Leases" is defined in Section 5.1(h).

"Legal Requirements" means the requirements of all present and future laws, including all permit and licensing requirements and all covenants, restrictions and conditions, including all easement agreements, now or hereafter of record which may be applicable to the Properties,

including without limitation the Americans With Disabilities Act, 42 U.S.C.A. §§ 1201 et seq., and all zoning, subdivision, building and Environmental Laws.

"Letter of Intent" means that certain Letter of Intent dated January 18, 2013 between Buyer and Seller.

"Long Beach Appurtenances" is defined in Section 2.1(b)(iii).

"Long Beach Fixtures" is defined in Exhibit B-2.

"Long Beach Improvements" is defined in Section 2.1(b)(ii).

"Loan Beach Intangible Property" means the Plans, Permits and Warranties related to the Long Beach Real Property, the Long Beach Improvements, the Long Beach Appurtenances, and/or the items listed in clauses (a) and (b) of the definition of Long Beach Property Other Assets (but not any Long Beach Property Excluded Items).

"Long Beach Property" is defined in Section 2.1(b).

"Long Beach Property Excluded Items" is defined in Exhibit B-2.

"Long Beach Property Equipment" is defined in Exhibit B-2.

"Long Beach Property Other Assets" is defined in Exhibit B-2.

"Long Beach Real Property" is defined in Section 2.1(b)(i).

"Material Casualty" means a Casualty (a) in which a material portion of either of the Properties is destroyed or damaged prior to the Closing and the cost to repair or restore any loss or damage caused thereby is estimated to be greater than ten percent (10%) of the Purchase Price; or (b) that will result in a material loss of access to either of the Properties, in either case, as determined by Buyer in its reasonable discretion.

"Material Condemnation" means a Condemnation (a) that will result in a loss of material access to either of the Properties; or (b) that involves more than ten percent (10%) of the rentable area of either of the Properties.

"Memorandum of Lease Agreement (Columbus)" means a memorandum of lease in the form of Exhibit K.

"Memorandum of Lease Agreement (Long Beach)" means a memorandum of lease in the form of Exhibit J.

"Molina Center" is defined in the introductory paragraph of this Agreement.

"Molina Healthcare" is defined in the introductory paragraph of this Agreement.

"Notice Sublease" means the following Subleases: State Lands Commission; Department of Industrial Relations; Pacific Maritime Association; California Coastal Commission; Department of General Services; Crowell, Weedon & Co.; J. Perez & Associates, Inc.; Bruce A. Dybens, AP; High Rise Goodies Restaurant; Lisa Brandon, CFLS; MVP Energy, LLC; Rose, Klein & Marias; Perona, Langer, Beck; Dr. Michael Trainotti; Lynn E. Moyer; Esq.; Michael W. Binning; Arthritis National Research; APB Car Wash & Detail.

"Outside Date" is defined in Section 11.2.

"Parking Easement" means a permanent parking easement for the benefit of Seller with respect to any Parking Facilities not owned by Seller or any of its affiliates.

"Parking Facilities" means any and all on-site, satellite or off-site parking facilities utilized by Tenant or its employees, agents, invitees or contractors in connection with the use and operation of any Real Property.

"Permits" is defined in Section 5.1(j).

"Permitted Encumbrances" means, collectively, (a) Permitted Exceptions and (b) all Legal Requirements now or hereafter in effect relating to the Properties.

"Permitted Exceptions" is defined in Section 4.2.

"Person" means an individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated association, any other entity or any government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity.

"Plans" is defined in Section 5.1(k).

"Property" and "Properties" are defined in Section 2.1.

"Proprietary Information" means any written, oral, documentary or other information (including reports, tests, and studies) relating to the Transaction which is received by one party from the other party (or from third parties through the other party's authorization) and is not publicly available, including, without limitation, (a) information relating to the ownership, condition, operation and/or financial performance of either of the Properties, (b) the fact that discussions or negotiations are taking place between the parties with respect the Transaction, and (c) information relating to the terms and conditions on which each of Buyer and Seller is willing to enter into the Transaction and the terms on which Buyer is able to obtain financing with respect to the Transaction. Information shall not be deemed Proprietary Information if such information: (i) is already known to the receiving party without obligation of confidentiality, from a source other than the other party; (ii) is or hereafter becomes publicly known by the receiving party through no wrongful act, fault or negligence of the receiving party; or (iii) is independently developed by the receiving party.

"Purchase Price" is defined in Section 2.2(a).

"Real Property" means, collectively, the Columbus Real Property and the Long Beach Real Property.

"Reimbursable Transaction Costs" is defined in Section 8.2(f).

"Representation Objection Notice" is defined in Section 5.5.

"Securities Act" is defined in Section 12.11.

"Seller" is defined in the introductory paragraph of this Agreement.

"Seller Change Notice" is defined in Section 5.4.

"Seller Indemnified Parties" is defined in Section 6.3.

"Seller Transaction Documents" is defined in Section 5.1(b).

"Seller's Closing Deliveries" is defined in Section 11.3(a).

"Seller's Default" means the failure of Seller to (i) perform any of its obligations under this Agreement or (ii) otherwise consummate the Transaction notwithstanding that all of the conditions to its obligation to close have been satisfied.

"SLB Lease Agreement" means that certain Lease Agreement in the form of Exhibit I.

"SNDA Sublease" means a Sublease listed on Schedule 1(b).

"Specially Designated National or Blocked Person" means a Person (i) designated by the Office of Foreign Assets Control at the U.S. Department of the Treasury, or other U.S. governmental entity, and appearing on the List of Specially Designated Nationals and Blocked Persons (http://www.ustreas.gov/offices/enforcement/ofac/sdn/ index.shtml), which List may be updated from time to time; or (ii) with whom Buyer or its affiliates are prohibited from engaging in transactions by any trade embargo, economic sanction or other prohibition of United States law, regulation, or Executive Order of the President of the United States.

"Sublease(s)" means, individually or collectively, one of more of the Leases listed in Exhibit L

"Sublease SNDA" means a Subordination, Non-Disturbance and Attornment Agreement in the form of Exhibit M.

"Tenant" means the Molina Healthcare.

"Termination Notice" is defined in Section 10.3(c).

"Third Party Consents" is defined in Section 5.1(g).

"Third Party Reports" is defined in Section 3.1.

"Title Commitments" is defined in Section 3.1.

"Title Company" means Fidelity National Title Insurance Company.

"Title Policies" is defined in Section 4.2.

"Transaction" means the transactions contemplated in this Agreement.

"USTs" is defined in Section 5.1(n).

"Warranties" is defined in Section 5.1(l).

ARTICLE 2

PURCHASE AND SALE OF PROPERTY

Section 2.1 Sale. Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase and acquire from Seller, subject to the terms and conditions set forth herein, the following (individually and collectively, as the context may require, the "Property" or "Properties"):

(a) The "Columbus Property," which means:

(i) the real property located in Columbus, Ohio particularly described in Exhibit A-1 (the "Columbus Real Property");

(ii) the buildings and all other structures and improvements situated on, or affixed or appurtenant to the Columbus Real Property, including any Parking Facilities owned by Seller, in each case except to the extent owned by tenants or licensees at the Columbus Real Property (collectively, the "Columbus Improvements");

(iii) all tenements, hereditaments, easements, rights-of-way, rights, privileges appurtenant to the Columbus Real Property, including (A) easements over other lands granted by any easement agreement benefiting the Columbus Real Property, including any Parking Easement, and (B) Seller's right, title and interest in and to any streets, ways, alleys, vaults, gores or strips of land adjoining the Columbus Real Property (collectively, the "Columbus Appurtenances"); and

(iv) all Columbus Property Other Assets.

(b) The "Long Beach Property," which means:

(i) the real property located in Long Beach, CA particularly described in Exhibit A-2 (the "Long Beach Real Property");

(ii) the buildings and all other structures and improvements situated on, or affixed or appurtenant to the Long Beach Real Property, including any Parking Facilities owned by Seller, in each case except to the extent owned by tenants or licensees at the Long Beach Real Property (collectively, the "Long Beach Improvements");

(iii) all tenements, hereditaments, easements, rights-of-way, rights, privileges appurtenant to the Long Beach Real Property, including (A) easements over other lands granted by any easement agreement benefiting the Long Beach Real Property, including any Parking Easement, and (B) Seller's right, title and interest in and to any streets, ways, alleys, vaults, gores or strips of land adjoining the Long Beach Real Property (collectively, the "Long Beach Appurtenances"); and

(iv) all Long Beach Property Other Assets.

Section 2.2 Purchase Price.

(a) The purchase price of the Properties is One Hundred Fifty Eight Million Six Hundred Twenty Five Thousand Five Hundred Sixty Six and No/100 Dollars ($158,625,566.00) (the " Purchase Price"), which amount is the sum of One Hundred Thirty Four Million Six Hundred Twenty Five Thousand Five Hundred Sixty-Six and No/100 Dollars ($134,625,566.00) for the purchase of the Long Beach Property and Twenty-Four Million and No/100 Dollars ($24,000,000.00) for the purchase of the Columbus Property.

(b) The Purchase Price shall be paid as follows:

(i) Within two (2) Business Days after the Effective Date, Buyer shall deposit in escrow with the Title Company cash in the amount of Three Million Five Hundred Thousand and No/100 Dollars ($3,500,000.00) (the " Deposit"), provided, however, that if the Closing Date occurs within two (2) Business Days of the Effective Date, the Deposit will be delivered prior to the Closing. The Deposit shall be held in an interest-bearing account and all interest or other income earned from the Deposit shall accrue to the benefit of Buyer. At the Closing, the Deposit shall be paid to Seller and credited against the Purchase Price. Except as otherwise provided in this Agreement, the Deposit shall not be refundable to Buyer.

(ii) IF THE SALE OF THE PROPERTIES IS NOT CONSUMMATED DUE TO THE FAILURE OF ANY CONDITION PRECEDENT AND NO BUYER'S DEFAULT HAS OCCURRED, THEN THE TITLE COMPANY SHALL RETURN THE DEPOSIT TO BUYER. IF THE SALE OF THE PROPERTIES IS NOT CONSUMMATED DUE TO A SELLER'S DEFAULT, THEN, AS BUYER'S SOLE AND EXCLUSIVE REMEDY, BUYER MAY EITHER: (1) TERMINATE THIS AGREEMENT AND RECEIVE A REFUND OF THE DEPOSIT, IN WHICH EVENT NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, AND SELLER SHALL REIMBURSE BUYER FOR ALL OF BUYER'S REIMBURSABLE TRANSACTION COSTS OR (2) ENFORCE SPECIFIC PERFORMANCE OF THIS AGREEMENT.

(iii) THE PARTIES HAVE AGREED THAT, IF THE SALE OF THE PROPERTIES IS NOT CONSUMMATED DUE TO A BUYER'S DEFAULT, SELLER'S ACTUAL DAMAGES WOULD BE EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNT OF THE DEPOSIT IS A FAIR AND REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WOULD INCUR IN THE EVENT OF A BUYER'S DEFAULT.IN THE EVENT OF A BUYER'S DEFAULT, SELLER MAY TERMINATE THIS AGREEMENT, AND THE DEPOSIT SHALL BE FORFEITED TO AND DELIVERED TO SELLER AS LIQUIDATED DAMAGES AND AS THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO SELLER FOR SUCH BUYER'S DEFAULT. THE PARTIES HERETO HEREBY ACKNOWLEDGE THAT IT IS IMPOSSIBLE TO MORE PRECISELY ESTIMATE THE SPECIFIC DAMAGE THAT MIGHT BE SUFFERED BY SELLER, AND THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND INTEND THAT THIS PROVISION SHALL BE A PROVISION FOR THE RETENTION OF EARNEST

MONEY PURSUANT TO THE APPLICABLE PROVISIONS OF THE LAWS OF THE STATE OF NEW YORK AND ANY OTHER LOCAL LAW AND NOT AS A PENALTYBY PLACING ITS INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

(iv) SECTIONS 2.2(b)(ii), 2.2(b)(iii), AND 2.2(b)(iv) SHALL SURVIVE TERMINATION OF THIS AGREEMENT. NOTHING CONTAINED IN SECTION 2.2(b)(ii) OR SECTION 2.2(b)(iii) IS INTENDED TO LIMIT (A) BUYER'S LIABILITY TO SELLER FOR DAMAGES OR INJUNCTIVE RELIEF FOR BREACH OF BUYER'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT (INCLUDING WITHOUT LIMITATION UNDER SECTION 6.3), OR FOR ATTORNEY FEES AND COSTS AS DESCRIBED IN SECTION 12.17, OR (B) THE PARTIES' RIGHTS PURSUANT TO ANY OTHER PROVISION OF THIS AGREEMENT THAT EXPRESSLY SURVIVES THE TERMINATION OF THIS AGREEMENT.

(v) WITHOUT LIMITING ANYTHING CONTAINED IN SECTION 12.10, THE PAYMENT OF LIQUIDATED DAMAGES UNDER THIS AGREEMENT IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE §3275 OR §3369 BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER WITHIN THE MEANING OF CALIFORNIA CIVIL CODE §§1671, 1676, AND 1677.

INITIALS: SELLER _____ BUYER _____

(vi) The balance of the Purchase Price shall be paid to Seller in immediately available funds via wire transfer at the Closing.

ARTICLE 3

BUYER'S DUE DILIGENCE

Section 3.1 Due Diligence. Prior to the Effective Date, Buyer completed its due diligence investigation of the Properties and its credit analysis and underwriting of Seller and Tenant (such period being referred to herein as the " Due Diligence Period"). During the Due Diligence Period, Buyer conducted a physical inspection of the Properties and obtained the following, each in form and substance satisfactory to Buyer, with respect to each of the Properties (collectively, the " Third Party Reports"): (i) an engineering/property condition report, including a roof report; (ii) an environmental assessment report(s); (iii) a title report and commitment for title insurance from the Title Company, copies of which are attached hereto as Exhibit O (the "Title Commitments"), together with copies of all underlying documents; (iv) a current "as built" ALTA survey; (v) an MAI appraisal; (vi) a seismic report, if such Property is located in Seismic Design Category D, E or F as designated in the International Building Code; (vii) a property zoning report; and (viii) an Americans with Disabilities Act survey.

ARTICLE 4

TITLE

Section 4.1 Transfer of Title. At the Closing, Seller shall convey to Buyer:

(a) the Real Property, Improvements, Fixtures and Appurtenances by good and sufficient Deeds in the form of Exhibit D-1 and Exhibit D-2, respectively (each, individually, a "Deed"); and

(b) the Equipment and Intangible Property by good and sufficient Bills of Sale in the form of Exhibit E-1 and Exhibit E-2, respectively (each, individually, a "Bill of Sale").

Section 4.2 Evidence of Title. Buyer acknowledges that Title Company has issued the Title Commitments to Buyer, committing the Title Company to issue a standard Owner's American Land Title Association Policy of Title Insurance regarding each Real Property (collectively, the "Title Policies"), in the amount of the Purchase Price allocated to such Real Property, showing title to the applicable Real Property, Improvements, and Appurtenances vested in Buyer and subject only to certain exceptions listed therein. As used herein, the "Permitted Exceptions" means, collectively, the following:

(a) interests of tenants and licensees in possession;

(b) non-delinquent liens for local real estate taxes and assessments;

(c) the exceptions set forth in the Title Commitment regarding such Real Property, Improvements and Appurtenances; and

(d) any other instrument delivered at the Closing pursuant to the terms hereof and recorded against title to any of the Real Property pursuant to the terms of such instrument or this Agreement.

Notwithstanding the foregoing, but without limiting anything contained in Section 10.1, Buyer acknowledges and agrees that in no event shall issuance or delivery of the Title Policies be a covenant of Seller hereunder.

ARTICLE 5

SELLER'S REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer that as of the Effective Date and as of the Closing Date:

(e) Molina Healthcare is a Delaware corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to do business and is in good standing in the State of Ohio. Molina Center is a Delaware corporation,

duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to do business and is in good standing in the State of California. Seller's principal place of business is 300 Oceangate, Suite 950, Long Beach, CA 90802.

(f) Seller has full power, authority and legal right to: (i) sell the Properties to Buyer; (ii) execute and deliver this Agreement, the Deeds, the Bills of Sale and such other instruments, documents and agreements as may be necessary or appropriate to effect the Transaction (collectively, the "Seller Transaction Documents"); and (iii) perform and observe the terms and conditions of each of the documents described above.

(g) This Agreement and, at the Closing, all other Seller Transaction Documents (i) are each duly authorized, executed and delivered by Seller, (ii) are each a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles, (iii) do not violate any of Seller's charter documents and (iv) do not conflict with or result in the breach of any judgment, decree, writ, injunction, order or award of any arbitrator, court or Governmental Authority binding upon Seller, or result in the breach of any term or provision of, or constitute a default, or result in the acceleration of any obligation under any loan agreement, indenture, financing agreement, or any other agreement or instrument of any kind to which Seller is a party or to which Seller or either of the Properties is subject.

(h) Seller is not a foreign corporation, foreign partnership, foreign trust and/or foreign estate (as those terms are defined in the Code and in the accompanying regulations). Molina Healthcare's U.S. employer identification number is 13-4204626. Molina Center's U.S. employer identification number is 27-4034065.

(i) Neither Seller nor any of Seller's officers or directors is a Specially Designated National or Blocked Person.

(j) Seller has not commenced a voluntary case under Bankruptcy Law nor has there been commenced against Seller an involuntary case under Bankruptcy Law, nor has Seller consented to the appointment of a Custodian of it or for all or any substantial part of its property, nor has a court of competent jurisdiction entered an order or decree under any applicable Bankruptcy Law that is for relief against Seller or appoints a Custodian for Seller or for all or any substantial part of Seller's property.

(k) Except for the approvals and consents listed in Schedule 5.1(g) (the "Third Party Consents"), no authorizations, consents or approvals of or filings with any Governmental Authority or any other Person is required in order for Seller to execute and deliver this Agreement and to perform its obligations hereunder. Seller has obtained, or will have obtained prior to the Closing, all Third Party Consents.

(l) The list of leases (including amendments, extensions and supplements, as applicable) in Schedule 5.1(h) (collectively, the "Leases") is a complete list of all of the leases

encumbering the Properties (other than, at Closing, the SLB Lease Agreement). Seller has provided Buyer with a true and complete copy of each Lease. Each Lease is in full force and effect and is a legal, valid, binding and enforceable obligation of each of the parties thereto except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles. Except as described in Schedule 5.1(h), no Lease has been amended, modified or supplemented and no provision of any Lease has been waived. To the Knowledge of Seller, except as described in Schedule 5.1(h), no event has occurred which with the giving of notice or the passage of time, or both, would constitute a material default under any of the Leases. Seller has received no written notice of default from any Person alleging any default under any Lease on the part of the Seller. Except as described in Schedule 5.1(h), or otherwise disclosed to Buyer in writing, to the Knowledge of Seller, (i) no tenant of either of the Properties nor any other Person has any purchase option regarding either of the Properties, (ii) no tenant under any Lease has any right to terminate such Lease as a result of the Transaction, and (iii) no tenant under any Lease has any right of first refusal, right of first offer or similar right to purchase any of the Properties or any portion thereof as a result of the Transaction. Except as described in Schedule 5.1(h), or otherwise disclosed to Buyer in writing, there are no brokerage, leasing or other commissions payable by Seller with respect to the Leases. Except as described in Schedule 5.1(h), or otherwise disclosed to Buyer in writing, no party other than Seller, the tenants under the Leases, and licensees under license agreements previously disclosed to Buyer, is entitled to possession or use of the Property or any portion thereof.

(m) The list of Contracts (including amendments, extensions and supplements, as applicable) in Schedule 5.1(i) is a complete list of all of the Contracts affecting each of the Properties to which Seller is a party. Seller has provided Buyer with a true and complete copy of each Contract and each Contract is in full force and effect and is a legal, valid, binding and enforceable obligation of each of the parties thereto except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles. Except as described in Schedule 5.1(i), none of the Contracts has been amended, modified or supplemented and no provision of any of the Contracts has been waived.

(n) The list of permits, licenses and approvals (including amendments, extensions and supplements, as applicable) in Schedule 5.1(j) is a complete list of all permits, licenses, and approvals mandated or necessary to own and operate the Properties (collectively, the "Permits"). Seller has provided Buyer with a true and complete copy of each Permit. Except as set forth in Schedule 5.1(j), to the Knowledge of Seller, each Permit (i) has been properly issued and is fully paid for; (ii) is in full force and effect and no suspension, cancellation or amendment of any of such Permit is pending or threatened; and (iii) is transferable and will not be revoked, invalidated, violated or otherwise adversely affected by the Transaction.

(o) The list of plans and drawings in Schedule 5.1(k) is a complete list of all building plans and drawings with respect to the Improvements in the possession of Seller (the "Plans"). Seller has provided to Buyer correct and complete copies of the Plans.

(p) The list of warranties and guaranties in Schedule 5.1(l) is a complete list of all warranties and guaranties with respect to the Improvements in the possession of Seller (the "Warranties"). Seller has provided to Buyer correct and complete copies of the Warranties.

(q) The certificates of occupancy listed on Schedule 5.1(m) are true and complete copies of all of the certificates of occupancy required for the occupancy and operation of the Improvements by Seller (the "Certificates of Occupancy"). To the Knowledge of Seller, the Certificates of Occupancy have been properly issued. All fees payable in connection therewith have been paid in full. No applications are pending to amend any such Certificates of Occupancy.

(r) To the Knowledge of Seller, Seller is and has been in compliance with all applicable Environmental Laws, and Seller has not received any written notice, report or information regarding (i) any past violations of any applicable Environmental Laws that have not been corrected or (ii) any required corrective, investigatory or remedial obligations, arising under any applicable Environmental Law that have not been completed, in each case to the satisfaction of the applicable Governmental Authority. Seller has delivered to Buyer complete, unedited and unredacted copies of all environmental reports in Seller's possession relating to the Property (collectively, the "Environmental Reports"). Except as set forth on Schedule 5.1(n), there are no underground storage tanks ("USTs") located on or under either of the Properties. To the Knowledge of Seller, the UST under the Long Beach Real Property only contains, and has only contained, water and certain water treatment chemicals in compliance with Environmental Laws given the intended uses of such water.

(s) Pursuant to California Health and Safety Code section 25359.7, Seller hereby gives notice to Buyer, and Buyer hereby acknowledges receipt of such notice from Seller, that Seller does not know of or have reasonable cause to believe that a release of Hazardous Substances has come to be located on or beneath either of the Properties. Buyer also hereby acknowledges receipt of the disclosure reports listed on Schedule 5.1(o) and, without limitation, all Seller's representations and warranties contained in this Section 5.1 are deemed qualified by the contents thereof.

(t) Seller has received no written notice that either of the Properties is not in compliance with all applicable Legal Requirements (except where such non-compliance has been corrected).

(u) There are no actions, suits, proceedings or governmental investigations pending or, to the Knowledge of Seller, threatened against Seller or either of the Properties: (i) that could reasonably be expected to result in any adverse change in Seller's business or financial condition; (ii) that could reasonably be expected to adversely affect the current use or operation of either of the Properties or (iii) that could reasonably be expected to adversely affect Seller's ability to perform its obligations under this Agreement.

(v) Except for the indebtedness set forth in Schedule 5.1(r) (the "Existing Mortgage"), which will be repaid as of the Closing, none of the Properties is pledged to secure any indebtedness of Seller or any other Person.

(w) Seller has not granted any unrecorded deeds, mortgages, land contracts, options to purchase, agreements or other instruments adversely affecting title to either of the Properties, and none of Seller or any agent, officer, employee or principal thereof has created any unrecorded lien, encumbrance, transfer of interest, or constructive trust in either of the Properties (provided that in no event shall any of the foregoing in this Section 5.1(s) be deemed to include any of the Leases or other matters disclosed on Schedule 5.1(h), or any other matter disclosed to Buyer in writing).

(x) All real property taxes and assessments due with respect to each of the Properties have been paid in full and there are no tax appeals, tax certiorari proceedings, tax reduction proceedings, tax protests or special assessment proceedings pending with respect to either of the Properties.

(y) There are no Condemnation, zoning or other land-use proceedings, either pending or, to the Knowledge of Seller, threatened, which could reasonably be expected to materially and adversely affect: (i) vehicular access to either of the Properties; (ii) access by either of the Properties to sewer or utility hook-ups; (iii) the current use and operation of either of the Properties or (iv) the value of either of the Properties.

(z) Schedule 5.1(v) contains a list of the existing insurance policies maintained by Seller with respect to the Properties (the "Existing Insurance Policies"). Seller has not received any written notice or demand from any of the insurers of all or any portion of either of the Properties (or insurers of any activities conducted thereon) to correct or change any physical condition on such Property or any practice of Seller (except where such correction or change has been made). Each of the Existing Insurance Policies is in full force and effect, and Seller is in compliance with the requirements of each of the Existing Insurance Policies.

(aa) Schedule 5.1(w) sets forth the financial statements of Molina Healthcare previously provided to Buyer (the "Financial Statements"). The Financial Statements are true and correct in all material respects, have been prepared in accordance with GAAP throughout the periods indicated therein and fairly present the financial condition of Molina Healthcare for the periods indicated therein, subject to customary year-end adjustments with respect to the unaudited financial statements. From December 31, 2012, to the Effective Date, there has been no material adverse change in the assets, liabilities, condition (financial or otherwise) or business of Molina Healthcare from that set forth or reflected in the above-mentioned financial statements other than changes in the ordinary course of business.

(bb) Seller has not made written application to any Governmental Authority for any expansion or further development of either of the Properties and Seller has not received written notice that any expansion or further development of either of the Properties is subject to any restrictions or conditions except as may be in documents recorded against title to either Real Property or set forth in the applicable zoning law requirements or other Legal Requirements.

(cc) Seller has not received written notice (i) from any Governmental Authority of any pending or threatened judicial or administrative action specifically applicable to either

Property or (ii) of any action pending or threatened by land owners adjacent to either of the Properties or other Persons, that in either case of (i) or (ii) would result in a change in the condition of either of the Properties or any part thereof or in any way prevent or limit the construction and/or operation of the Improvements or any part thereof.

(dd) No labor has been performed or materials fabricated or furnished with respect to either of the Properties that could result in a materialman's or mechanic's lien filed against such Property, except as shall have been fully paid or released and except in the ordinary course of tenant improvement work at either of the Properties.

Section 5.2 Survival; Limitation of Liability; Disclosures. All representations and warranties of Seller contained in this Agreement shall survive only for a period of twelve (12) months after the date of Closing. Any disclosure made on any Schedule hereto with respect to any provision of Section 5.1 will be deemed disclosed on all other Schedules relating to all other provisions of Section 5.1 to the extent that it is reasonably apparent from such disclosure that such disclosure also qualifies or applies to such other provisions.

Section 5.3 Knowledge of Seller. Buyer expressly understands and agrees that the phrase to the "Knowledge of Seller" as used in Section 5.1 means a matter that any of the following officers of Seller: John C. Molina, CFO, and Joseph W. White, CAO (a) is actually aware of, (b) received written notice of, or (c) would be expected to discover or otherwise become aware of in the course of conducting reasonable investigation.

Section 5.4 Seller Change Notice. Seller may give written notice to Buyer if, due to any change in circumstance occurring after the date of this Agreement or Seller obtaining any knowledge not possessed on the Effective Date, any representation or warranty of Seller becomes untrue or incorrect prior to Closing (a " Seller Change Notice"). In the event Seller delivers a Seller Change Notice to Buyer, Buyer may, within five (5) Business Days after Buyer's receipt of the Seller Change Notice, either (a) waive any such matter or circumstance which is the subject of such Seller Change Notice or (b) deliver written notice to Seller of Buyer's objection to such matter (a " Buyer Objection Notice"). If Buyer fails to deliver to Seller either such written waiver or a Buyer Objection Notice within said five (5) Business Days, Buyer shall be deemed to have waived any such matter or circumstance in its entirety. If Buyer delivers to Seller a Buyer Objection Notice, Seller shall have the right, but not the obligation, to cure or remedy such matter or circumstance to Buyer's satisfaction, in Buyer's reasonable discretion, within five (5) Business Days after Seller's receipt of the Buyer Objection Notice. If Seller fails to cure or remedy such matter within said five (5) Business Days, Buyer may, within two (2) Business Days after the expiration of said five (5) Business Day cure period, either waive in writing any such matter or circumstance which is the subject of such Seller Change Notice or deliver written notice to Seller of Buyer's election to terminate this Agreement. If Buyer fails to deliver either such written waiver or such written notice of termination to Seller within said two (2) Business Days, Buyer shall be deemed to have waived its right terminate this Agreement pursuant to this Section 5.4. In the event Buyer delivers written notice of election to terminate this Agreement, all obligations of Buyer and Seller hereunder (except the provisions of this Agreement that expressly survive termination of this Agreement) shall terminate and be

of no further force or effect. If necessary, the Closing Date shall be automatically extended for the period of time needed to implement the provisions of this Section and allow for an orderly closing thereafter if this Agreement is not terminated. If Buyer does not exercise such right to terminate this Agreement and the Closing occurs, then at the Closing the Buyer shall be deemed to have accepted the modified representation and warranty of Seller as set forth in the Seller Change Notice. Notwithstanding the foregoing, the parties agree that any lease or other agreement or encumbrance entered into by Seller and approved by Buyer as described in Section 9.1 shall not be deemed a breach of any representation or warranty of Seller under this Agreement, require any Seller Change Notice, or give rise to any right by Buyer to object to same in a Buyer Objection Notice.

Section 5.5 Buyer's Knowledge of Inaccurate Representations and Warranties. In the event that, prior to the Closing, Buyer obtains knowledge that any representation or warranty of Seller set forth in Section 5.1 is inaccurate, then Buyer may notify Seller in writing of such inaccuracy (a "Representation Objection Notice"). If Buyer delivers a Representation Objection Notice, Seller shall have the right, but not the obligation, to cure or remedy such matter or circumstance to Buyer's satisfaction, in Buyer's sole and absolute discretion, within ten (10) Business Days after Seller's receipt of the Representation Objection Notice. If Seller fails to cure or remedy such matter within said ten (10) Business Days, Buyer may, within two (2) Business Days after the expiration of said ten (10) Business Day cure period, either waive any such matter or circumstance which is the subject of such Representation Objection Notice or deliver written notice to Seller of Buyer's election to terminate this Agreement. If Buyer fails to deliver either such written waiver or such written notice of termination to Seller within said two (2) Business Days, Buyer shall be deemed to have waived any objection to such representation or warranty inaccuracy in its entirety. In the event Buyer delivers written notice of election to terminate this Agreement, then (a) all obligations of Buyer hereunder (except the provisions in this Agreement that expressly survive termination of this Agreement) shall terminate and be of no further force or effect and (b) if such inaccuracy resulted from a change in circumstance occurring after the date of this Agreement through no act or omission by Seller, including without limitation Seller obtaining any knowledge not possessed on the date of this Agreement, then Seller shall not be deemed in default of this Agreement and all obligations of Seller hereunder (except the provisions in this Agreement that expressly survive termination of this Agreement) shall terminate and be of no further force or effect. If necessary, the Closing Date shall be automatically extended for the period of time needed to implement the provisions of this Section and allow for an orderly closing thereafter if this Agreement is not terminated. If, in either such event, Buyer does not exercise such right to terminate this Agreement and the Closing occurs, then at the Closing Buyer shall be deemed to have waived all rights and remedies on account of any representation or warranty of Seller to the extent, but only the extent, that Buyer had knowledge prior to the Closing that such representation or warranty was not true. Notwithstanding the foregoing, the parties agree that any lease or other agreement or encumbrance entered into by Seller and approved by Buyer as described in Section 9.1 shall not be deemed a breach of any representation or warranty of Seller under this Agreement, or give rise to any right of Buyer to deliver a Representation Objection Notice.

Section 5.6 Indemnification. Subject to Section 5.4 and 5.5 of this Agreement, from and after the Closing, Seller shall jointly and severally indemnify, defend and hold harmless (a) Buyer, (b) any director, member, manager, officer, shareholder, general partner, limited partner, employee or agent of Buyer (or any legal representative, heir, estate, successor or assign of any thereof), (c) any predecessor or successor partnership, corporation, limited liability company (or other entity) of Buyer, or any of its general partners, members or shareholders and (d) any other affiliates of Buyer (collectively, the " Buyer Indemnified Parties"), from and against any and all liabilities, losses, damages, costs, expenses (including without limitation reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature in each case caused by or arising from, the fact that any representation or warranty made by Seller herein was materially untrue when made, or any breach by Seller of any representation or warranty set forth herein. This Section 5.6 shall survive the Closing, but shall be of no further force or effect from and after the expiration of the twelve (12) month period following the date of the Closing with respect to any representation or warranty by Seller regarding which Buyer has not previously asserted to Seller, in writing, a breach by Seller (and, in such event, such representation or warranty shall thereafter survive only with respect to such asserted breach).

Section 5.7 "As Is" Purchase; Release. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, AND WITHOUT LIMITING ANYTHING CONTAINED IN THE SLB LEASE AGREEMENT, (a) BUYER HAS AGREED TO ACCEPT THE PROPERTY ON THE CLOSING DATE ON AN "AS IS" BASIS. SELLER AND BUYER AGREE THAT THE PROPERTY WILL BE SOLD "AS IS, WHERE IS, WITH ALL FAULTS" WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND, EXCEPT AS SET FORTH IN SECTION 5.1 OF THIS AGREEMENT, SUCH SALE WILL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, WARRANTY OF INCOME POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY.Except as provided in this Article 5, effective from and after the Closing, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that it now has or that may arise in the future because of or in any way growing out of or connected with this Agreement and the Properties (including without limitation the condition of the Property), except matters arising from Seller's fraud or intentional misrepresentation With respect to the claims released in this Section 5.7, Buyer expressly waives any rights or benefits available to it under the provisions of Section 1542 of the California Civil Code, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known

by him or her must have materially affected his or her settlement with the debtor."

Buyer acknowledges that its attorney at law has explained to it the meaning and effect of this statute. Buyer understands fully the statutory language of California Civil Code Section 1542, and, with this understanding, Buyer nevertheless elects to, and does, assume all risk for claims released under this Agreement whether arising before or after this Agreement and whether now known or unknown, and Buyer specifically waives any rights it may have under California Civil Code Section 1542 and any successive sections or statutes of a similar nature. Buyer fully understands that if the facts with respect to which this Agreement is executed are later found to be other than or different from the facts now believed by it to be true, it expressly accepts and

assumes the risk of that possible difference in facts and agrees that this Agreement shall be and remain effective notwithstanding that difference in facts.

The provisions of this Section 5.7 shall survive the Closing and termination of this Agreement.

_____ _____

Buyer's Initials Seller's Initials

ARTICLE 6

BUYER'S REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of Buyer. Buyer represents and warrants to Seller that as of the Effective Date and as of the Closing Date:

(a) Buyer is a Delaware corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to do business and is in good standing in the State of Ohio and in the State of California. Buyer's principal place of business is 245 Park Avenue, 26th Floor, New York, NY 10167-0094.

(b) Buyer has full power, authority and legal right to: (i) buy the Properties from Seller; (ii) execute and deliver this Agreement, the Bills of Sale and such other instruments, documents and agreements as may be necessary or appropriate to effect the Transaction (collectively, the "Buyer Transaction Documents"); and (iii) perform and observe the terms and conditions of each of the documents described above.

(c) This Agreement and, at the Closing, all other Buyer Transaction Documents (i) are each duly authorized, executed and delivered by Buyer, (ii) are each a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles, (iii) do not violate any of Buyer's charter documents and (iv) do not conflict with or result in the breach of any judgment, decree, writ, injunction, order or award of any arbitrator, court or Governmental Authority binding upon Buyer, or result in the breach of any term or provision of, or constitute a default, or result in the acceleration of any obligation under any loan agreement, indenture, financing agreement, or any other agreement or instrument of any kind to which Buyer is a party.

(d) Neither Buyer nor any of Buyer's officers or directors is a Specially Designated National or Blocked Person.

(e) Buyer has not commenced a voluntary case under Bankruptcy Law nor has there been commenced against Buyer an involuntary case under Bankruptcy Law, nor has Buyer consented to the appointment of a Custodian of it or for all or any substantial part of its property, nor has a court of competent jurisdiction entered an order or decree under any applicable Bankruptcy

Law that is for relief against Buyer or appoints a Custodian for Buyer or for all or any substantial part of Buyer's property.

(f) No authorizations, consents or approvals of or filings with any Governmental Authority or any other Person is required in order for Buyer to execute and deliver this Agreement and to perform its obligations hereunder.

(g) There are no actions, suits, proceedings or governmental investigations pending or, to Buyer's knowledge, threatened against or affecting Buyer: (i) that could reasonably be expected to result in any adverse change in Buyer's business or financial condition; or (ii) that could reasonably be expected to adversely affect Buyer's ability to perform its obligations under this Agreement.

Section 6.2 Survival; Limitation of Liability. All representations and warranties of Buyer contained in this Agreement shall survive only for a period of twelve (12) months after the date of Closing.

Section 6.3 Indemnification. From and after the Closing, Buyer shall indemnify, defend and hold harmless (a) Seller, (b) any director, member, manager, officer, shareholder, general partner, limited partner, employee or agent of Seller (or any legal representative, heir, estate, successor or assign of any thereof), (c) any predecessor or successor partnership, corporation, limited liability company (or other entity) of Seller, or any of its general partners, members or shareholders and (d) any other affiliates of Seller (collectively, the "Seller Indemnified Parties"), from and against any and all liabilities, losses, damages, costs, expenses (including without limitation reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature in each case caused by or arising from, the fact that any representation or warranty made by Buyer herein was materially untrue when made, or any breach by Buyer of any representation or warranty set forth herein. This Section 6.3 shall survive the Closing but shall be of no further force or effect from and after the expiration of the twelve (12) month period following the date of the Closing with respect to any representation or warranty by Buyer regarding which Seller has not previously asserted to Buyer, in writing, a breach by Buyer (and, in such event, such representation or warranty shall thereafter survive only with respect to such asserted breach)

ARTICLE 7

RISK OF LOSS AND INSURANCE PROCEEDS

Section 7.1 Casualty. Seller shall give Buyer timely notice of any Casualty affecting any portion of either of the Properties prior to Closing. In the event of a Material Casualty prior to Closing, Buyer may, by written notice to Seller delivered not later than ten (10) Business Days after receipt of Seller's notice of such Casualty, either (a) terminate this Agreement or (b) confirm Buyer's intention to consummate the Transaction in accordance with the terms of this Agreement. If Buyer elects to terminate this Agreement or fails to deliver such written notice within such ten (10) Business Day period, then this Agreement shall terminate

at the end of such ten (10) Business Day period in accordance with Section 10.3(c). In the event, prior to Closing, of an Immaterial Casualty or a Material Casualty with respect to which Buyer elects to proceed to consummate the Transaction, then Closing shall occur as scheduled and provisions of the SLB Lease Agreement relating to casualty shall apply. The provisions of this Section 7.1 shall survive the Closing.

Section 7.2 Condemnation.

Seller shall give Buyer notice of any proceeding involving a Condemnation affecting any portion of either of the Properties prior to Closing. In the event of a proceeding involving a Material Condemnation prior to Closing, Buyer may, by written notice to Seller, delivered not later than ten (10) Business Days after receipt of Seller's notice of such Material Condemnation, either (a) terminate this Agreement or (b) confirm Buyer's intention to consummate the Transaction in accordance with the terms of this Agreement. If Buyer elects to terminate this Agreement or fails to deliver to such written notice within such ten (10) Business Day period, then this Agreement shall terminate at the end of such ten (10) Business Day period in accordance with Section 10.3(c). In the event, prior to Closing, of a proceeding involving an Immaterial Condemnation or a Material Condemnation with respect to which Buyer elects to proceed to consummate the Transaction, then Closing shall occur as scheduled and provisions of the SLB Lease Agreement relating to condemnation shall apply. The provisions of this Section 7.2 shall survive the Closing.

Section 7.3 New York General Obligations Law. This Article is an express agreement to the contrary of Section 5-1311 of the New York General Obligations Law.

ARTICLE 8

BROKERS AND EXPENSES

Section 8.1 Brokers. Each of the parties hereto represents and warrants to the other party that except for Western Reserve Partners LLC, whose address is 200 Public Square, Suite 3750, Cleveland, Ohio 44114 (the " Advisor"), whose advisory fee shall be paid by Seller upon the Closing pursuant to a separate agreement, and McKinney Advisory Group whose address is 12250 El Camino Real, Suite 220, San Diego, California 92130 (the " Broker"), whose commission shall be paid by Seller upon the Closing pursuant to a separate agreement, no commercial real estate broker or finder, or advisor, was instrumental in arranging or bringing about the Transaction and that there are no claims or rights for commercial real estate brokerage commissions, finder's fees or advisory fees in connection with the Transaction. If any Person brings a claim for a commercial real estate brokerage commission, finder's fees or advisory fees based upon any contact, dealings or communication with Buyer or Seller, then the party through whom such Person makes his claim shall defend the other party (the " Indemnified Party") from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from any and all costs, damages, claims, liabilities or expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the Indemnified Party in defending against the claim. The provisions of this Section 8.1 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

Section 8.2 Expenses.

(a) Unless Buyer terminates this Agreement due to a Seller's Default, Buyer will be responsible for all of Buyer's fees and expenses related to the Transaction, which shall include but not be limited to the cost of the Third Party Reports and any additional third party reports required by Buyer's mortgage lender, Buyer's accounting fees and expenses and Buyer's legal fees and expenses (including Lender's legal fees and expenses) (collectively, "Buyer's Transaction Costs").

(b) Seller will jointly and severally in all cases be responsible for Sellers' legal and accounting fees and expenses.

(c) Buyer will be responsible for the payment of all transfer taxes, recording fees (with respect to both the Deeds and the Buyer's deed of trust, mortgage, and related documents) and Buyer's title insurance premiums.

(d) Buyer and Seller will each be responsible for one-half of all escrow fees.

(e) All other transaction costs and expenses shall be allocated at the Closing in accordance with respective local custom.

(f) In the event that Buyer terminates this Agreement due to a Seller's Default, Seller shall jointly and severally be responsible for paying directly or reimbursing all Buyer's out-of-pocket Transaction Costs that are reasonable and customary, incurred to third parties, and evidenced by written invoices or similar documentation (the " Reimbursable Transaction Costs").

(g) The provisions of this Section 8.2 shall survive the Closing, or, if the sale is not consummated, the termination of this Agreement.

ARTICLE 9

COVENANTS OF SELLER

Section 9.1 Buyer's Approval of Agreements Affecting the Properties. Between the Effective Date and the Closing Date, Seller shall not enter into or suffer to exist any new lease, license, contract, easement, covenant, condition, restriction, lien, security interest or other agreement or encumbrance affecting either of the Properties (other than the Permitted Encumbrances and any actions of third parties under any existing agreements encumbering or affecting any of the Properties where Seller does not have a consent or approval right regarding such actions), or amend, modify, terminate, or waive any provision of, any of the foregoing, without first obtaining Buyer's approval, which approval may be withheld in Buyer's reasonable discretion. Seller shall submit an actual copy of such new lease, license, contract, easement, covenant, condition, restriction, lien, security interest or other agreement, encumbrance, amendment, modification, termination or waiver at the time that Seller seeks Buyer's approval. If Buyer fails to give Seller notice of its approval or disapproval of any such proposed action

within five (5) Business Days after Seller notifies Buyer of Seller's desire to take such action, then Buyer shall be deemed to have withheld its approval. Notwithstanding the foregoing, Seller hereby grants its written approval to all of the matters described on Schedule 9.1.

Section 9.2 Material Adverse Changes. Seller shall promptly notify Buyer of any material adverse change with respect to the condition of either of the Properties, or the financial or operating condition of Seller or of any event or circumstance that makes any representation or warranty of Seller under this Agreement untrue in any material respect. Buyer shall promptly notify Seller of any event or circumstance that makes any representation or warranty of Buyer under this Agreement untrue in any material respect.

ARTICLE 10

CONDITIONS TO CLOSING

Section 10.1 Conditions to Buyer's Obligation to Close. The obligation of Buyer to acquire the Properties on the Closing Date shall be subject to the satisfaction or written waiver by Buyer of the following conditions precedent on and as of the Closing Date:

(a) Representations and Warranties of Seller. The representations and warranties of Seller set forth in Section 5.1 (subject to Section 5.4 and Section 5.5) shall be true, complete and correct in all material respects on and as of the Effective Date and on and as of the Closing Date.

(b) Seller's Performance. Seller shall have performed all covenants and obligations required by this Agreement to be performed or delivered by it on or before the Closing Date.

(c) Seller's Closing Deliveries. Seller shall have delivered to the Title Company all of Seller's Closing Deliveries.

(d) Title Policies. The Title Company shall be unconditionally obligated and prepared, subject only to payment of the applicable premium and other related charges and the recording, as applicable, of all conveyance documents and the release of the Existing Mortgage, to issue each of the Title Policies to Buyer, subject only to the Permitted Exceptions.

(e) No Bankruptcy. No Act of Bankruptcy on the part of Seller shall have occurred and remain outstanding as of the Closing Date.

(f) Repayment of Indebtedness. Seller shall have caused to be delivered to the Title Company a payoff demand letter from the holder of the Existing Mortgage and the liens with respect thereto shall be released at Closing.

(g) Consents. All Third Party Consents shall have been obtained pursuant to documentation reasonably satisfactory to Buyer and the Title Company.

(h) Material Adverse Change. There shall have been no material adverse change in the physical condition of either of the Properties or the financial or operating condition of Seller or Tenant from the Effective Date.

(i) Outside Date. The Closing shall occur on or before the Outside Date.

(j) Sublease SNDAs. Each subtenant under an SNDA Sublease shall have delivered an original Sublease SNDA, duly executed by such subtenant and notarized.

Section 10.2 Conditions to Seller's Obligation to Close. The obligation of Seller to convey and transfer to Buyer each of the Properties on the Closing Date is subject to the satisfaction or written waiver by Seller of the following conditions precedent on and as of the Closing Date:

(a) Representations and Warranties of Buyer. The representations and warranties of Buyer set forth in Section 6.1 shall be true, complete and correct in all material respects on and as of the Effective Date and on and as of the Closing Date.

(b) Buyer's Performance. Buyer shall have performed all covenants and obligations required by this Agreement to be performed or delivered by it on or before the Closing Date, including, without limitation, delivery of the Purchase Price.

(c) Buyer's Closing Deliveries. Buyer shall have delivered to the Title Company all of Buyer's Closing Deliveries.

(d) No Bankruptcy. No Act of Bankruptcy on the part of Buyer shall have occurred and remain outstanding as of the Closing Date.

(e) Outside Date. The Closing shall occur on or before the Outside Date.

Section 10.3 Failure to Satisfy Conditions.

(a) Buyer's Obligations to Close. Without limiting Section 2.2(b), if any of the conditions to Buyer's obligation to close set forth in Section 10.1 is not satisfied on and as of the Closing Date, Buyer shall have the right to either: (i) terminate this Agreement or (ii) consummate the purchase of the Properties with no change in the Purchase Price.

(b) Seller's Obligations to Close. Without limiting Section 2.2(b), if any of the conditions to Seller's obligation to close set forth in Section 10.2 is not satisfied on and as of the Closing Date, Seller shall have the right to: (i) terminate this Agreement or (ii) consummate the sale of the Properties with no change in the Purchase Price.

(c) Termination. In the event that either party wishes to terminate this Agreement pursuant to this Section 10.3, such party shall deliver to the other party and to the Title Company on the Closing Date written notice of such party's intention to terminate this Agreement (a "Termination Notice"). Upon the delivery of a Termination Notice pursuant to this Section 10.3

(c), subject to the provisions of Sections 2.2(b) and provisions hereof that expressly survive termination, this Agreement shall terminate automatically, the Deposit shall be returned to Buyer, and neither party shall have any further rights or obligations hereunder.

ARTICLE 11

CLOSING AND ESCROW

Section 11.1 Escrow Instructions. Upon execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the Transaction contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

Section 11.2 Closing. The Closing hereunder shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the Title Company (at the address for Title Company set forth in Section 12.1), on such date and at such time as Buyer and Seller may mutually agree upon in writing (the " Closing Date"); provided that Buyer and Seller shall use reasonable efforts to set the Closing Date no later than June 12, 2013, but in no event shall the Closing occur later than June 28, 2013 (the "Outside Date"). The Closing shall occur and the transfer of Buyer's funds shall be initiated at or before 12:00 p.m. noon New York time on the Closing Date.

Section 11.3 Deposit of Documents.

(a) At or before the Closing, Seller shall deposit into escrow the following items (collectively, the " Seller's Closing Deliveries"):

(i) one (1) original Deed for each of the Properties, duly executed by Seller and notarized;

(ii) two (2) original counterparts of the Bill of Sale for each of the Properties, duly executed by Seller;

(iii) two (2) original counterparts of the SLB Lease Agreement, duly executed by Seller and notarized;

(iv) an affidavit in the form attached hereto as Exhibit F, duly executed by Seller, and a California FTB form 593-C Real Estate Withholding Certificate, completed and duly executed by Seller;

(v) an owner's affidavit in the form attached hereto as Exhibit G, duly executed by Seller;

(vi) a tenant waiver letter in the form attached hereto as Exhibit H, duly executed by Tenant;

(vii) one (1) original counterpart of the Memorandum Lease Agreement (Columbus) and one (1) original counterpart of the Memorandum Lease Agreement (Long Beach) each duly executed by Tenant and notarized; and

(viii) one (1) original counterpart of a Sublease SNDA with respect to each SNDA Sublease, duly executed by Seller and notarized.

(ix) one (1) duly Notice of Subordination, substantially in the form of Exhibit N, with respect to each Notice Sublease, duly executed by Seller.

(b) At or before the Closing, Buyer shall deposit into escrow the following items (collectively, the " Buyer's Closing Deliveries"):

(i) funds necessary to pay the Purchase Price (net of the Deposit and any other offsets agreed to by Buyer and Seller);

(ii) two (2) original counterparts of the Bill of Sale for each of the Properties, duly executed by Buyer;

(iii) two (2) duly original counterparts of the SLB Lease Agreement, duly executed by Buyer and notarized;

(iv) one (1) original counterpart of the Memorandum Lease Agreement (Columbus) and one (1) original counterpart of the Memorandum Lease Agreement (Long Beach), each duly executed by Buyer and notarized; and

(v) one (1) original counterpart of a Sublease SNDA with respect to each SNDA Sublease, duly executed by Buyer and notarized.

(vi) one (1) Notice of Subordination, substantially in the form of Exhibit N, with respect to each Notice Sublease, duly executed by Buyer.

(c) At or before the Closing, Buyer and Seller shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase and sale of the Properties in accordance with the terms hereof. Notwithstanding the foregoing, Buyer acknowledges that the failure of any subtenant to execute and deliver a Sublease SNDA shall not be deemed nor constitute a Seller Default. Buyer and Seller hereby designate Title Company as the "Reporting Person" for the Transaction pursuant to Section 6045(e) of the Code and the regulations promulgated thereunder.

Section 11.4 Pro-rations. The parties acknowledge that, pursuant to the SLB Lease Agreement, from and after the Closing, Tenant will be responsible for the payment of all real property taxes, assessments, insurance premiums, utility charges and all other similar items

customarily apportioned in sales of real property in the jurisdiction in which each of the Properties is located (the " Apportioned Items"). In consideration of the foregoing, no provision shall be made at Closing with respect to the apportionment of any Apportioned Item. The provisions of this Section 11.4 shall survive the Closing.

Section 11.5 Indemnification.

(a) From and after the Closing, Seller jointly and severally agrees to indemnify, defend and hold the Buyer Indemnified Parties harmless from any liability, claim, loss, expense or damage suffered or asserted by any Person against such Buyer Indemnified Parties that arises from any act or omission of Seller or its agents, employees or contractors (i) occurring before or as of the Closing in connection with Sellers' ownership or operation of the Properties, or (ii) in connection with the sale of the Properties to Buyer.

(b) From and after the Closing, Buyer agrees to indemnify, defend and hold the Seller Indemnified Parties harmless from any liability, claim, loss, expense or damage suffered or asserted by any Person against Seller Indemnified Parties that arises from any act or omission of Buyer or its agents, employees or contractors (i) occurring after the Closing in connection with the Buyer's ownership or operation of the Properties or (ii) in connection with the sale of the Properties to Buyer.

(c) From and after the Closing, Seller jointly and severally agrees to indemnify, defend and hold the Buyer Indemnified Parties harmless from any liability, claim, loss, expense or damage asserted by any Person, arising out of or with respect to the Subleases or the actions or omissions of the sublandlords or subtenants thereunder, or of any director, member, manager, officer, shareholder, general partner, limited partner, employee, agent or invitee of any of the foregoing, whether arising prior to, on or after the Closing, except for any liability, claim, loss, expense or damage caused by the gross negligence or willful misconduct of any Buyer Indemnified Party, any breach of the SLB Lease Agreement by any Buyer Indemnified Party, or breach of any agreement between any Buyer Indemnified Party and any subtenant.

(d) The indemnifications set forth in this Section 11.5 shall survive the Closing.

ARTICLE 12

MISCELLANEOUS

Section 12.1 Notices. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by a commercial overnight courier that guarantees next day delivery and provides a receipt or (d) by facsimile or telecopy, and such notices shall be addressed as follows:

To Buyer:	AG Net Lease Acquisition Corp. c/o Angelo, Gordon & Co., L.P. 245 Park Avenue, 26th Floor New York, NY 10167-0094 Phone No.: (212) 883-4157 Fax No.: (212) 883-4141 Attn: Gordon J. Whiting
With a copy to:	AG Net Lease Acquisition Corp. c/o Angelo, Gordon & Co., L.P. 245 Park Avenue, 26th Floor New York, NY 10167-0094 Phone No.: (212) 692-2296 Fax No.: (212) 867-6448 Attn: Joseph R. Wekselblatt
With a copy to:	Sheppard Mullin Richter & Hampton LLP 1300 I Street, NW 11th Floor East Washington, D.C. 20005 Phone No.: (202) 469-4943 Fax No.: (202) 312-9411 Attn: Michele E. Williams, Esquire
To Seller:	Director of Facilities Molina Healthcare, Inc. 200 Oceangate, Suite 100 Long Beach, CA 90802-4317 Phone No.: (562) 435-3666 Fax No.: (562) 901-1086
	Sidley Austin LLP 555 West 5th Street 40th Floor Los Angeles, CA 90013 Phone No: (213) 896-6018 Fax No.: (213) 896-6600 Attn.: Marc I. Hayutin, Esq.
	and to:
With a copy to:	Sidley Austin LLP 555 West 5th Street 40th Floor Los Angeles, CA 90013 Phone No: (213) 896-6048 Fax No.: (213) 896-6600 Attn.: Edward C. Prokop, Esq.

To Title Company: Fidelity National Title Insurance Company
485 Lexington Avenue, 18th Floor,
New York, NY 10017
Phone No: 212-471-3816
Fax No.: (212) 481-1325
Attn: Andrea Kremen, Esq.

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed delivered when actually delivered, or at such time as delivery is refused by the party to which notice has been sent.

Section 12.2 Entire Agreement. This Agreement, together with the SLB Lease Agreement, and the Schedules and Exhibits attached hereto and thereto, contain all representations, warranties and covenants made by Buyer and Seller and constitute the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements with respect to the Transaction, including, without limitation, the Letter of Intent, are replaced in total by this Agreement together with the Schedules and Exhibits hereto. The language in all parts of this Agreement will be construed as a whole in accordance with its fair meaning and without regard to California Civil Code §1654 or similar statutes.

Section 12.3 Entry and Indemnity. In connection with any entry by Buyer, or its agents, employees or contractors onto either of the Properties, Buyer shall give Seller reasonable advance notice of such entry and shall conduct such entry and any inspections in connection therewith so as to minimize, to the greatest extent possible, interference with Seller's business and the business of Seller's tenants, and otherwise in a manner reasonably acceptable to Seller. Without limiting the foregoing, prior to any entry to perform any on-site testing, Buyer shall give Seller two (2) Business Days' notice thereof, which notice shall include the identity of the company or persons who will perform such testing and the proposed scope of the testing. In the event that Buyer proposes to perform any destructive or invasive testing, Seller may approve or disapprove, in Seller's sole and absolute discretion, the proposed destructive or invasive testing within three (3) Business Days after receipt of such notice. Seller shall be deemed to have disapproved any such destructive or invasive testing if Seller does not respond within such three (3) Business Day period. If Buyer or its agents, employees or contractors take any sample from either of the Properties in connection with any such approved testing, at Seller's request, Buyer shall provide to Seller a portion of such sample being tested to allow Seller, if it so chooses, to perform its own testing. Seller or its representative may be present to observe any testing or other inspection performed on either of the Properties. Buyer shall maintain or cause to be maintained, and shall ensure that its contractors maintain, public liability and property damage insurance in amounts and in form and substance adequate, in Seller's reasonable judgment, to insure against the insurable liabilities of Buyer and its agents, employees or contractors, arising out of any entry on or inspections of either of the Properties pursuant to the provisions hereof. Buyer shall indemnify and hold Seller harmless from and against any

actual costs, damages (exclusive of consequential and punitive damages), liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorneys' fees) arising out of or relating to any entry on either of the Properties by Buyer, its agents, employees or contractors in the course of performing the inspections, testings or inquiries provided for in this Agreement. The foregoing indemnity shall survive the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

Section 12.4 Time. Time is of the essence in the performance of each of the parties' respective obligations contained herein.

Section 12.5 Further Assurances. The parties hereto hereby agree to take such additional actions and to execute and deliver such additional documents as shall be necessary to consummate the Transaction. The provisions of this Section shall survive the Closing.

Section 12.6 Jury Trial Waiver. The parties hereby agree to waive any right to trial by jury with respect to any action or proceeding brought by either party or any other Person relating to (a) this Agreement and/or any understandings or prior dealings between the parties hereto or (b) either of the Properties or any part thereof. The parties hereby acknowledge and agree that this Agreement constitutes a written consent to waiver of trial by jury pursuant to any applicable state statutes. The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.7 No Merger. The obligations contained herein shall not merge with the transfer of title to either of the Properties. The provisions of this Section shall survive the Closing.

Section 12.8 Assignment. Seller shall have no right to assign any of its interest in this Agreement. Buyer's rights and obligations hereunder shall not be assignable without the prior written consent of Seller, in its sole discretion. Notwithstanding the foregoing, Buyer shall have the right to assign its rights and obligations hereunder to any of its Affiliates without the prior written consent of Seller. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. As used in this Section 12.8, "Affiliates" shall mean an entity controlled by, under common control with, or controlling, Buyer. The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.9 Counterparts and Facsimile. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The parties contemplate that they may be executing counterparts of this Agreement transmitted by facsimile or electronic transmission and agree and intend that a signature by facsimile or electronic transmission shall bind the party so signing with the same effect as though the signature were an original signature.

Section 12.10 Governing Law; Consent to Jurisdiction.

(a) Each of Seller and Buyer hereby agree that the State of New York has a substantial relationship to the parties and to the Transaction and in all respects (including, without limiting the generality of the foregoing, matters of construction, validity and performance) this Agreement and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed therein (without regard to its conflict of laws principles) pursuant to Section 5-1401 of the New York General Obligations Law, and all applicable law of the United States of America. To the fullest extent permitted by law, each of Seller and Buyer hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Agreement.

(b) Any legal suit, action or proceeding against either party arising out of or relating to this Agreement shall be instituted in any federal or state court sitting in the Borough of Manhattan, State of New York, pursuant to Section 5-1402 of the New York General Obligations Law, and each of Seller and Buyer waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding in the Borough of Manhattan, State of New York, and each party hereby expressly and irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding.

(c) The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.11 Confidentiality.

Prior to the Closing, subject to the terms of this Section, Buyer and Seller shall each maintain as confidential any and all Proprietary Information obtained in connection with the Transaction and, accordingly, each party agrees not to disclose all or any portion of such Proprietary Information to any third party for any reason. Each item of Proprietary Information shall be used by the recipient thereof solely for the purpose of evaluating and determining such recipient's interest in consummating the Transaction. Each party agrees that it will not make copies of, or permit any other Person to make copies of, the Proprietary Information for any reason. Each party agrees that it will not retain any item of Proprietary Information after the use thereof is no longer required, and that it will either destroy or return to the other party all written materials constituting Proprietary Information, except to the extent that such destruction is prohibited by law, rule or regulation. Notwithstanding the foregoing, neither party will be required to destroy or return any Proprietary Information that may be stored electronically in such party's information technology system, whether in the form of an e-mail, saved file or otherwise. Notwithstanding anything to the contrary contained herein, each party shall be permitted to disclose any or all of the Proprietary Information: (i) to those principals, employees, representatives, lenders, consultants, counsel, accountants and other professional advisors of such party who have a legitimate need to review or know such Proprietary Information and who have, prior to disclosure, agreed in writing to be bound by the terms of confidentiality set forth herein, (ii) any government or self-regulatory agency whose supervision or oversight such party or any of its affiliates may be subject to the extent required by applicable law, any Governmental Authority or a court of competent jurisdiction, in each case to the extent reasonably necessary to comply with any legal or regulatory requirements to which such party or its affiliates may be subject (or in connection with any enforcement action regarding this

Agreement or the Transaction), and (iii) without limiting the generality of the immediately foregoing subsection, in any filings made by Seller or its affiliates with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the " Exchange Act"), and/or as may be made available to any investors or prospective investors in Seller or any of its affiliates in conformance with the Securities Act, Exchange Act, and/or the rules, regulations, and orders issued with respect thereto. Except for publicly available filings referenced in clause (iii) of the immediately preceding sentence, upon disclosing Proprietary Information to any Person to the extent permitted hereunder, Buyer or Seller, as applicable, shall advise such Person of the confidential nature thereof, and shall take all reasonable precautions to prevent the unauthorized disclosure of such information by such Person. In addition, except any press release or public announcement regarding the Transaction required to be issued by Seller pursuant to the Securities Act, the Exchange Act, and/or the rules, regulations, and orders issued with respect thereto, at or prior to the Closing, neither party shall issue any press release or other public announcement regarding the Transaction without first obtaining the other party's written approval with respect to the release or announcement and the content thereof. After the Closing, Buyer and Seller shall be permitted to make such disclosures regarding the Properties and the Transaction (which may include the use of each of Seller's and Buyer's name and company logo) as are similar or consistent with Buyer's and Seller's respective general public disclosure policy, including disclosures made by each of Seller and Buyer and its affiliates to their investors, lenders and analysts. This provision shall survive any termination of this Agreement, and shall be subject to the letter agreement attached as Schedule 12.11 (with the parties acknowledging that this Agreement is a "related agreement" as referenced in such letter agreement)

Section 12.12 Maintenance. Between the Effective Date and the Closing, Seller shall manage and maintain each of the Properties in the ordinary course and in the same manner and condition as before the making of this Agreement, as if Seller were retaining such Property. Seller shall make such repairs and replacements to and of each of the Properties as shall be necessary for Seller to comply this Section 12.12. Through the Closing Date, Seller shall maintain or cause to be maintained, at Seller's sole cost and expense, the Existing Insurance Policies.

Section 12.13 Interpretation of Agreement. The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.14 General Rules of Construction. The parties acknowledge that this Agreement has been freely negotiated by both parties, that each party has had the opportunity to review and revise this Agreement, that each party has had the opportunity to consult with counsel with regard to this Agreement, and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the

interpretation of this Agreement or any amendments or exhibits to this Agreement. The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.15 Limited Liability. Any claim based on or in respect of any liability of Seller under this Agreement shall be enforced only against Seller and its assets, properties and funds, and not against the assets, properties or funds of any of its trustees, officers, directors or shareholders, the general partners, officers, directors or shareholders thereof, or any employees or agents of Seller. Any claim based on or in respect of any liability of Buyer under this Agreement shall be enforced only against Buyer and its assets, properties and funds, and not against the assets, properties or funds of any of its trustees, officers, directors or shareholders, the general partners, officers, directors or shareholders thereof, or any employees or agents of Buyer. The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.16 Amendments. This Agreement may be amended or modified only by a written instrument signed by both Buyer and Seller. The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.17 Attorneys' Fees. In the event that a party hereto prevails against the other party in any action to enforce the obligations of such other party under this Agreement, the prevailing party shall be reimbursed by the other for all reasonable out-of-pocket costs and expenses incurred thereby with respect to such action (including reasonable attorneys' fees). The provisions of this Section shall survive any termination of this Agreement and the Closing.

Section 12.18 Third Party Beneficiaries. Seller and Buyer agree that there are no third party beneficiaries of this Agreement. Without limiting the foregoing, neither Broker nor Advisor is a third party beneficiary of this Agreement. The provisions of this Section shall survive any termination of this Agreement and the Closing.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the respective dates written below.

SELLER: MOLINA HEALTHCARE, INC.,
a Delaware corporation
By: _____
Name: _____
Date: Its: _____

MOLINA CENTER, LLC,
a Delaware limited liability company
By: _____
Name: _____
Its: _____

BUYER: AG NET LEASE ACQUISITION CORP.,
a Delaware corporation

By: _____
Name: Gordon J. Whiting
Date: Its: President

ACCEPTANCE BY TITLE COMPANY:

Fidelity National Title Insurance Company hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale ("Agreement") and agrees to be bound by and perform the terms thereof as such terms apply to Title Company.

FIDELITY NATIONAL TITLE INSURANCE COMPANY

Dated:_____ By: _____
Name: _____
Title: _____

SCHEDULE 1(b)

SNDA Subleases

1. Long Beach Publishing Company, Inc. (aka Press Telegram)

SCHEDULE 4.2

Permitted Exceptions

The items listed on Schedule B in that certain Proforma Owner's Policy of Title Insurance issued by Fidelity National Title Insurance Company ("Title Company") under Order No. 4257983 (Reference No. 508130029), with respect to the Columbus Leased Premises, and the items listed on Schedule B in that certain Proforma Owner's Policy of Title Insurance issued by Title Company under Order No. 23021588-977-MAT, with respect to the Long Beach Leased Premises.

SCHEDULE 5.1(g)

Third Party Consents

Novation Agreement by and between Seller and the United States of America

California Regional Water Quality Control Board NPDES Permit Transfer from Molina Center LLC to AGNL Clinic, L.P., as New Owner, and Molina Healthcare, Inc., as New Operator

SCHEDULE 5.1(h)

Existing Leases, Access Agreements and License Agreements, Purchase Options, Termination Options, Etc.

EXISTING LEASE AGREEMENTS, ACCESS AGREEMENTS, LICENSE AGREEMENTS, PURCHASE OPTIONS, TERMINATION OPTIONS, ETC. ASSOCIATED WITH 200 & 300 OCEANGATE, LONG BEACH, CALIFORNIA, WITH MOLINA AS LANDLORD:

- 3-Dee International
- Arthritis National Research Foundation
- Lisa Brandon, CFLS
- California Coastal Commission
- Crowell, Weedon & Co.
- Department of Industrial Relations
- High Rise Goodies Restaurant Group, Inc.
- J. Perez Associates, Inc.
- Long Beach Publishing Company, Inc. (aka Press Telegram)
- Lynn E. Moyer
- D. Michael Trainotti
- Michael W. Binning
- Molina Healthcare, Inc.
- MVP Energy, LLC
- Pacific Maritime Association
- Pacific Merchant Shipping
- Bruce A. Dybens, AP
- California State Lands Commission
- US Department of Veterans Affairs
- Perona, Langer, Beck Serbin & Mendoza
- Rose, Klein & Marias, LLP
- United Parcel Services, Inc.
- APB Car Wash & Detailing Specialist - License
- Steel Coil
- Mikko Myong Pivonka, an individual
- TCG Los Angeles, Inc. (aka AT&T) – ACCESS AND LICENSE
- XO Communications Services, LLC – LICENSE
- Molina Healthcare of California (undocumented license agreement)

EXISTING LEASE AGREEMENTS, ACCESS AGREEMENTS, LICENSE AGREEMENTS, PURCHASE OPTIONS, TERMINATION OPTIONS, ETC. ASSOCIATED WITH 3000 CORPORATE EXCHANGE DRIVE, COLUMBUS, OHIO, WITH MOLINA AS LANDLORD:

- Bresco Solutions, LLC - LICENSE
- iQor, Inc.
- Prime Engineering & Architecture, Inc.
- U.S. Congressman Patrick Tiberi

- XO Communications Services, Inc. – ACCESS AGREEMENT

LEASE	RIGHT POTENTIALLY TRIGGERED BY SALE/LEASEBACK TRANSACTION	NOTES/COMMENTS
VA Lease: U.S. Government Lease for Real Property between 200 Oceangate, LLC and United States of America, Department of Veterans Affairs dated April 1, 2010; Supplemental Agreement No. One, dated July 30, 2010; Supplemental Agreement No. Two, dated September 3, 2010	Prohibition of sale/leaseback transaction; required consent of tenant	48 CFR 570.115 requires compliance with FAR 42.12 in the event of a transfer of ownership of the leased premises. FAR 42.12 requires application to the Government for consent to the assignment of the Lease, and further requires a novation and/or change-of-name agreement.
Molina Healthcare, Inc., Lease: Office Lease between Pacific Towers Associates and Molina Healthcare, Inc., dated for reference purposes as of July 10, 2002; Pacific Towers Associates Lease Addendum dated July 10, 2002; First Amendment to Office Lease dated November 5, 2002; Second Amendment to Office Lease dated December 5, 2002; Third Amendment to Office Lease dated April 5, 2006; Fourth Amendment to Office Lease dated June 1, 2006; Fifth Amendment to Office Lease dated July 1, 2006; Sixth Amendment to Office Lease dated May 21, 2007; Seventh Amendment to Office Lease dated February 20, 2012; Eighth Amendment to Office Lease dated June 18, 2012; Ninth Amendment to Office Lease dated November 2012.	Right of First Offer to purchase	Right of Molina Healthcare, Inc. to purchase the property. Section 8, Third Amendment.

Molina Healthcare, Inc. Profits Interest Agreement: Agreement Regarding Capital Event Profits Interest of Molina Healthcare, Inc. between 200 Oceangate, LLC and Molina Healthcare, Inc. dated as of April 5, 2006; First Amendment to Agreement Regarding Capital Event Profits Interest in Molina Healthcare, Inc., dated August 10, 2006; Memorandum of Tenant Investment and Commissions – Molina Healthcare, Inc. between 200 Oceangate, LLC and Molina Healthcare, Inc., dated March 11, 2009.	Profit Sharing Right	Right of Molina Healthcare, Inc. to share in profits of sale of property.

SCHEDULE 5.1(i)

Contracts

Molina Center

Type of Service	Vendor Name	Address	Contract Date	Termination
Copier	Ricoh Business Solutions	5 Dedrick Place, West Caldwell, NJ 07006	5/31/2012	5/30/2015
Elevator	Otis Elevator	711 E. Ball Rd., Anaheim, CA 92805	10/1/2010	9/30/2015
Elevator Advertising	Captivate	6060 Center Dr., Los Angeles, CA 90045	11/30/2000	11/29/2015
Engineering	Able Engineering	3300 W. MacArthur Blvd, Santa Ana, CA 92704	11/1/2007	10/31/2008 then M-M
Int. Landscaping	Associated Group	1610 E. McFadden Ave., Santa Ana, CA 92705	10/1/1998	M-M
Internet	Cogent Communications	1015 31st St. NW, Washington DC 20007	7/21/2008	7/20/12 then renews yearly
Internet	Direct America	148 13th St., Seal Beach, CA 90740	11/30/2006	M-M
IT Support	All Covered	808 S. Figueroa St., Los Angeles, CA 90017	5/1/2012	4/30/13 then renews yearly
Janitorial	United Bldg Svcs (Able)	3300 W. MacArthur Blvd, Santa Ana, CA 92704	10/1/2003	9/30/12 then renews yearly
Landscaping	TruGreen	1323 W. 130th St., Gardena, CA 90247	4/1/2013	3/30/2014
Life Safety	HCI	1354 Parkside Place, Ontario, CA 91761	4/1/2013	3/31/14 the M-M
Life Safety-online	RJ Westmore	1875 Century Park East, Century City, CA 90067	10/10/2010	M-M
Parking	Ampco System Parking	1150 S. Olive Street, 19th Floor, Los Angeles, CA 90015	9/15/1998	4/31/2013
Pest Control	American City Pest Control	614 W. 184th St., Gardena, CA 90248	6/1/1999	M-M
Security	Universal Protection Svcs	340 Golden Shore, Long Beach, CA 90802	11/1/2003	M-M
Telephone	Telepacific Communications	9166 Anaheim Pl., Rancho Cucamonga, CA 91730	5/27/2004	5/26/12 then renews 2-year
Trash-compactor	Master Environmental	17890 Castleton St., City of Industry, CA 91748	3/5/1993	3/4/13 then renews 2-year
Trash/Recycling	Serv-wel Disposal	901 S. Maple Ave., Montebello, CA 90640	6/1/2011	5/30/12 then M-M
Window Cleaning	United Bldg Svcs (Able)	3300 W. MacArthur Blvd, Santa Ana, CA 92704	8/22/2011	8/21/12 M-M
Window Cleaning – RIG	Sky Rider Equipment	1180 N. Blue Gum St., Anaheim, CA 92806	11/1/2009	10/31/10 then M-M
Property Management	McKinney Brokerage Group	12250 El Camino Real Suite 220, San Diego, CA 92130	12/7/2011	12/7/13 then renews 1-year

Molina Healthcare of California (undocumented license agreement)

3000 Corporate Exchange

Type of Service	Vendor Name	Address	Contract Date	Termination
Electric Broker	Champion Energy Services	425 Metro Place North, Ste 550, Dublin, OH 43017	5/25/2011	
Elevator	ThyssenKrupp	PO Box 933004, Atlanta, GA 31193-3004	1/1/2011	1/1/2014
Engineering	CBRE	3000 Corporate Exchange Dr., Columbus, OH 43231	2/1/2013	1/31/2014
HVAC/Backflows	Speer Mechanical	600 Oakland Park Ave., Columbus, OH 43214	11/1/2007	10/31/2008 then renews yearly
HVAC Loan	PNC Equipment Finance	995 Dalton Ave., Cincinnati, OH 45203	2/9/2009	3/1/2014
Int. Landscaping	Plantastic	PO Box 89, Lewis Center, OH 43035	3/1/2011	2/28/2012 then M-M
Janitorial	CSI International	720 Lakeview Plaza Blvd #K, Worthington, OH 43085	4/1/2011	3/31/2012 then M-M
Landscaping	Bildsten Landscaping Services	1080 Camden Ave, Columbus, OH 43201	11/1/2011	4/30/2012 then M-M
Life Safety	Gentry Fire Protection	3540 Parkway Lane, Hilliard, OH 43026	11/10/2010	11/31/10
Lot Sweep	Contract Sweepers	561 Short St., Columbus, OH 43215	11/1/2010	10/31/2011 then M-M
Pest Control	Orkin	258 Campus View Blvd., Columbus, OH 43235	7/20/2009	7/31/10 then M-M
Trash	Republic Waste	933 Frank Rd., Columbus, OH 43223	2/1/2013	1/31/2016
Window Cleaning	Reflective, Inc	8203 Blacks Rd., Pataskala, OH 43062	5/8/2012	4/30/2013 then M-M
Asset Management	McKinney Brokerage Group	12250 El Camino Real Suite 220, San Diego, CA 92130	12/19/2012	12/7/13 then renews 1-year

SCHEDULE 5.1(j)

Permits

MOLINA CENTER / PERMITS

ELEVATORS

CAB #	STATE #	OTIS #	EXP DATE
1	73354	D01637	10/17/12
2	73338	D01641	10/17/12
3	73344	D01642	10/17/12
4	73350	D01643	10/17/12
5	73368	D01644	10/17/12
6	73353	D01645	10/20/12
7	73341	D01646	10/18/12
8	73342	D01647	10/18/12
9	73367	D01648	10/19/12
10	73343	D01649	10/19/12
11	88577	D01652	10/19/12
12	88578	D01654	10/19/12
13	89981	D01655	10/19/12
PASS R-1	073370 (Not in use 5/04)	D01650	01/03/04
PASS R-2*	073355 (Not in use 5/04)	D01651	01/03/04

FIRE		**EXP DATE**
ACCOUNT FP00010461	**(300 T)**	1/15/14
ACCOUNT FP10001354	**(200 T)**	1/15/14

AQMD	**EXP DATE**
PRMT # D15227 ICE (50-500 HP) EM FIRE FGHT-DIESEL	10/31/12
**PRMT # R-D17641 ICE (>500 HP) EM ELEC GEN DIESEL	10/31/12
Facility ID #	
Rule 222 for 1 to 2 Mil BTU/Hr for 4 Boilers	Paid 11/12
(Equipment Registration Fee) – New Ownership	One time fee
Facility ID #154656	

BUSINESS LICENSE - Molina Center, LLC	**EXP DATE**
TOWER 1+2; ACCOUNT BU86043502	06/27/13

BUSINESS LICENSE – McKinney Advisory Group — **EXP DATE**
ACCOUNT BU21210040 — 02/01/14

HAZARDOUS MATERIALS - CUPA — **EXP DATE**
ACCOUNT HC00001692 — HAZ MAT/HAZ WASTE — 11/29/13

AIR PRESSURE TANKS — **EXP DATE**
TANK # 30669-89 — NB# 6596 **(300 T)** — 11/30/2015
TANK # 30668-89 — NB# 5831 **(200 T)** — 11/30/2015

TOXIC SUBSTANCES CONTROL (Disposal of Used Oil)
EPA IDENTIFICATION NUMBER CAL000375391 Molina Center LLC — Effective 6/19/2012

RADIO STATION AUTHORIZATION — **EXP DATE**
FCC Registration Number (FRN): 0021936554 — 01/10/2023

REGIONAL WATER QUALITY CONTROL BOARD (Permit to Discharge Groundwater)
NPDES No. CAG994004, Order No. R4-2008-0032
and Monitoring Report and Reporting Program No. CI-9761

SIGNAGE APPROVAL — **ONE TIME**
City of Long Beach — 07/26/2000

COLUMBUS / PERMITS

ELEVATORS

CAB #	CERT #	STATE ID #	EXP DATE
1	EL41888	41888	08/31/13
2	EL41887	41887	08/31/13
3	EL41886	41886	08/31/13
4	EL41885	41885	08/31/13

CONSTRUCTION PERMITS
6th Floor Construction

TYPE	PERMIT #	ISSUE DATE
Removal Start Permit	RMST1307108	03/11/2013
Electrical Permit	ELEC1313990	05/06/2013
Fire Suppression Permit	FSUP1310933	05/02/2013
Building Permit	INTR1310038	05/02/2013
Environmental Air Permit	ENAR1313706	05/02/2013

SCHEDULE 5.1(k)

Plans

Long Beach Luckman Partnership Inc. (Architects) dated 8/31/1981
1.

Columbus MaddoxNBD (Architects) dated 9/1/1998
1.

SCHEDULE 5.1(l)

Warranties

None.

SCHEDULE 5.1(m)

Certificates of Occupancy

Long Beach – For Building and Molina Leased Space

Date	Permit Name	Space	Permit #	Agency
11/15/1983	Certificate of Occupancy	Building 200 & 300	9715	City of Long Beach
3/13/2013	Certificate of Occupancy	200 Suite 1050	BRMD142770	City of Long Beach
10/29/2012	Certificate of Occupancy	300 Suite 1500	BRMD138959	City of Long Beach
10/29/2012	Certificate of Occupancy	300 Suite 1100	BRMD138957	City of Long Beach
08/09/2012	Certificate of Occupancy	300 Suite 930	BRMD137245	City of Long Beach
04/11/2012	Certificate of Occupancy	300 Suite 450	BRMD133849	City of Long Beach
02/17/2012	Certificate of Occupancy	200 Suite 820	BRMD131772	City of Long Beach
11/22/2002	Certificate of Occupancy	200 2nd/6th/7th Bathrooms	360443	City of Long Beach
8/6/2003	Certificate of Occupancy	3rd and 4th Floors	371614	City of Long Beach
03/04/2003	Certificate of Occupancy	2nd/6th/7th Floors	360444	City of Long Beach
11/10/2005	Certificate of Occupancy	200 Suites 530/535/550/570	442789	City of Long Beach
10/13/2006	Certificate of Occupancy	5th Floor Molina Nurse Advice	426899	City of Long Beach
01/26/2007	Certificate of Occupancy	200 Suite A1400	472345	City of Long Beach
05/03/2007	Certificate of Occupancy	200 Suite A1100	485455	City of Long Beach
08/13/2007	Certificate of Occupancy	200 Suite A0100	490117	City of Long Beach
02/05/2009	Certificate of Occupancy	200 Suite A0100	532666	City of Long Beach

Columbus – For Building

Date	Permit Name	Space	Permit #	Agency
11/10/99	Final Occupancy Permit	Building	9904318	City of Columbus

SCHEDULE 5.1(n)

Underground Storage Tanks

Underground Tank - that certain abandoned 550 gallon underground diesel tank located under the Diesel Pad on the southwest corner of the property called out on the Survey undertaken by Bock & Clark dated 2/27/13

Water Tank - that certain 35,000 gallon capacity underground tank storing firefighting water to the easterly side of the Diesel Pad on the southwest corner of the property called out on the Survey undertaken by Bock & Clark dated 2/27/13

SCHEDULE 5.1(o)

Disclosure Reports

1. Long Beach Leased Premises

    a. Phase 1 Site Assessment undertaken by ESIS Inc. Dated January 4, 2011
    b. Phase 1 Update undertaken by ESIS Inc. dated October 19, 2011
    c. NPDES Permit No. CAG994004
    d. California Commercial Disclosure Reports (2) dated May 6, 2013, Order Number 130506-00397, covering parcel numbers 7278-003-036 and 7278-003-035

2. Columbus Leased Premises

    Phase 1 Environmental Assessment Dated October 12, 2012

SCHEDULE 5.1(r)

Existing Mortgage

That certain Deed of Trust dated December 1, 2011 in favor of East West Bank and recorded as document number 11-1658315 in the books and records of Los Angeles County, California.

SCHEDULE 5.1(v)

Existing Insurance Policies

	Carrier	Coverage	Policy #
1	Lexington Insurance Co.	Property	13113039
2	Philadelphia Indemnity Insurance Co.	Commercial General Liability	PHPK987040
3	Philadelphia Indemnity Insurance Co.	Automobile	PHPK987040
4	Liberty Insurance Underwriters Inc.	Umbrella Liability	1000037294-02
5	Lexington Insurance Co.	Flood (included in property policy)	13113039
6	Everest Indemnity	Earthquake	840001317-131

SCHEDULE 5.1(w)

Financial Statements

(attached)

Molina Healthcare, Inc. (Parent)
Income Statement
For the Year Ended December 31, 2012

Revenue	
42150 Miscellaneous Income	17,322
42190 Corporate Charge-Revenue	406,446,825
Other operating revenue	406,464,147
Premium and other medical revenue	406,464,147
Premium taxes	(4,584)
Premium and other medical revenue (net of premium tax)	406,459,564
45110 Rental Income	174,052
42140 TPA Income	343,200
Rental and other revenue	517,252
44110 Interest Income	560,617
44111 Interest Income (Exempt)	15,733
44520 Equity Earning Uncon Aff	(26,844)
Investment revenue	549,506
Total revenue (net of premium tax)	407,526,321
Premium Taxes	4,584
Total revenue	407,530,905
Medical Expenses	
52110 QA-Compensation	20,290,356
52120 QA-Other	3,784,653
Subtotal Quality Assurance	24,075,009
Medical Costs - Other	24,075,009
54110 Pharmacy	0
Medical Costs - Pharmacy	0
55180 Optometry Capitation	8,527,683
Medical Costs - Capitated	8,527,683
56120 Specialty QNXT Payments	(426)
Subtotal Specialty - Fee for Service	(426)
Subtotal Specialty/Outpatient - Fee for Service	(426)
56570 Healthcare Savings Fees	(280)
Subtotal Other - Fee for Service	(280)
56610 Vision IBNR	500,000
Other Vision FFS	–
Subtotal Vision - Fee for Service	500,000
Medical Costs - Fee for Service	499,294
Total Medical Costs	33,101,987
Medical Margin (Net of Prem Tax)	373,357,577
MCR (Net of Prem Tax)	8.1%
Direct Medical Costs (exel QA)	9,026,978
Direct Medical Margin (exel QA)	397,432,586
Direct MCR (Net of Prem Tax)	2.2%
Administrative Expenses	
61151 Wages-Salaries	139,702,930

Molina Healthcare, Inc. (Parent)
Income Statement
For the Year Ended December 31, 2012

61152 Wages-Severance	796,956
61153 Wages-Restr Stock Comp	18,105,653
61154 Wages-Bonus	21,679,715
61155 Wages-Overtime	2,489,513
61156 Wages-Paid Time Off (PTO)	11,208,722
61157 Wages-Commissions	1,598,863
61158 Wages-Stock Options	61,585
61159 Wages-Phantom Stock	1,262,594
Subtotal Wages	196,906,531
61160 Insurance-Emp Health	(24,438,545)
61161 Insurance-Emp Contrib	(13,492,869)
61162 Ins-EMP Claims Paid	47,679,226
61163 Ins-Emp Health-IBNR	178,141
Subtotal Employee Health Insurance	9,925,953
61170 Insurance-Workman's Comp	2,370,408
61171 Insurance-Officer's Life	175,345
61172 Insurance-Life/Accident	1,837,913
61173 Payroll Taxes	12,340,036
61175 401K Pension Plan	4,808,253
61177 Stock-ESPP	1,850,575
61178 Other Payroll	2,866,470
61179 Deferred Compensation Exp	322,573
61180 Temporary Help	3,308,791
Subtotal Administrative Payroll	236,712,848
61201 Marketing Costs	590,919
61204 Advertising	3,898,490
61206 Business Development	30,523
61208 Sales Promotion	7,083
61209 Surveys	180,479
61210 Provider Meetings	35,756
61220 Patient Education	48,054
61230 Member Outreach Inceptive	28,418
Subtotal Marketing & Advertising	4,819,721
61251 Regulatory Fees	229,646
Subtotal Regulatory Fees	229,646
61301 Accounting Services	3,897,403
61310 Legal Services	6,350,459
61311 Legal Settlement	(482,904)
61320 Payroll Processing Svcs	149,983
61322 Actuarial Services	751,275
61323 Accreditation Services	42,666
61327 Board Fees	1,336,916

Molina Healthcare, Inc. (Parent)
Income Statement
For the Year Ended December 31, 2012

61330 Outside Services-Consult	24,388,059
61331 Outside Services-Other	29,595,262
61332 Outside Services-Translat	303,303
61333 Outside Services-Lobbyist	1,925,608
61340 Broker Commissions	3,506,374
61342 Shareholder Rptng Costs	176,748
Subtotal Outside Services	71,941,150
61360 Bank Service Charges	463,385
61363 Fines and Penalties	6,773
61364 Non-Deductible Fees	13,800
61370 Contributions-Political	471,000
61371 Contributions-Charitable	3,862,392
61380 Periodical Subscriptions	88,226
61390 Membership Dues	610,729
Subtotal Dues and Other Fees	5,516,304
61410 Travel Expenses	4,619,217
61420 Lodging Expenses	1,960,262
61430 Meals & Entertainment	784,461
Subtotal Travel Lodging & Meals	7,363,939
61452 Software Maintenance	8,017,690
61453 IT Operations & Maint Exp	2,208,168
61454 Hardware Expenses	559,819
61455 Repair & Maint-Comp Equip	2,879,698
61456 Software License/Subscrip	15,911,148
61457 Expensed Computer Equip	676,080
Subtotal Computer Expenses	30,252,603
61510 Committee Meetings	2,955
61511 Employee/Leadership Mtgs	64,258
61520 Continuing Ed/User Train	377,810
61521 Conferences/Seminars	401,055
61530 Employment-Recruitment	1,748,382
61540 Employee Functions	841,624
61541 Employee Relations	353,109
61542 Moving Expenses	328,916
Subtotal Employee Expenses	4,118,104
61551 Common Area Maintenance	202,532
61552 Rent	8,840,706
61560 Telephone	9,977,294
61562 Electric	678,921
61563 Gas	10,827
61564 Water	6,446
61565 Rubbish Removal	8,358

Molina Healthcare, Inc. (Parent)
Income Statement
For the Year Ended December 31, 2012

61570 Janitorial	195,792
61571 Gardening	60,153
61572 Laundry	3,159
61573 Security	94,981
61584 Taxes/Property-Unsecured	442,440
61581 Taxes/Property-Secured	299,569
61522 Licenses	1,537,932
61590 Insurance-General	2,269,806
61591 Insurance-Building	2,326
61592 Insurance-Auto	6,501
Subtotal Occupancy & Utilities	24,637,744
61601 Automotive Lease	1,400
61602 Automotive Maintenance	54,204
61610 Equipment Leasing/Rental	4,122,294
61620 Repair &Maintenance-Bldg	243,568
61621 Repair & Maint-Off Equip	38,699
Subtotal Repair & Maintenance	4,460,166
61651 Copier Expense	44,362
61652 Printing Supplies	3,621,704
61660 Office Supplies	772,565
61670 Postage	1,225,051
61671 Fulfillment	905,228
61680 Freight	144,640
Subtotal Printing Postage & Supplies	6,713,551
61920 Miscellaneous Income	(1,715,083)
61921 Miscellaneous Expense	3,192,850
61940 Discounts Earned A/P	(62,565)
61980 Gain/Loss on Sale-Tang Asset	(155,158)
Subtotal Other Administrative	1,260,014
Total Controllable Admin Expenses	398,025,794
62110 Less: Quality Assur P/R	(20,290,356)
62111 Less: Quality Assur Other	(3,784,653)
62150 Less: Project Labor	(6,398,786)
Subtotal Less: Direct Reclass	(30,473,795)
Total Core Administrative Expenses	367,551,998
63110 Premium Taxes	4,584
63140 Gross Receipts & Use Tax	49,249
Subtotal State Taxes & Assessments	53,833
Total Administrative Expenses	367,605,831
Oper Inc before Deprec/Amort	6,823,087
71150 Depreciation-Other	37,368,823
Subtotal Depreciation	37,368,823

Molina Healthcare, Inc. (Parent)
Income Statement
For the Year Ended December 31, 2012

71220 Amortization of Intang	1,424,836
Subtotal Amortization	1,424,836
Subtotal Depreciation & Amortization	38,793,660
Income from Operations	(31,970,573)
Non-Operating Expenses	
81110 Interest Expense	7,598,088
81120 Loan Fees	929,573
81130 Non-Cash Interest Expense	5,941,344
Subtotal Interest Expense	14,469,005
Subtotal Non-Operating Expenses	14,469,005
Income before Corporate Charges	(46,439,579)
81410 Equity Earning Subs	40,450,831
Subtotal Equity Earnings	40,450,831
Income before Taxes	(5,988,748)
Income Taxes	(15,778,710)
Net Income	9,789,962
EBITDA	6,823,087

Schedule 5.1(w)

Molina Healthcare, Inc. (Parent)
Balance Sheet
For the Year Ended December 31, 2012

Assets

Cash	
11011 Cash-Petty Cash	500
11100 Cash-Operating	1,914,398
11210 Cash-Checking-Payroll	(336,467)
11310 Cash-Concentration	18,341,838
11400 Cash-Mny Mkt	19,818,210
11500 Cash-Provider	(672,816)
11600 Cash-Investments	5,632,325
Cash and Equivalents	44,697,987
Accounts Receivable	
12110.1022 A/R-Other Med	433,180
Total Accounts Receivable	433,180
Prepaid Expenses	
13210.6006 Ppd-HW Support Net	786,514
13210.6007 Ppd Insurance Net	778,422
13210.6009 Ppd Interest Net	904,574
13210.6011 Ppd Rent Net	31,200
13210.6012 Ppd Software Term Net	7,004,366
13210.6013 Ppd-SW Support Net	2,267,721
13210.6014 Ppd Taxes-Property Net	260,454
13210.6015 Ppd Taxes-Real EState Net	45,914
13210.6099 Ppd Net	1,456,628
13210.6108 Ppd Ins-W/O (no amort) Net	691,203
Total Prepaid Expenses	14,226,995
Deferred Tax Assets - ST	13,818,437
Other Current Assets	
13400 Deposits-Workman's Comp Net	3,997,570
13410 Deposits-Short Term Net	223,206
13610 Interest Recvbl-Bank Net	2,801
13620 Interest Recvbl-Notes Net	117,554
13660 Due From Employees Net	(1,185)
13710 Accts Recvbl-Other Net	163,040
Total Other Current Assets	4,502,986
Total Current Assets	77,679,584
Property and Equipment	
15110 Land	4,670,119
15120 Buildings	10,751,676
15130 Furniture & Fixtures	5,188,021

Molina Healthcare, Inc. (Parent)
Balance Sheet
For the Year Ended December 31, 2012

15140 Machinery Equipment	57,560
15150 Automobiles	206,478
15160 Computer Equipment	69,099,539
15170 Office Equiment	3,953
15180 Leasehold Improvements	17,520,888
15190 Software	135,931,679
In Progress (CIP)	137,820,355
In Progress (CIP) (Contra)	(130,221,336)
Subtotal In Progress (CIP)	7,599,019
Total Property and Equipment (Cost)	251,028,931
15220 Buildings-Accum	(1,281,966)
15230 Furn & Fixt-Accum	(3,777,765)
15240 Machinery & Equip-Accum	(49,440)
15250 Autos-Accumiation	(134,638)
15260 Computer Equip-Accum	(44,386,817)
15270 Office Equipment-Accum	(3,390)
15280 L/H Improve-Accum	(8,549,920)
15290 Software-Accumiation	(84,037,214)
Total Property and Equipment (Accum)	(142,221,149)
Total Property and Equipment (Net)	108,807,782
Investments	
16120 Notes Rcvbl-LT	15,520,850
Investment in Subsidiary	768,765,171
Investment in Affiliate (Unconsolidated)	3,898,232
Investment - Deferred Compensation	9,319,132
Restricted Cash	2,221,462
Total Investments	799,724,848
Deferred Tax Assets - LT	14,642,488
Intangible Property	
18711 Goodwill	51,122,377
Goodwill (Net)	51,122,377
18721 Indentifiable Intangibles	18,024,637
18725 Indentifiable-Accum	(16,845,080)
18731 Other Intangibles	2,261,800
18735 Other Intangibles-Accum	(2,261,800)
Other Intangibles (Net)	1,179,557
Total Intangibles (Net)	52,301,934
Other Assets	
19310 Prepaid Costs-LT	3,640,427
Total Other Assets	3,640,427

Molina Healthcare, Inc. (Parent)
Balance Sheet
For the Year Ended December 31, 2012

Total Assets	**1,056,797,064**

Liabilities and Stockholder 's Equity

Medical Liabilities	
21135 INBR-Vision	500,000
Total Medical Liabilities	500,000
Accrued Liabilities	
22110 Accounts Payable-Trade	195,893
22140 Received Not Vouch Liab	380,539
22150 Accounts Pyble-Other	19,117,614
22160 Accounts Pyble-Concur	229,058
22210 Accrd Accounting Fees	1,331,502
22230 Accrd Legal Fees	1,700,502
22231 Accrd Lobbyist Expense	54,100
27280 Accrd Workers Compensatio	4,356,690
22290 Accrd Int on Debt	1,756,254
22500 Property Tax Pyble	362,780
22510 Sales & Use Tax Pyble	2,879
22610 Accrd Payroll-Wages	7,836,091
22620 Accrd Payroll-Bonus	20,408,010
22627 Accrd Payroll-Phantom Stock	220,196
22710 Accrd Payroll-PTO	8,759,906
22720 Payroll Liab-401K	(612,720)
22750 Payroll Liab-Garnishment	(98)
22820 Deferred Rent-Current	290,719
22910 Reserve Liab-Emp Hlth Ins	6,319,416
23300 Escheat Liab	380
23510 Income Taxes Pyble-Fed	(29,776,377)
23511 Income Taxes Paid-Fed	22,853,665
23520 Income Taxes Pyble-State	(1,908,289)
23521 Income Taxes Paid-State	(36,740)
Total Accrued Liabilities	63,841,970
Short Term Debt	
24170 Capital Lease Pyble-ST	673,525
23911 Inter-Company Payable	(55,381,566)
Total Short Term Debt	(54,708,042)
Deferred Tax Liabilities - ST	4,111,681
Total Current Liabilities	**13,745,609**
Long Term Debt	
25110 Capital Lease Pyble-LT	57,043
27120 Note Pyble-LT	227,000,000

Molina Healthcare, Inc. (Parent)
Balance Sheet
For the Year Ended December 31, 2012

27800 Debt Discount	(11,532,152)
Total Long Term Debt	215,524,891
Deferred Tax Liabilities - LT	31,763,749
Deferred Tax Liabilities - FIN 48	194,741
Other Liabilities	
29110 Deferred Compensation-LT	9,072,265
29150 Accrd Fees-LT	833,876
29160 Deferred Rent-LT	3,347,774
Total Other Liabilities	13,253,915
Total Long Term Liabilities	**260,737,296**
Total Liabilities	**274,482,905**
Stockholder's Equity	
31110 Issued Common Stock	46,762
31120 Treasury Stock	(3,000,006)
Stock	(2,953,244)
31210 Paid-in-Capital	288,662,881
31220 APIC – Tax Benefit Pool	7,729,657
31230 Eqty Adj-Stk Issue Cost	(10,868,537)
Paid in Capital	285,524,001
31310 Unrlzd-Mkt Securities	745,200
31330 Unrlzd-Tax Effect	(283,177)
31350 Unrlzd-Mkt Sec-LT	(1,481,918)
31370 Unrlzd-Tax Effect-LT	563,129
Unrealized Gain(Loss) - Marketable Securities	(456,766)
39998 Retained Earnings	490,410,205
Net Income	9,789,962
Retained Earnings	500,200,167
Total Stockholder's Equity	**782,314,158**
Total Liabilities and Stockholder's Equity	**1,056,797,064**

SCHEDULE 9.1
Approved Agreements

None.

SCHEDULE 12.11

Letter Agreement Regarding Confidentiality

June __, 2013

By: Email
AG Net Lease Acquisition Corp.
AGNL Clinic, L.P.
c/o Angelo Gordon & Co., L.P.
245 Park Avenue, 26th Floor
New York, New York 10167-0094
Attn: Gordon J. Whiting &
Joseph R. Wekselblatt
Email: gwhiting@angelogordon.com;
jwekselblatt@angelogordon.com

Re: Disclosure of information in connection with that certain term sheet dated January 18, 2013 (the " Term Sheet"), executed by AG Net Lease Acquisition Corp., a Delaware corporation ("Buyer") and Molina Healthcare, Inc., a Delaware corporation ("Seller" and "Lessee"). All defined terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Term Sheet.

Ladies & Gentlemen:

Notwithstanding anything contained in the Term Sheet or any related agreement to the contrary, in order to accomplish the sale-leaseback transaction contemplated by the Term Sheet (the "Sale-Leaseback"), Seller, Molina Center, LLC, a Delaware limited liability company, and Interested Persons acting on their behalf (collectively, "Molina") are hereby authorized to disclose details of the Sale-Leaseback to third parties, including, without limitation, the California Regional Water Quality Control Board, the Department of Veterans Affairs and Press Telegram (f/k/a Long Beach Publishing), as Molina deems necessary or advisable and solely in furtherance of closing the Sale-Leaseback, provided that such third parties agree in writing to keep such disclosed details confidential.

[SIGNATURES ON THE FOLLOWING PAGES]

Very truly yours,

MOLINA HEALTHCARE, INC.,
a Delaware corporation

By: __
Name: __
Its: __

MOLINA CENTER, LLC,
a Delaware limited liability company

By: __
Name: __
Its: __

Schedule 12.11

ACKNOWLEDGED AND AGREED TO:

AG NET LEASE ACQUISITION CORP.,
a Delaware corporation

By: __
Name: Gordon J. Whiting
Its: President

AGNL CLINIC, L.P.,
a Delaware limited partnership

By: AGNL Clinic GP, L.L.C.,
a Delaware limited liability company,
its general partner

By: AGNL Manager II, Inc.,
a Delaware corporation,
its Manager

By:
Gordon J. Whiting, President

cc: Sheppard, Mullin, Richter & Hampton LLP
1300 I Street, N.W.
Washington, D.C. 20005-3314
Phone No.: (202) 469-4943
Fax No.: (202) 312-9411
Attn: Michele E. Williams, Esquire

EXHIBIT A-1

Columbus Real Property

PARCEL 1:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 13.727 acre tract, and all of the 0.875 acre tract conveyed to 17 Land Realty Corp. by deeds of record in O.R. 14066 B11 and O.R. 25716 J11, respectively, records of the Recorder's Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning at a railroad spike set at the intersection of the Southerly right-of-way line of Interstate 270 (FRA-270-18.32N) and centerline of Cooper Road (60 feet in width). Said railroad spike being the Northeasterly corner of said 0.875 acre tract;

Thence South 26 deg. 55' 00" East, a distance of 241.79 feet, along said centerline of Cooper Road and Easterly line of said 0.875 acre tract, to a railroad spike set at the Southeasterly corner of said 0.875 acre tract;

Thence North 78 deg. 47' 04" West, a distance of 38.14 feet, along the Southerly line of said 0.875 acre tract, to an iron pin set in the Westerly right-of-way line of said Cooper Road;

Thence South 26 deg. 55' 00" East, a distance of 295.14 feet, along said Westerly right-of-way line of Cooper Road and along the Easterly line of said 13.727 acre tract, to an iron pin set at the point of curvature in the Northerly right-of-way line of Corporate Exchange Drive (60 feet in width) of record in Plat Book 60, Page 22 and 23;

Thence the following four (4) courses and distances along said Northerly right-of-way line of Corporate Exchange Drive and Southerly line of said 13.727 acre tract;

1. Thence along arc of said curve to the right having a radius of 35.00 feet, a central angle of 90 deg. 00' 00", and a chord bearing South 18 deg. 05' 00" West, a chord distance of 49.50 feet to the point of tangency;

2. Thence South 63 deg. 05' 00" West, a distance of 35.00 feet, to an iron pin found at the point of curvature;

3. Thence along arc of said curve to the right having a radius of 270.00 feet, a central angle of 28 deg. 56' 27", and a chord bearing South 77 deg. 33' 14" West, a chord distance of 134.94 feet, to an iron pin set at the point of tangency;

4. Thence North 87 deg. 58' 33" West, a distance of 788.06 feet, to an railroad spike set;

Thence North 02 deg. 01' 27" East, a distance of 318.00 feet across said 13.727 acre tract to a railroad spike set in a Southerly line of the 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence South 87 deg. 58' 33" East, a distance of 15.00 feet along said Southerly line of the 5.103 acre tract to a railroad spike set at a Southeasterly corner of said 5.103 acre tract;

Thence the following three (3) courses and distances along the Easterly lines to said 5.103 acre tract;

1. Thence North 02 deg. 01’ 27” East, a distance of 185.00 feet, to a P.K. nail found;

2. Thence South 87 deg. 58’ 33” East, a distance of 57.50 feet, to a railroad spike set;

3. Thence North 02 deg. 01’ 27” East, a distance of 167.21 feet, to an iron pin set in aforesaid Southerly right-of-way line of Interstate 270 at a Northeasterly corner of said 5.103 acre tract;

Thence South 78 deg. 46’ 49” East, a distance of 677.06 feet, along said Southerly right-of-way line of Interstate 270 and partly along the Northerly line of said 13.727 acre tract and partly along the Northerly line aforesaid 0.875 acre tract, to the point of beginning.

Containing 11.814 acres, more or less, of which 0.167 acres lies within the Cooper Road right-of-way.

The bearings in the above description are based on the bearing of South 87 deg. 58’ 33” East, for the centerline of Corporate Exchange Drive, as shown on the dedication Plat for Corporate Exchange Drive, of record in Deed Book 60, Page 22 and 23, records of the Recorder’s Office, Franklin County, Ohio.

PARCEL 2:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 4.500 and 13.727 acre tracts conveyed to 17 Land Realty Corp. by deed of record in O.R. 14066 B11, Records of the Recorder’s Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning for reference at a PK nail found at the centerline intersection of Presidential Gateway (60 feet in width) as established by the Plat of record in Plat Book 83, Page 80 and Corporate Exchange Drive (60 feet in width) as established by the Plat of record in Plat Book 60, Page 22;

Thence North 87 deg. 58’ 33” West, a distance of 329.18 feet along the centerline of Corporate Exchange Drive to a point;

Thence North 02 deg. 01’ 27” East, a distance of 30.00 feet, to a railroad spike set on the Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 acre tract and being the point of true beginning;

Thence the following three (3) courses and distances along the said Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 and 4.500 acre tracts;

1. Thence North 87 deg. 58’ 33” West, a distance of 94.38 feet to an iron pin set at a point of curvature;

2. Thence along the arc of said curve to the right, having a radius of 420.00 feet, a central angle of 27 deg. 22’ 54”, a chord bearing North 74 deg. 17’ 06” West, and a chord distance of 198.81 feet to an iron pin found at the point of tangency;

3. Thence North 60 deg. 35’ 39” West, a distance of 28.10 feet to an iron pin set at a Southeasterly corner of a 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence the following two (2) courses and distance along the Easterly and Southerly lines of said 5.103 acre tracts;

1. Thence North 02 deg. 01’ 27” East, a distance of 258.02 feet to a railroad spike set;

2. Thence South 87 deg. 58’ 33” East, a distance of 312.50 feet to a railroad spike set;

Thence South 02 deg. 01’ 27” West, a distance of 318.00 feet across said 13.727 acre tract to the point of true beginning, containing 2.183 acres, more or less, subject to all easements, restrictions and rights-of-way of record.

Exhibit A-1

EXHIBIT A-2

Long Beach Real Property

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 7278-003-036

EXHIBIT B-1

Columbus Property Other Assets

The term "Columbus Property Other Assets" means (a) all "fixtures", as defined by Section 9- 102(a)(41) of the Uniform Commercial Code as adopted by the State of New York, owned by Seller and that are now or hereafter affixed or attached to or installed in the Columbus Real Property or the Columbus Improvements (the "Columbus Fixtures"), (b) all of the following, if and to the extent affixed to the Columbus Real Property or the Columbus Improvements and owned by Seller (even if not constituting Fixtures) (collectively, the "Columbus Property Equipment"): built-in fittings and built-in major appliances, including all electrical, anti-pollution, heating, lighting (including hanging fluorescent lighting), incinerating, power, air cooling, air conditioning, humidification, sprinkling, plumbing, lifting, fire prevention, fire extinguishing and ventilating systems, devices and machinery and all engines, pipes, pumps, tanks (including exchange tanks and fuel storage tanks), motors, conduits, ducts, steam circulation coils, blowers, steam lines, compressors, oil burners, boilers, doors, windows, loading platforms, lavatory facilities, stairwells, fencing (including cyclone fencing), passenger and freight elevators, overhead cranes and garage units, and (c) all Columbus Intangible Property; provided, however, notwithstanding the foregoing, Columbus Property Other Assets expressly excludes each and all of the following items (collectively, the "Columbus Property Excluded Items"):

1. all personal property located at the Columbus Real Property or the Columbus Improvements including, without limitation, all computers and other information technology devices, but excluding all items described in clause (b) of the definition of Columbus Property Other Assets; and

2. those other items (regardless of whether such items constitute Fixtures) described on Exhibit B-1-A hereof.

EXHIBIT B-1-A

Other Columbus Property Excluded Items

Qty	Mfg	Description	Model#	Location
1	Aircycle	Bulb eater	55VRSU	Shop
1	Westward	Toolbox		Shop
1	CLC	Toolbag		Shop
2	Maha	Battery Chargers		Shop
1	Dayton	Leaf Blower		Fire pump room
1	Briggs	Generator 5500 watts		Fire pump room
1	Ariens	Snow blower		Fire pump room
1	Snow Ex	Salt speader		Switch Gear cage
1	Rubbermaid	Light bulb cart		Storage
1	Ridgid	Drain snake		Shop
1	Dewalt	Air compressor		Shop
1	Dewalt	18V Drill		Shop
1	Dewalt	18V Impact Drill		Shop
1	Dewalt	18V Circular saw		Shop
1	Dewalt	18V Reciprocating saw		Shop
1	Dewalt	Bench grinder		Shop
1	Dewalt	Masonry bit set		Shop
1	Dewalt	Drill bit set		Shop
1	Westward	Bench grinder		Shop
1	Stanley	25ft Tape measure		Shop
1	Irwin	Paddle bit set		Shop
1	Fluke	Multimeter		Shop
1	Fluke	Infared thermometer		Shop
1	Ideal	Amp clamp		Shop
1	Streamlight	Flashlight		Shop
1	Klien	10 in 1 screw driver		Shop
4	Vise Grip	Pliers		Shop
3	Westward	Adjustable wrenches		Shop
1	Westward	Wrench set		Shop
1	Westward	Socket set		Shop
1	Stanley	Utility knife		Shop
1	Stanley	Tripod light		Shop
3	Westward	Pliers		Shop
1	Elkind	Allen wrench set		Shop
1	Megapro	15 in 1 screw driver		Shop
1	Brother	Printer	MCF845CW	Shop
1	Dell	Computer		Shop
1	Rigid	Hand snake		Shop

1	Zicron	Stud Finder	Shop
1		Scafold 4ft	Shop
1		5 gallon gas can	Fire pump room
1		2 gallon gas can	Fire pump room
1	Ridgid	Power washer 3300psi	Fire pump room
1	Shop Vac	Sweeper	Switch Gear cage

Exhibit B-1-A

EXHIBIT B-2

Long Beach Property Other Assets

The term "Long Beach Property Other Assets" means (a) all "fixtures", as defined by Section 9-102(a)(41) of the Uniform Commercial Code as adopted by the State of New York, owned by Seller and that are now or hereafter affixed or attached to or installed in the Long Beach Real Property or the Long Beach Improvements (the "Long Beach Fixtures"), (b) all of the following, if an to the extent affixed to the Long Beach Real Property or the Long Beach Improvements and owned by Seller (even if not constituting Fixtures) (collectively, the "Long Beach Property Equipment"): built-in fittings and built-in major appliances, including all electrical, anti-pollution, heating, lighting (including hanging fluorescent lighting), incinerating, power, air cooling, air conditioning, humidification, sprinkling, plumbing, lifting, fire prevention, fire extinguishing and ventilating systems, devices and machinery and all engines, pipes, pumps, tanks (including exchange tanks and fuel storage tanks), motors, conduits, ducts, steam circulation coils, blowers, steam lines, compressors, oil burners, boilers, doors, windows, loading platforms, lavatory facilities, stairwells, fencing (including cyclone fencing), passenger and freight elevators, overhead cranes and garage units, and (c) all Long Beach Intangible Property; provided, however, notwithstanding the foregoing, Long Beach Property Other Assets expressly excludes each and all of the following items (collectively, the "Long Beach Property Excluded Items"):

1. all personal property located at the Long Beach Real Property or the Long Beach Improvements including, without limitation, all computers and other information technology devices, but excluding all items described in clause (b) of the definition of Long Beach Property Other Assets; and
2. those other items (regardless of whether such items constitute Fixtures) described on Exhibit B-2-A hereof.

EXHIBIT B-2-A

Other Long Beach Property Excluded Items

(attached)

TOOL INVENTORY

Qty	***Mfg***	***Description***	***Model # (If Applicable)***	***Location (If Applicable)***
1	Ridged	24” bolt cutter		
1	Fluke	Multimeter	73 III	
1	Yellow Jacket	Super Evac LCD Vacuum Gauge	69070	
1	Lisle	Ring Compressor wrinkle band	21700	
1	Zim	Piston Ring Expander		
1	DeWALT	Cordless Drill 12v	1PZ14	
1	Makita	Cordless Drill 9.c Volts (ANGLE)	DA391DW	
1		One Way Screw Remover tool	PH-17061	
1	Ritchie	Manifold Charging Set	41212	
1	Ritchie	Valve Stem wrench ¼” 3/16” 5/16” 3/8”	60613	
1	Ritchie	Big mini tubing cutter 1 ⅛” max.	60142	
1	Fluke	Clamp Meter Amps/volts/ohms	322	
1	RIGID	Tubing Cutter	154	
1	ShopVac	Dry/Wet Vacuum		
2	Vaughn	Ball Pein Hammers 12 oz.		
1	Armstrong	½” Drive Adapter ¾” Male	12-952	
1	Armstrong	½” Drive Adapter ⅜” Male	12-951	
1	Allen	½” Drive Quick Release Ratchet	12800	
1	Proto	½” Drive Flex Head Handle Breaker bar 18 5/8”	5468	
1		U-Shaped Claw and Offset chisel Bar 24”	No I.D. Markings	
2	Supco	HVAC/R Current Probe With Microamps	CPH 100	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Harris	TS30 Test Set Portable handset	7530	
1 set	C. S. Osborne	Hole Punch Set (6)		
4		Misc. Hole Punch Tools		
1		Combination TEE		
1	Proto	Snap Ring Pliers	391	
	Proto	Ignition Set Wrenches	3200C	
1 set	Milwaukee	Flat Boring Bit Kit	49-22-0071	
1	Stanley	Side Cutters	84-133	
22		Misc. Files		
1	Lenox	File Brush		
1	Zim	Piston Ring Expander	204	
1		Piston Ring Compression Tool		
1	Imperial Eastman	Tubing Bender	368-FH	
1		Heavy Duty Puller		
1	UT	3/8” Air Ratchet & Sockets		
1	Vise Grip	9” Locking Welding Clamp		

Exhibit B-2-A

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Proto	Small Puller		
1 set	Allen	15 pc. Metric Long Arm Hex Key Set		
2		Star Wrenches Lug Nut Removal Tool		
2	Flex-Hone	Cylinder Wall Deglazer hones		
1	Proto	¾" Drive Ratchet		
1	Proto	¾" Drive Breaker Bar		
1	Turbo Cat III	Floor Dryer	4390-00	
1		Oxy-Ace Welding Set Lg.		
1		Oxy-Ace Welding Set Sm.		
1		Hex L-Key Set 12 pc.		
1		Metric Hex L-Key Set 9 pc.		
18	Proto	Assorted Open End Wrenches		
1 set	Proto	Ratchet Box End Wrench		
7	Proto	⅜" Swivel Head Socket		
1	Unibit	Step Drill ⅛" to ½"		
1	Proto	Torque Wrench ½ Drive		
1	Utica	⅜" Inch Pound Torque Wrench		
1	Proto	½" Speed Handle		
1	Proto	⅜" Speed Handle		
1 set	Proto	⅜ and ½" Drive Hex		
12	Proto	Metric Open-Box Wrenches		
1 set	Taiwan	Torx Head Drivers		
30		Assorted Allen Wrenches		
11		Assorted Screw Drivers		
9		Nut Drivers		
1	Imperial	Tubing Cutter		
1	Proto	Snap Ring Pliers		
4		Vise Grips Pliers		
7		Assorted Masonry Drill Bits		
1	Proto	Small Gear Puller	4205-B	
1 set	Jawco	Hex Dies		
1 set	Buck Bros.	Wood Chisels (6)		
1	Irwin	Expansive Wood Bit		
1	Greenlee	Knockout Punch Set		
1	Marson	Rivit Gun	HP-2	
1	Desmond	Stone Dresser		
1		Slag Remover Chipping Hammer		
1	Raytek	Noncontact Thermometer	ST2	
1	Amprobe	Test Master		
1	Pasar	Current Tracer		
1	Sensit RFC	Refrigerant Gas Leak Detector	RFC-1	
1	Check-it	Digital Psychrometer Set	622	
1	Environmental Tectonics	Psychometric Chart		
1	General Electric	Foot Candle Meter		
1	Electro-Therm	Digital Thermometer	SH66	
1	Robertshaw	Receiver Controller and Transmitter Calibration Kit	900-012	
1	Starrett	Dial Indicator	25-144	

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Dewalt	Cordless Drill 12v	DW972	
1	Makita	Cordless Drill 12v	6311D	
1	Makita	Cordless Drill 9.6v	6095D	
1	Makita	Cordless Drill 9.6v	6093D	
1	Makita	Cordless Drill 7.2v	DA3000D	
1	Proto	Roll Away Tool Box		
1	Ilco Unican	Key Duplicater Machine	17	
1	RIDGID	Vise		
1	Vaco	T-Handle Hex Keys (set)	90153	
1	K-D	T-Handle Hex Keys (set)		
1 set	Proto	Ratchet, Extensions, Sockets $\frac{3}{8}$"		
1 set	Proto	Ratchet, Extensions, Sockets $\frac{1}{2}$"		
1 set	Proto	Ratchet, Extensions, Sockets $\frac{3}{4}$"		
1 set		Pipe Thread Taps (6)		
14	Proto	Assorted Punches and Chisels		
7	Proto	Socket End-Open End Wrench		
1		50w 12v Drop Light		
1	Magnehelic	2" of Water Capacity		
1	Magnehelic	1" of Water Capacity		
1	Weller	Soldering Gun	TC-202	
2	Powr-Grip	Vacuum-Attaching Hand Tool	LJ6VH	
1 set	Armstrong	QuickRelease Ratchet Set		
2	Sellstrom	Gas Welding Goggles		
1	RIDGID	Lever Bender	408	
1	Magnehelic	3" of Water Capacity		
3	Bacharach	Tempscribe		
1	Dickson	Tempscribe		
1	Schlage	Boring Jig	40-012	
1	Amprobe	AMP, Volt, OHM Meter	ACD-11	
1	Simpson	Volt, OHM Meter	260	
1	Solomat	IAQ Monitoring System		
1	Starrett	Dial Caliper	120A-6	
1	Simpson	Therm-O-Meter	389	
1	Leviton	Splice Pro Tool	49550	
1	Yellow Jacket	Schrader Valve Removal Tool		
1	TIF	Automatic Halogen Leak Detector	6000	
1		Digital Light Meter	DLM2	
1	TIF	Capacitor Tester	660	
1	UE1	Digital Multimeter	DM383	
1	Amprobe	Fastemp		
2	Lenox	Hole Saw Kits		P1 Shop
1	Dayton	8 Piece Silver and Deming Drill Set	1 AO5O	
1	Milwaukee	Heavy Duty Electric Impact Wrench		
1	Kett	Power Shear	K-100	
1		Nut Driver Power Drill		
1	Lenox	Hacksaw	4012	
1	Christie	Portable Car-Start	CS-2	

Exhibit B-2-A

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Wilmar	2¼ ton Floor Jack	W-1634	
1	Kodiak	Shovel	72830	
1	Dayton	Ratchet Puller	2Z449-B	
1	Ramset	Powder Actuated Tool	4170	
1	Hilti	Powder Actuated Tool	DW451	
1	Dewalt	7” Angle Grinder	DW474	
1	Milwaukee	7 ¼” Circular Saw	6365	
1	Milwaukee	Rotary Hammer		
1	Milwaukee	⅜” Drill		
1	Black & Decker	⅜” Drill		
1	Black & Decker	Rotary Hammer		
1	Master	Heat Gun	HG-751B	
1	WEN	Electric Pencil Engraver	21	
1	Vibro-Graver	Electric Engraver	74	
1	Black & Decker	Butane Gas Soldering Gun		
1	Master	Butane Gas Soldering Gun	UT-100si	
1	Arrow Fastener	Staple Gun	T-50m	
1	Dwyer	Visi-Float Flowmeter	VFB-55-BV	
1	Allpax	Gasket Cutter		
2	Proto	Crescent Wrench 16”		One in Each Mech. Rm.
1	Proto	Crescent Wrench 12”		One in Each Mech. Rm.
1	Mayes	Level 24”		One in Each Mech. Rm.
2	Pony	‘C’ Clamps	245	One in Each Mech. Rm.
2	Pony	‘C’ Clamps	246	One in Each Mech. Rm.
1	Uniweld	Manifold Gauge Set	FL33312	One in Each Mech. Rm.
1		Manifold Gauge Set	4 Port	One in Each Mech. Rm.
1		12v Drop Light		
1	Empire	Level 48”		
3		‘T’ Squares 24”		
1		‘T’ Squares 48”	Wood	
1	Johnson	48” Straight Edge	TS48M	
1	Ridgid	36” Bolt Cutters		
1	Millers Falls	Sledge Hammer		
1		5’ Pry Bar		
1	DeWALT	Heavy Duty 4½” Small Angle Grinder	DW818	
1	Makita	Finishing Sander	B04530	
1	Skil	Soldering Gun	2410	
1	Milwaukee	Jig Saw		
1	Dremel	Dremel Variable Speed Grinder		
2 sets	Ace	Tap & Die Set	614	
1	Desco	Tap & Die Set #4 thru 1”	44348	
1	Milwaukee	⅜” Hammer Drill		

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Milwaukee	Sawzall		
1	Weller	Soldering Gun	8200N	
1	Milwaukee	Heavy Duty ½" Drill		
1	Craftsman	Drill Press 17" 16sp ¾ h.p.		P1 Shop
1	Speedaire	Air Compressor		P1 Shop
1	Graymills	Parts Cleaner/Washer	DM 136	P1 Shop
1	Milwaukee	Bench Grinder 7"		P1 Shop
2	RIDGID	Aluminum Pipe Wrench	836 36"	P1 Shop
1	RIDGID	Aluminum Pipe Wrench	824 24"	P1 Shop
1	RIDGID	Pipe Cutter ⅛"-2"	No. 202	P1 Shop
1	Chicago Specialty	Pipe Cutter 1"-3 ⅛"	No. 3720	P1 Shop
1 set	RIDGID	Thread Cut Set ⅛"-2" Pipe		P1 Shop
1	RIDGID	115v Power Threader	700	P1 Shop
1	RIDGID	Spiral Reamer	No. 2-S	P1 Shop
2	Jorgensen	"C" Clamp 6"	176	P1 Shop
2	Jorgensen	"C" Clamp 4"	174	P1 Shop
1	Proto	"C" Clamp 2"	402	P1 Shop
1	Armstrong	"C" Clamp 8"	78-408	P1 Shop
1	RIDGID	Flare	No. 459 45°	P1 Shop
1	Proto	Flaring Tool	No. 351 45°	P1 Shop
1	RIDGID	Basin Wrench	No. 1017	P1 Shop
1	RIDGID	Hex Wrench	No. 11	P1 Shop
1	RIDGID	Offset Hex Wrench	No. E-110	P1 Shop
1 set	Proto	Open End Box Wrench	⅜" to 1¼"	P1 Shop
2	Proto	Brass Hammer		P1 Shop
1		Plastic Mallet		P1 Shop
2	Proto	Rubber Mallets		P1 Shop
1		Ball Peen Hammer 32 oz.		P1 Shop
1	Stanley	Claw Hammer		P1 Shop
1	Vauguan	Ball Peen Hammer 16 oz.		P1 Shop
3	Wiss	Tin Snips		P1 Shop
1	RIDGID	Spud Wrench	No. 342	P1 Shop
2	Sloan Valve	Universal Wrench		P1 Shop
4	Rachex	Ratchet Action Wrench	10-17mm Box Wrench	P1 Shop
1	Lincoln	Wire Feed Welder SP175 T	Link 2302-1	
1	Pro Star	Welding Helmet Auto Darkening	FIB HPD1-F10	
1	J/B	Deep Vacuum Pump 10FM ½ hp	DV-285N	
1	Makita	Portable Cut-off (Chop Saw)	2414NB	
1	BernzOmatic	High Temperature Torch	TS 4000T	
1	LSI	Cordless Spotlight	RC-1100N	
1	Channel Lock	21" Channel Lock Pliers		
1	Skil	7¼" Circular Saw	5400	
1	Honda	Portable Generator	EM 5000SX	
1	Schumacher	Battery Charger	SE4022	
1	Pinnacle	Refrigerant Recovery Unit		
1	Fluke	Volt-OHM Tester	T+Pro	
1	AEMC	Megohm Tester	1026	

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
3	DeWALT	14.4v Cordless Drill		
1	Armstrong	10 pc. Claw Foot (Open End)		
1	Empire	4’ Level Aluminum		
1	Armstrong	⅜” Socket Set MM 13pcs.		
1	Armstrong	⅜” Socket Set MM (Long) 12 pcs.		
1	Proto	¼” Socket Set		
1	Proto	⅜” Socket Set		
4	Wood’s	Powr-Grip 8”	N4950	
1	Milwaukee	Portable Band Saw		
1	Milwaukee	Roto Hammer	5318-21	
1	CPS	Thermo-Psychrometer	TM360	
1	RIDGID	Hand Held Drain Cleaning Machine	K45	
1	Milwaukee	18v Sawzall & Charger		
2	Dayton	Pump Out Wet Vac	6AKY1	
1	Fluke	Clamp On Meter Amp Probe	324	
1	Milwaukee	120v Sawzall		
1	Ridgid	Pipe Breaker	276	
1	Dayton	8” Bench Grinder ¾hp	2LKR9	
1	Weller	120v Solding Gun	SP23L	
1	Master	Gas Solding Gun Ultratorch	UT-40Si	
1	Milwaukee	Electric ½” Drill 5320010330067		
1	Genie	1 Person Lift		
1	Genie	Material Lift		
1	Eureka	Hepa Vacuum Cleaner		
1		Fence Post Installer		
1		Cherry Picker		
1	Husky	5 Piece Reversible Ratching Wrenches	SKU630699	
1	Greenlee	Circuit Seeker	CS8000	
1	Arrow Crane Hoist	Iron 1 ton Capacity Hoist	B-9620	
1	SPANCO Inc	Aluminum 1 ton Capacity Hoist	1ALU1212B	
1	Coffing	1 ton Chainfall		
1	CM	Electric 1 ton Hoist	WL 480v	
1	Tom Cat	Walk Behind Floor Scrubber		

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
1999	Desk Top Multiplex - Security	Pelco Multiplexer MX4016 CS	Console	Plaza Level	6644 9F	Sentry Control Systems
2009	Security Camera System Monitor	Samsung SMT-1922 19 **1-yr Wty: 4/1/09 to 4/1/2010**	Console	Lobby Level	Serial # Y3OC3VUQ900002	CDW Computer Centers, Inc.
2009	Security Camera System Monitor	Planar PL1520M 15 SPK Part Number 997-3266-00 **1-yr Wty: 3/27/09 to 3/27/2011**	Console	Lobby Level	Serial # P96886JA25192	CDW Computer Centers, Inc.
2009	Security IdentiPass System CPU	Dell Optiplex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/2012**	Console	Lobby Level	Service Tag # H8MDGJ1	Dell.com
2013	Desk Top Keyboard - Security Console	Pelco KBD300A Keyboard Vari-speed Pan, Tilt & Zoom Joystick; Model #KBD300A. Installed 1/8/2013	Console	Lobby Level	SN ACW-VP J8	Vision Communications
2013	Security DVR	Pelco Hybrid Video Recorder 16 channel (DVR); Model DX4816-2000; Installed 1/8/2013	Console	Lobby Level	SN ACV-2002	Vision Communications
2000	Desk Top Printer - Engineer	HP DeskJet 842C	Engineer	P-1 Level	CN01M1P0W8	KDC
2005	Desk Top Monitor - Engineer	1704FPTt-HVAC Monitor	Engineer	P-1 Level	CNOY42997161856AANJH	Dell Computer Corporation
2010	Desk Top Printer - Chief Engr's Office	HP LaserJet P2035n Purchased: May 13, 2010 **1-yr Wty: 5/13/2010 to 5/12/2011**	Engineer	P-1 Level	Serial # CNB9D27365; Mfg#: H-P-CE462A#ABA	CDW Computer Centers, Inc.
2010	Desk Top Computer - Chief Engr	Dell Opti Plex 380 MiniTower Base **3-yr Wty: 5/6/2010 to 5/5/2013**	Engineer	P-1 Level	Service Tag $ 21QTRL1; Express Code: 4459089637; Mfg Date: 5/5/2010	Dell.com
2010	Desk Top Monitor - Chief Engr	Dell 22 inch Flat Panel Display; E2210H; 3-yr Wty: 5/3/2010 to 5/2/2013	Engineer	P-1 Level	DP/N OH265R; S/N: CN-OH265R-64180-047-1USL	Dell.com
2010	Desk Top Computer - Engineer - Chief Engineer's Andover HVAC System	Dell OptiPlex380 – Intel Core 2 Duo 2.93 Ghz, 4 GB, 160 GB 7200 RPM SATA HD, 16X DVD-ROM; Service Tag: BCG1PN1; Express Service Code: 24697153549	Engineer	P-1 Level	Windows 7 Pro/OA; Product key: TMXCJ-2VBY4-WV43H-R4TH4-HRDTVX16-96076; 00186-77-094-237; OKXGVD	CGB Enterprises
2012	Printer - Engineers' Lunch Room	HP DeskJet 5650	Engineer	P-2 Level	SN MY7CL1R1JP	Dell
2012	Desk Top Monitor - Engineers' Lunch Rm	Model # E1911C; 22 inch Monitor	Engineer	P-2 Level	SN CN-ONO1VP-64180-219-1C9B	Dell
2012	Desk Top Computer - Engineers' Lunch Rm	Model # Core i5; Windows 7; Product Key# 328HW-M472H-GDMW7-4JK32-2H8M9	Engineer	P-2 Level	Service Tag # 1KMMJS1; Express Service Code: 3424109473	Dell
2013	Desk Top Computer - New HVAC System	Dell OptiPlex 990; Intel Core i5; Windows 7; Product Key: 7Q2F2-7WTHG-W8TWR-YH4XP-TKC2W	Engineer	P-1 Level	Service Tag # CVVPYV1; Express Service Code: 28049119165	Emcor

Exhibit B-2-A

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2013	Desk Top Monitor - New HVAC System	LG 32 inch Monitor LS-34; 32LS3410	Engineer	P-1 Level	SN 209MXLS7Q352	Emcor
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Craig Aydelott	SN 12816A0500; Radio ID# 2001	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Esteban Diaz	SN 12816A0496; Radio ID# 2002	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Alfonso Oregel	SN 12816A0497; Radio ID# 2003	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Richard Marshall	SN 12816A0499; Radio ID# 2004	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Jeremiah Lees	SN 12918A0200; Radio ID# 2020	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Claudia Motte-Alvarez, J1	SN 12816A0495; Radio ID# 2007	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Nancy Hernandez, J2	SN 12816A0494; Radio ID# 2008	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Alex Passarelli, J3	SN 12816A0493; Radio ID# 2009	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Hector Nunez	SN 12918A0199; Radio ID# 2019	Vision Communications
2013	Lobby Level Directory Monitor	Panasonic 42 inch	Lobby	Lobby Level	SN MB21580709; 200 Twr	Jet Communications
2013	Lobby Level Directory Monitor	Panasonic 42 inch	Lobby	Lobby Level	SN MD22360382; 300 Twr	Jet Communications
2003	Desk Top Printer - Guest Room	HP Photosmart 7550 (Color)	OOB	Guest Desk	CN2BS4214N	World Trade Office Supplies
2005	Desk Top Monitor - Guest Room	1704FPTt	OOB	Guest Desk	CNOY42997161856AANM5	Dell Computer Corporation
2005	Desk Top Monitor - Server Room	E153FP	OOB	Server Room	CNOC53696418053UOL5H	Dell Computer Corporation
2005	Desk Top Computer - Guest Room	DHS Mfg Date: 07 20 05	OOB	Guest Desk	6XWKY71	Dell Computer Corporation
2007	Desk Top Printer - Guest Room	HP Photosmart D7260 (Color)	OOB	Guest Desk	MY789U2 NH	HP.com
2009	Desk Top Monitor - Asst. Bldg Mgr	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Mary's Desk	CN-0F532H-74445-93Q-AM6S	Dell.com
2009	Desk Top Monitor - Asst. Bldg Mgr	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Mary's Desk	CN-0F532H-74445-93Q-ANDS	Dell.com
2009	Desk Top Monitor - Property Asst	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Pearl's Desk	CN-0F532H-74445-93Q-AN9S	Dell.com
2009	Security IdentiPass System CPU	DellOptiPlex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/2012**	OOB	Access Card Desk-OOB	Service Tag # BJFDGJ1	Dell.com
2009	Desk Top Scanner - Print Area	HP ScanJet 7650n; Model: (1P): L1943A; Option: (30P): B1H **1-yr Wty: 5/18/09 to5/17/2010**	OOB	Print Area	CN87KT1129	CDW Computer Centers, Inc.

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2009	Conference Room TV Monitor	Sharp LC-42SB45UT: **1-yr Wty: 9/4/09 to 9/8/10**	OOB	Confce Rm	905817411	Kelty Co.
2009	Lobby Level CPU for Directory	Dell Optiplex 740 **3-yr Wty: 9/30/09 to 9/30/2012.**	OOB	Lobby Level	200 Tower: Service Tag # FZ67ZK1; Express Code: 34778501569	Dell.com
2009	Lobby Level CPU for Directory	Dell Optiplex 740 **3-yr Wty: 9/30/09 to 9/30/2012**	OOB	Lobby Level	300 Tower: Service Tag # DZ67ZK1; Express Code: 30424936897	Dell.com
2010	Desk Top Printer - GM's Office	HP LaserJet P3015dn Purchased: May 13, 2010 **1-yr Wty: 5/13/2010 to 5/12/2011**	OOB	Ivette's Desk	Serial # VNBCB406WP; Mfg#: H-P-CE528A#ABA	CDW Computer Centers, Inc.
2010	Desk Top Computer - Property Asst	Dell Opti Plex 380 Minitower Base **3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010.**	OOB	Pearl's Desk	B574KM1	Dell.com
2010	Desk Top Computer - Asst. Bldg Mgr	Dell Opti Plex 380 Minitower Base 3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010.	OOB	Mary's Desk	B582KM1	Dell.com
2010	Desk Top Computer - Server Room	PowerEdge Dell T310 System	OOB	Server Room	Service Tag: 2VL9JS1; Express Service Code: 6263733601	Carapace, Inc.
2012	LapTop Computer - G Mgr	Dell Laptop 13 inch.	OOB	Ivette's Desk	Service Tag (S/N): CKMYFS1; Express Service Code: 27369269857	Dell purchased by Lori McKinney
2012	HP OfficeJet Pro 8600	Model#: SNPRC-1101-01; Product #: CM749A **1-yr Wty: 1/19/2012 to 1/19/2013**	OOB	Print Area	Serial # CN1C31T1C6	Lori McKinney
2012	Desk Top Monitor - GMgr	Dell 22 inch Flat Panel Display	OOB	Ivette's Desk	S/N# CN-0174R7-72872-24B-A2VU	Dell from Lori McKinney
2012	Desk Top Monitor - GMgr	Dell 22 inch Flat Panel Display	OOB	Ivette's Desk	S/N# CN-0174R7-72872-24B-A69U	Dell from Lori McKinney
2012	Copy Machine - Server Room	Ricoh Aficio MPC2551	OOB	Server Room	Equipment ID: V9825200222	Leased from Ricoh Business Solutions
2013	OOB WIFI Unit	Ruckus ZoneFlex 7300 Series (7363)	OOB	Telco Rm	SN 543D37054B00	Allcovered
2013	Security Radio Repeater	Hytera Professional Digital Radio Repeater; Model RD982; Installed 1/8/2013	OOB	A5 LRR ElecRm	SN12529A0096; 3 antennas located in A11, A5 and P2 by Stair #1.	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	OOB	Pearl Tan	SN 12816A0492; Radio ID# 2010	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	OOB	Mary Ramsey	SN 12723D0125; Radio ID# 2011	Vision Communications

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2013	Portable Radio	Hytera PD702 U(2)	OOB	Ivette Walker	SN 12723D0127; Radio ID# 2015	Vision Communications
2013	Portable Radio	Motorola SL7550	Owner's Rep	Salvador Gutierrez	SN 682TNB2423; Radio ID# 2016	Vision Communications
2008	Desk Top Monitor - Parking	Parking Access Monitor	Parking	P-1 Parking	S/N #CN-ORY979-74261-848-6D5U	Dell
2009	Desk Top Monitor - Parking	Dell 19" Widescreen LCD SE 198 WFP **1-yr Wty: 1/1/09 to 1/1/2010**	Parking	P-1 Parking	CN-OC558H-72872-89Q-OMAM	Best Buy
2009	Security IdentiPass System CPU	Dell Optiplex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/12.**	Parking	P-1 Parking	Service Tag # F8MDGJ1	Dell.com
2010	Desk Top Computer - Parking Mgr	Dell Opti Plex 380 Minitower Base **3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010**	Parking	P-1 Parking	B583KM1	Dell.com
2011	Desk Top Printer - Parking Mgr	HP LaserJet 2420d	Parking	P-1 Parking	S/N: CNDJF05457	
2012	Brother AIO Printer - Parking Mgr	Brother Model # MFC-7460 DN; **1-yr Wty: 4/5/2012 to 4/5/2013**	Parking	P-1 Parking	Serial #: U62701K1N199757	World Trade Office Supplies
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P1	SN 12723D0126; Radio ID# 2012	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P2	SN 12723D0120; Radio ID# 2013	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P3	SN 12816A0257; Radio ID# 2014	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P4	SN 12817A0326; Radio ID# 2018	Vision Communications
2007	Desk Top Printer - Security	HP LaserJet 1018; Placed in service on May 19, 2012 by Chip at Allcovered	Security	Kevin's Desk-OOB	CNB1004493	HP.com
2009	Desk Top Monitor - Access Card	Dell Prof 1909, Wide Flat Panel DP/N OW160G: **3-yr Ltd Wty: 9/9/2009 to 9/9/2012**	Security	Access Card Desk-OOB	CN-OW160G-72872-97Q-387S	Dell.com
2010	Desk Top Computer - Dir of Security	Dell Opti Plex 380 MiniTower Base **3-yr Wty: 5/6/2010 to 5/5/2013.**	Security	Kevin's Desk-OOB	Service Tag # 21QYRL1; Express Code: 4459322917; Mfg Date: 5/5/2010	Dell.com
2010	Desk Top Monitor - Dir of Security	Dell 22 inch Flat Panel Display; E2210H; **3-yr Wty: 5/3/2010 to 5/2/2013.**	Security	Kevin's Desk-OOB	DP/N OH265R; S/N: CN-OH265R-64180-047-1TGL	Dell.com
2010	Security Camera at Load Dock on P-1 Level (Camera #2)	Pelco ES3012 20X PTZ Camera at Load Dock; Ship Date: April 6, 2010. **1-yr Wty: 4/6/2010 to 4/5/2011**	Security	P-1 Level	Serial Number: ABA-AP99	Universal Protection Systems

Exhibit B-2-A

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2010	Security Camera at West Monument. Camera #3 at the Plaza Level	Pelco ES3012 - 2 CLZ20PN; Ship Date: May 21, 2010. **1-yr Wty: 5/21/2010 to May 20, 2011.**	Security	Plaza Level	Serial Number: ABC-CYQ8	Vision Communications
2011	Camera 4 on top of East Monument Sign	Pelco Esprit ES3012 Series - Camera (Integrated Positioning System); Installed 3/24/2011.	Security	Plaza Level	SN ABVHVW2; Pelco Esprit ES3012-2CLZ20PN	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Security	Console	SN 12816A0498; Radio ID# 2005	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Security	Patrol	SN 12816A0491; Radio ID# 2006	Vision Communications
2013	Portable Radio	Motorola SL7550	Security	Kevin Stapleton	SN 682TND2817; Radio ID# 2017	Vision Communications

Exhibit B-2-A

EXHIBIT C

Intentionally Omitted.

EXHIBIT D-1

Form of California Deed

RECORDING REQUESTED BY

Fidelity National Title Insurance Company
Escrow No.
Title No:

WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENTS TO:
Sheppard Mullin Richter & Hampton, LLP
1300 I Street, NW
11th Floor East
Washington, DC 20005
Attn: Michele E. Williams, Esq.

APN: 7278-003-035 and 7278-003-036 THIS SPACE ABOVE FOR RECORDER'S USE

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Molina Center, LLC, a Delaware limited liability company (Grantor), hereby grants to AGNL Clinic, L.P., a Delaware limited partnership (Grantee), the real property in the City of Long Beach, County of Los Angeles, State of California, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").

This conveyance is made subject to (i) all covenants, conditions, restrictions, rights of way, easements, reservations, and other matters of record; (ii) all laws, rules and regulations governing the use and development of the Property; (iii) all matters that could be ascertained by an inspection or survey of the Property; and (iv) all non-delinquent real property taxes and general and special assessments. Grantor disclaims any and all express or implied warranties regarding the Property other than the warranty stated in subsection 1 of section 1113 of the California Civil Code.

Dated: June ____, 2013

[Signature page follows]

IN WITNESS WHEREOF, the Grantor has executed this Grant Deed as of the date and year first written above.

GRANTOR:
Molina Center, LLC,
a Delaware limited liability company
By: ____
Name: ____
Its: ____

ACIKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2013, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit D-1

EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 7278-003-036

EXHIBIT D-2

Form of Ohio Deed

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Sheppard Mullin Richter & Hampton, LLP
1300 I Street, NW
11th Floor East
Washington, DC 20005
Attn: Michele E. Williams, Esq.

GENERAL WARRANTY DEED

Molina Healthcare, Inc., a Delaware corporation (at times the "Grantor"), for Ten Dollars ($10.00) and other valuable consideration paid, grants with general warranty covenants (as defined in Section 5302.06 of the Ohio Revised Code) to AGNL Clinic, L.P., a Delaware limited partnership (at times the "Grantee"), the tax mailing address for which is c/o Angelo, Gordon & Co., L.P., 245 Park Avenue, 26th Floor, New York, NY 10167-0094, the following real property:

Legal Description

PARCEL 1:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being part of the 13.727 acre tract, and all of the 0.875 acre tract conveyed to 17 Land Realty Corp. by deeds of record in O.R. 14066B11 and O.R. 25716J11, respectively, records of the Recorder's Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning at a railroad spike set at the intersection of the Southerly right-of-way line of Interstate 270 (FRA-270-18.32N) and centerline of Cooper Road (60 feet in width). Said railroad spike being the Northeasterly corner of said 0.875 acre tract;

Thence South 26 deg. 55' 00" East, a distance of 241.79 feet, along said centerline of Cooper Road and Easterly line of said 0.875 acre tract, to a railroad spike set at the Southeasterly corner of said 0.875 acre tract;

Thence North 78 deg. 47' 04" West, a distance of 38.14 feet, along the Southerly line of said 0.875 acre tract, to an iron pin set in the Westerly right-of-way line of said Cooper Road;

Thence South 26 deg. 55’ 00” East, a distance of 295.14 feet, along said Westerly right-of-way line of Cooper Road and along the Easterly line of said 13.727 acre tract, to an iron pin set at the point of curvature in the Northerly right-of-way line of Corporate Exchange Drive (60 feet in width) of record in Plat Book 60, Page 22 and 23;

Thence the following four (4) courses and distances along said Northerly right-of-way line of Corporate Exchange Drive and Southerly line of said 13.727 acre tract;

1. Thence along arc of said curve to the right having a radius of 35.00 feet, a central angle of 90 deg. 00’ 00”, and a chord bearing South 18 deg. 05’ 00” West, a chord distance of 49.50 feet to the point of tangency;

2. Thence South 63 deg. 05’ 00” West, a distance of 35.00 feet, to an iron pin found at the point of curvature;

3. Thence along arc of said curve to the right having a radius of 270.00 feet, a central angle of 28 deg. 56’ 27”, and a chord bearing South 77 deg. 33’ 14” West, a chord distance of 134.94 feet, to an iron pin set at the point of tangency;

4. Thence North 87 deg. 58’ 33” West, a distance of 788.06 feet, to an railroad spike set;

Thence North 02 deg. 01’ 27” East, a distance of 318.00 feet across said 13.727 acre tract to a railroad spike set in a Southerly line of the 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence South 87 deg. 58’ 33” East, a distance of 15.00 feet along said Southerly line of the 5.103 acre tract to a railroad spike set at a Southeasterly corner of said 5.103 acre tract;

Thence the following three (3) courses and distances along the Easterly lines to said 5.103 acre tract;

1. Thence North 02 deg. 01’ 27” East, a distance of 185.00 feet, to a P.K. nail found;

2. Thence South 87 deg. 58’ 33” East, a distance of 57.50 feet, to a railroad spike set;

3. Thence North 02 deg. 01’ 27” East, a distance of 167.21 feet, to an iron pin set in aforesaid Southerly right-of-way line of Interstate 270 at a Northeasterly corner of said 5.103 acre tract;

Thence South 78 deg. 46’ 49” East, a distance of 677.06 feet, along said Southerly right-of-way line of Interstate 270 and partly along the Northerly line of said 13.727 acre tract and partly along the Northerly Line aforesaid 0.875 acre tract, to the point of beginning.

Containing 11.814 acres, more or less, of which 0.167 acres lies within the Cooper Road right-of-way.

Exhibit D-2

The bearings in the above description are based on the bearing of South 87 deg. 58’ 33” East, for the centerline of Corporate Exchange Drive, as shown on the dedication Plat for Corporate Exchange Drive, of record in Deed Book 60, Page 22 and 23, records of the Recorder’s Office, Franklin County, Ohio.

PARCEL 2:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 4.500 and 13.727 acre tracts conveyed to 17 Land Realty Corp. by deed of record in O.R. 14066 B11, Records of the Recorder’s Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning for reference at a PK nail found at the centerline intersection of Presidential Gateway (60 feet in width) as established by the Plat of record in Plat Book 83, Page 80 and Corporate Exchange Drive (60 feet in width) as established by the Plat of record in Plat Book 60, Page 22;

Thence North 87 deg. 58’ 33” West, a distance of 329.18 feet along the centerline of Corporate Exchange Drive to a point;

Thence North 02 deg. 01’ 27” East, a distance of 30.00 feet, to a railroad spike set on the Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 acre tract and being the point of true beginning;

Thence the following three (3) courses and distances along the said Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 and 4.500 acre tracts;

1. Thence North 87 deg. 58’ 33” West, a distance of 94.38 feet to an iron pin set at a point of curvature;

2. Thence along the arc of said curve to the right, having a radius of 420.00 feet, a central angle of 27 deg. 22’ 54”, a chord bearing North 74 deg. 17’ 06” West, and a chord distance of 198.81 feet to an iron pin found at the point of tangency;

3. Thence North 60 deg. 35’ 39” West, a distance of 28.10 feet to an iron pin set at a Southeasterly corner of a 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence the following two (2) courses and distance along the Easterly and Southerly lines of said 5.103 acre tracts;

1. Thence North 02 deg. 01’ 27” East, a distance of 258.02 feet to a railroad spike set;

2. Thence South 87 deg. 58’ 33” East, a distance of 312.50 feet to a railroad spike set;

Thence South 02 deg. 01’ 27” West, a distance of 318.00 feet across said 13.727 acre tract to the point of true beginning, containing 2.183 acres; more or less, subject to all easements, restrictions and rights-of-way of record.

Subject to (1) zoning ordinances, (2) real estate taxes and assessments, not yet due and payable, (3) easements, restrictions, covenants, reservations and conditions of record which do not adversely affect the use or value thereof.

Parcel Nos.: 600-122680 and 600-215203

Property Address: 3000 Corporate Exchange Drive, Columbus, Ohio.

Prior instrument reference AFN 201212200196229, Franklin County Records.

[Signature Page Follows]

Exhibit D-2

In witness whereof, Molina Healthcare, Inc., through its duly authorized representative, has set its hand this _____ day of _____, 2013.

Molina Healthcare, Inc.,
a Delaware corporation

By: _____
Print Name: __
Title: ____

STATE OF CALIFORNIA)
) SS:
COUNTY OF _____)

Before me, the undersigned, a notary public in and for said county and state on this day personally appeared _____, the _____ of Molina Healthcare, Inc., a Delaware corporation, who acknowledged that he/she did sign the foregoing instrument in such capacity and that the same is his/her free act and deed and the free act and deed of said corporation.

In witness whereof, I have hereunto subscribed my name and affixed my official seal at _____, _____ this _____ day of _____, 2013.

Notary Public

EXHIBIT E-1

BILL OF SALE AND ASSIGNMENT

MOLINA HEALTHCARE, INC.,

a Delaware corporation,

to

AGNL CLINIC, L.P.,

a Delaware limited partnership

KNOW ALL MEN BY THESE PRESENTS, that Molina Healthcare, Inc., a Delaware corporation (" Seller"), for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, to it in hand paid by AGNL Clinic, L.P., a Delaware limited partnership ("Purchaser"), at or before the sealing and delivery of these presents, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, transferred and delivered, and by these presents does grant, assign, bargain, sell, transfer and deliver unto Purchaser the following (the "Personal Property"):

all machinery and equipment listed and described on Exhibit B attached hereto and made a part hereof owned by Seller and located on property (the "Property") situate in the City of Columbus, Franklin County, Ohio as described on Exhibit A attached hereto and made a part hereof;

all certificates of occupancy of Seller, and all licenses, permits, and approvals, if any, which are mandated or necessary to own and operate the Property.

any warranties or guaranties in the possession of Seller and given by any contractor, manufacturer or materialmen in connection with the construction, maintenance, repair or renovation of the Property;

all plans and drawings with respect to the Property in the possession of Seller.

TO HAVE AND TO HOLD the Personal Property unto Purchaser, its successors and assigns, to and for its own proper use and benefit forever.

This Bill of Sale shall be governed by the laws of the State of Ohio.

This Bill of Sale and the provisions contained herein shall be binding upon and inure to the benefit of Seller and Purchaser and their respective successors, legal representatives and assigns.

This Bill of Sale may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

[*No further text on this page. Signature page follows.*]

Exhibit E-1

IN WITNESS WHEREOF, Seller and Purchaser have caused this Bill of Sale to be executed on its behalf, this _____ day of June, 2013.

SELLER:
MOLINA HEALTHCARE, INC.,
a Delaware corporation
By: _____
Name: ____
Title: ____

PURCHASER:
AGNL CLINIC, L.P.,
a Delaware limited partnership
By: AGNL Clinic GP, L.L.C.,
a Delaware limited liability company,
its general partner
By: AGNL Manager II, Inc.,
a Delaware corporation, its manager
By: __
Name: Gordon J. Whiting
Title: President

Exhibit A

LEGAL DESCRIPTION

- PARCEL 1:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 13.727 acre tract, and all of the 0.875 acre tract conveyed to 17 Land Realty Corp. by deeds of record in O.R. 14066 B11 and O.R. 25716 J11, respectively, records of the Recorder's Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning at a railroad spike set at the intersection of the Southerly right-of-way line of Interstate 270 (FRA-270-18.32N) and centerline of Cooper Road (60 feet in width). Said railroad spike being the Northeasterly corner of said 0.875 acre tract;

Thence South 26 deg. 55' 00" East, a distance of 241.79 feet, along said centerline of Cooper Road and Easterly line of said 0.875 acre tract, to a railroad spike set at the Southeasterly corner of said 0.875 acre tract;

Thence North 78 deg. 47' 04" West, a distance of 38.14 feet, along the Southerly line of said 0.875 acre tract, to an iron pin set in the Westerly right-of-way line of said Cooper Road;

Thence South 26 deg. 55' 00" East, a distance of 295.14 feet, along said Westerly right-of-way line of Cooper Road and along the Easterly line of said 13.727 acre tract, to an iron pin set at the point of curvature in the Northerly right-of-way line of Corporate Exchange Drive (60 feet in width) of record in Plat Book 60, Page 22 and 23;

Thence the following four (4) courses and distances along said Northerly right-of-way line of Corporate Exchange Drive and Southerly line of said 13.727 acre tract;

1. Thence along arc of said curve to the right having a radius of 35.00 feet, a central angle of 90 deg. 00' 00", and a chord bearing South 18 deg. 05' 00" West, a chord distance of 49.50 feet to the point of tangency;

2. Thence South 63 deg. 05' 00" West, a distance of 35.00 feet, to an iron pin found at the point of curvature;

3. Thence along arc of said curve to the right having a radius of 270.00 feet, a central angle of 28 deg. 56' 27", and a chord bearing South 77 deg. 33' 14" West, a chord distance of 134.94 feet, to an iron pin set at the point of tangency;

4. Thence North 87 deg. 58' 33" West, a distance of 788.06 feet, to an railroad spike set;

Thence North 02 deg. 01' 27" East, a distance of 318.00 feet across said 13.727 acre tract to a railroad spike set in a Southerly line of the 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence South 87 deg. 58' 33" East, a distance of 15.00 feet along said Southerly line of the 5.103 acre tract to a railroad spike set at a Southeasterly corner of said 5.103 acre tract;

Thence the following three (3) courses and distances along the Easterly lines to said 5.103 acre tract;

1. Thence North 02 deg. 01’ 27” East, a distance of 185.00 feet, to a P.K. nail found;

2. Thence South 87 deg. 58’ 33” East, a distance of 57.50 feet, to a railroad spike set;

3. Thence North 02 deg. 01’ 27” East, a distance of 167.21 feet, to an iron pin set in aforesaid Southerly right-of-way line of Interstate 270 at a Northeasterly corner of said 5.103 acre tract;

Thence South 78 deg. 46’ 49” East, a distance of 677.06 feet, along said Southerly right-of-way line of Interstate 270 and partly along the Northerly line of said 13.727 acre tract and partly along the Northerly line aforesaid 0.875 acre tract, to the point of beginning.

Containing 11.814 acres, more or less, of which 0.167 acres lies within the Cooper Road right-of-way.

The bearings in the above description are based on the bearing of South 87 deg. 58’ 33” East, for the centerline of Corporate Exchange Drive, as shown on the dedication Plat for Corporate Exchange Drive, of record in Deed Book 60, Page 22 and 23, records of the Recorder’s Office, Franklin County, Ohio.

PARCEL 2:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 4.500 and 13.727 acre tracts conveyed to 17 Land Realty Corp. by deed of record in O.R. 14066 B11, Records of the Recorder’s Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning for reference at a PK nail found at the centerline intersection of Presidential Gateway (60 feet in width) as established by the Plat of record in Plat Book 83, Page 80 and Corporate Exchange Drive (60 feet in width) as established by the Plat of record in Plat Book 60, Page 22;

Thence North 87 deg. 58’ 33” West, a distance of 329.18 feet along the centerline of Corporate Exchange Drive to a point;

Thence North 02 deg. 01’ 27” East, a distance of 30.00 feet, to a railroad spike set on the Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 acre tract and being the point of true beginning;

Thence the following three (3) courses and distances along the said Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 and 4.500 acre tracts;

1. Thence North 87 deg. 58’ 33” West, a distance of 94.38 feet to an iron pin set at a point of curvature;

2. Thence along the arc of said curve to the right, having a radius of 420.00 feet, a central angle of 27 deg. 22’ 54”, a chord bearing North 74 deg. 17’ 06” West, and a chord distance of 198.81 feet to an iron pin found at the point of tangency;

3. Thence North 60 deg. 35’ 39” West, a distance of 28.10 feet to an iron pin set at a Southeasterly corner of a 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence the following two (2) courses and distance along the Easterly and Southerly lines of said 5.103 acre tracts;

1. Thence North 02 deg. 01’ 27” East, a distance of 258.02 feet to a railroad spike set;

2. Thence South 87 deg. 58’ 33” East, a distance of 312.50 feet to a railroad spike set;

Thence South 02 deg. 01’ 27” West, a distance of 318.00 feet across said 13.727 acre tract to the point of true beginning, containing 2.183 acres, more or less, subject to all easements, restrictions and rights-of-way of record.

Exhibit E-1

Exhibit B

Machinery and Equipment

The term "Columbus Property Other Assets" means (a) all "fixtures", as defined by Section 9- 102(a)(41) of the Uniform Commercial Code as adopted by the State of New York, owned by Seller and that are now or hereafter affixed or attached to or installed in the Columbus Real Property or the Columbus Improvements (the "Columbus Fixtures"), (b) all of the following, if and to the extent affixed to the Columbus Real Property or the Columbus Improvements and owned by Seller (even if not constituting Fixtures) (collectively, the "Columbus Property Equipment"): built-in fittings and built-in major appliances, including all electrical, anti-pollution, heating, lighting (including hanging fluorescent lighting), incinerating, power, air cooling, air conditioning, humidification, sprinkling, plumbing, lifting, fire prevention, fire extinguishing and ventilating systems, devices and machinery and all engines, pipes, pumps, tanks (including exchange tanks and fuel storage tanks), motors, conduits, ducts, steam circulation coils, blowers, steam lines, compressors, oil burners, boilers, doors, windows, loading platforms, lavatory facilities, stairwells, fencing (including cyclone fencing), passenger and freight elevators, overhead cranes and garage units, and (c) all Columbus Intangible Property; provided, however, notwithstanding the foregoing, Columbus Property Other Assets expressly excludes each and all of the following items (collectively, the "Columbus Property Excluded Items"):

1. all personal property located at the Columbus Real Property or the Columbus Improvements including, without limitation, all computers and other information technology devices, but excluding all items described in clause (b) of the definition of Columbus Property Other Assets; and
2. those other items (regardless of whether such items constitute Fixtures) described on Exhibit B-1 hereof.

Exhibit B-1

Qty	Mfg	Description	Model#	Location
1	Aircycle	Bulb eater	55VRSU	Shop
1	Westward	Toolbox		Shop
1	CLC	Toolbag		Shop
2	Maha	Battery Charger		Shop
1	Dayton	Leaf Blower		Fire pump room
1	Briggs	Generator 5500 watts		Fire pump room
1	Ariens	Snow blower		Fire pump room
1	Snow Ex	Salt speader		Switch Gear cage
1	Rubbermaid	Light bulb cart		Storage
1	Ridgid	Drain snake		Shop
1	Dewalt	Air compressor		Shop
1	Dewalt	18V Drill		Shop
1	Dewalt	18V Impact Drill		Shop
1	Dewalt	18V Circular saw		Shop
1	Dewalt	18V Reciprocating saw		Shop
1	Dewalt	Bench grinder		Shop
1	Dewalt	Masonry bit set		Shop
1	Dewalt	Drill bit set		Shop
1	Westward	Bench grinder		Shop
1	Stanley	25ft Tape measure		Shop
1	Irwin	Paddle bit set		Shop
1	Fluke	Multimeter		Shop
1	Fluke	Infared thermometer		Shop
1	Ideal	Amp clamp		Shop
1	Streamlight	Flashlight		Shop
1	Klien	10 in 1 screw driver		Shop
4	Vise Grip	Pliers		Shop
3	Westward	Adjustable wrenches		Shop
1	Westward	Wrench set		Shop
1	Westward	Socket set		Shop
1	Stanley	Utility knife		Shop
1	Stanley	Tripod light		Shop
3	Westward	Pliers		Shop
1	Elkind	Allen wrench set		Shop
1	Megapro	15 in 1 screw driver		Shop
1	Brother	Printer	MCF845CW	Shop
1	Dell	Computer		Shop
1	Rigid	Hand snake		Shop
1	Zicron	Stud Finder		Shop

1		Scafold 4ft	Shop
1		5 gallon gas can	Fire pump room
1		2 gallon gas can	Fire pump room
1	Ridgid	Power washer 3300psi	Fire pump room
1	Shop Vac	Sweeper	Switch Gear cage

EXHIBIT E-2

Form of Long Beach Property Bill of Sale

BILL OF SALE AND ASSIGNMENT

MOLINA CENTER, LLC,

a Delaware limited liability company,

to

AGNL CLINIC, L.P.,

a Delaware limited partnership

KNOW ALL MEN BY THESE PRESENTS, that Molina Center, LLC, a Delaware limited liability company (" Seller"), for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, to it in hand paid by AGNL Clinic, L.P., a Delaware limited partnership ("Purchaser"), at or before the sealing and delivery of these presents, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, transferred and delivered, and by these presents does grant, assign, bargain, sell, transfer and deliver unto Purchaser the following (the "Personal Property"):

all machinery and equipment listed and described on Exhibit B attached hereto and made a part hereof owned by Seller and located on property (the "Property") situate in the City of Columbus, Franklin County, Ohio as described on Exhibit A attached hereto and made a part hereof;

all certificates of occupancy of Seller, and all licenses, permits, and approvals, if any, which are mandated or necessary to own and operate the Property.

any warranties or guaranties in the possession of Seller and given by any contractor, manufacturer or materialmen in connection with the construction, maintenance, repair or renovation of the Property;

all plans and drawings with respect to the Property in the possession of Seller.

TO HAVE AND TO HOLD the Personal Property unto Purchaser, its successors and assigns, to and for its own proper use and benefit forever.

This Bill of Sale shall be governed by the laws of the State of California.

This Bill of Sale and the provisions contained herein shall be binding upon and inure to the benefit of Seller and Purchaser and their respective successors, legal representatives and assigns.

This Bill of Sale may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

[*No further text on this page. Signature page follows*.]

IN WITNESS WHEREOF, Seller and Purchaser have caused this Bill of Sale to be executed on its behalf, this _____ day of June, 2013.

SELLER:
MOLINA CENTER, LLC,
a Delaware limited liability company
By: _____
Name: ____
Title: ____

PURCHASER:
AGNL CLINIC, L.P.,
a Delaware limited partnership
By: AGNL Clinic GP, L.L.C.,
a Delaware limited liability company,
its general partner
By: AGNL Manager II, Inc.,
a Delaware corporation, its manager
By: __
Name: Gordon J. Whiting
Title: President

Exhibit A

LEGAL DESCRIPTION

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 72787-003-036

Exhibit B

Machinery and Equipment

The term "Long Beach Property Other Assets" means (a) all "fixtures", as defined by Section 9-102(a)(41) of the Uniform Commercial Code as adopted by the State of New York, owned by Seller and that are now or hereafter affixed or attached to or installed in the Long Beach Real Property or the Long Beach Improvements (the "Long Beach Fixtures"), (b) all of the following, if an to the extent affixed to the Long Beach Real Property or the Long Beach Improvements and owned by Seller (even if not constituting Fixtures) (collectively, the "Long Beach Property Equipment"): built-in fittings and built-in major appliances, including all electrical, anti-pollution, heating, lighting (including hanging fluorescent lighting), incinerating, power, air cooling, air conditioning, humidification, sprinkling, plumbing, lifting, fire prevention, fire extinguishing and ventilating systems, devices and machinery and all engines, pipes, pumps, tanks (including exchange tanks and fuel storage tanks), motors, conduits, ducts, steam circulation coils, blowers, steam lines, compressors, oil burners, boilers, doors, windows, loading platforms, lavatory facilities, stairwells, fencing (including cyclone fencing), passenger and freight elevators, overhead cranes and garage units, and (c) all Long Beach Intangible Property; provided, however, notwithstanding the foregoing, Long Beach Property Other Assets expressly excludes each and all of the following items (collectively, the "Long Beach Property Excluded Items"):

1. all personal property located at the Long Beach Real Property or the Long Beach Improvements including, without limitation, all computers and other information technology devices, but excluding all items described in clause (b) of the definition of Long Beach Property Other Assets; and
2. those other items (regardless of whether such items constitute Fixtures) described on Exhibit B-1 hereof.

Exhibit B-1

Other Long Beach Property Excluded Items

(attached)

TOOL INVENTORY

Qty	***Mfg***	***Description***	***Model # (If Applicable)***	***Location (If Applicable)***
1	Ridged	24” bolt cutter		
1	Fluke	Multimeter	73 III	
1	Yellow Jacket	Super Evac LCD Vacuum Gauge	69070	
1	Lisle	Ring Compressor wrinkle band	21700	
1	Zim	Piston Ring Expander		
1	DeWALT	Cordless Drill 12v	1PZ14	
1	Makita	Cordless Drill 9.c Volts (ANGLE)	DA391DW	
1		One Way Screw Remover tool	PH-17061	
1	Ritchie	Manifold Charging Set	41212	
1	Ritchie	Valve Stem wrench ¼” 3/16” 5/16” 3/8”	60613	
1	Ritchie	Big mini tubing cutter 1 ⅛” max.	60142	
1	Fluke	Clamp Meter Amps/volts/ohms	322	
1	RIGID	Tubing Cutter	154	
1	ShopVac	Dry/Wet Vacuum		
2	Vaughn	Ball Pein Hammers 12 oz.		
1	Armstrong	½” Drive Adapter ¾” Male	12-952	
1	Armstrong	½” Drive Adapter ⅜” Male	12-951	
1	Allen	½” Drive Quick Release Ratchet	12800	
1	Proto	½” Drive Flex Head Handle Breaker bar 18 5/8”	5468	
1		U-Shaped Claw and Offset chisel Bar 24”	No I.D. Markings	
2	Supco	HVAC/R Current Probe With Microamps	CPH 100	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Motorola	UHF Portable Handheld Radio	HT 750	
1	Harris	TS30 Test Set Portable handset	7530	
1 set	C. S. Osborne	Hole Punch Set (6)		
4		Misc. Hole Punch Tools		
1		Combination TEE		
1	Proto	Snap Ring Pliers	391	
	Proto	Ignition Set Wrenches	3200C	
1 set	Milwaukee	Flat Boring Bit Kit	49-22-0071	
1	Stanley	Side Cutters	84-133	
22		Misc. Files		
1	Lenox	File Brush		
1	Zim	Piston Ring Expander	204	
1		Piston Ring Compression Tool		
1	Imperial Eastman	Tubing Bender	368-FH	
1		Heavy Duty Puller		
1	UT	⅜” Air Ratchet & Sockets		
1	Vise Grip	9” Locking Welding Clamp		

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Proto	Small Puller		
1 set	Allen	15 pc. Metric Long Arm Hex Key Set		
2		Star Wrenches Lug Nut Removal Tool		
2	Flex-Hone	Cylinder Wall Deglazer hones		
1	Proto	¾" Drive Ratchet		
1	Proto	¾" Drive Breaker Bar		
1	Turbo Cat III	Floor Dryer	4390-00	
1		Oxy-Ace Welding Set Lg.		
1		Oxy-Ace Welding Set Sm.		
1		Hex L-Key Set 12 pc.		
1		Metric Hex L-Key Set 9 pc.		
18	Proto	Assorted Open End Wrenches		
1 set	Proto	Ratchet Box End Wrench		
7	Proto	⅜" Swivel Head Socket		
1	Unibit	Step Drill ⅛" to ½"		
1	Proto	Torque Wrench ½ Drive		
1	Utica	⅜" Inch Pound Torque Wrench		
1	Proto	½" Speed Handle		
1	Proto	⅜" Speed Handle		
1 set	Proto	⅜ and ½" Drive Hex		
12	Proto	Metric Open-Box Wrenches		
1 set	Taiwan	Torx Head Drivers		
30		Assorted Allen Wrenches		
11		Assorted Screw Drivers		
9		Nut Drivers		
1	Imperial	Tubing Cutter		
1	Proto	Snap Ring Pliers		
4		Vise Grips Pliers		
7		Assorted Masonry Drill Bits		
1	Proto	Small Gear Puller	4205-B	
1 set	Jawco	Hex Dies		
1 set	Buck Bros.	Wood Chisels (6)		
1	Irwin	Expansive Wood Bit		
1	Greenlee	Knockout Punch Set		
1	Marson	Rivit Gun	HP-2	
1	Desmond	Stone Dresser		
1		Slag Remover Chipping Hammer		
1	Raytek	Noncontact Thermometer	ST2	
1	Amprobe	Test Master		
1	Pasar	Current Tracer		
1	Sensit RFC	Refrigerant Gas Leak Detector	RFC-1	
1	Check-it	Digital Psychrometer Set	622	
1	Environmental Tectonics	Psychometric Chart		
1	General Electric	Foot Candle Meter		
1	Electro-Therm	Digital Thermometer	SH66	
1	Robertshaw	Receiver Controller and Transmitter Calibration Kit	900-012	
1	Starrett	Dial Indicator	25-144	

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Dewalt	Cordless Drill 12v	DW972	
1	Makita	Cordless Drill 12v	6311D	
1	Makita	Cordless Drill 9.6v	6095D	
1	Makita	Cordless Drill 9.6v	6093D	
1	Makita	Cordless Drill 7.2v	DA3000D	
1	Proto	Roll Away Tool Box		
1	Ilco Unican	Key Duplicater Machine	17	
1	RIDGID	Vise		
1	Vaco	T-Handle Hex Keys (set)	90153	
1	K-D	T-Handle Hex Keys (set)		
1 set	Proto	Ratchet, Extensions, Sockets $^{3}/_{8}$"		
1 set	Proto	Ratchet, Extensions, Sockets $^{1}/_{2}$"		
1 set	Proto	Ratchet, Extensions, Sockets $^{3}/_{4}$"		
1 set		Pipe Thread Taps (6)		
14	Proto	Assorted Punches and Chisels		
7	Proto	Socket End-Open End Wrench		
1		50w 12v Drop Light		
1	Magnehelic	2" of Water Capacity		
1	Magnehelic	1" of Water Capacity		
1	Weller	Soldering Gun	TC-202	
2	Powr-Grip	Vacuum-Attaching Hand Tool	LJ6VH	
1 set	Armstrong	QuickRelease Ratchet Set		
2	Sellstrom	Gas Welding Goggles		
1	RIDGID	Lever Bender	408	
1	Magnehelic	3" of Water Capacity		
3	Bacharach	Tempscribe		
1	Dickson	Tempscribe		
1	Schlage	Boring Jig	40-012	
1	Amprobe	AMP, Volt, OHM Meter	ACD-11	
1	Simpson	Volt, OHM Meter	260	
1	Solomat	IAQ Monitoring System		
1	Starrett	Dial Caliper	120A-6	
1	Simpson	Therm-O-Meter	389	
1	Leviton	Splice Pro Tool	49550	
1	Yellow Jacket	Schrader Valve Removal Tool		
1	TIF	Automatic Halogen Leak Detector	6000	
1		Digital Light Meter	DLM2	
1	TIF	Capacitor Tester	660	
1	UE1	Digital Multimeter	DM383	
1	Amprobe	Fastemp		
2	Lenox	Hole Saw Kits		P1 Shop
1	Dayton	8 Piece Silver and Deming Drill Set	1 AO5O	
1	Milwaukee	Heavy Duty Electric Impact Wrench		
1	Kett	Power Shear	K-100	
1		Nut Driver Power Drill		
1	Lenox	Hacksaw	4012	
1	Christie	Portable Car-Start	CS-2	

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Wilmar	2¼ ton Floor Jack	W-1634	
1	Kodiak	Shovel	72830	
1	Dayton	Ratchet Puller	2Z449-B	
1	Ramset	Powder Actuated Tool	4170	
1	Hilti	Powder Actuated Tool	DW451	
1	Dewalt	7" Angle Grinder	DW474	
1	Milwaukee	7 ¼" Circular Saw	6365	
1	Milwaukee	Rotary Hammer		
1	Milwaukee	⅜" Drill		
1	Black & Decker	⅜" Drill		
1	Black & Decker	Rotary Hammer		
1	Master	Heat Gun	HG-751B	
1	WEN	Electric Pencil Engraver	21	
1	Vibro-Graver	Electric Engraver	74	
1	Black & Decker	Butane Gas Soldering Gun		
1	Master	Butane Gas Soldering Gun	UT-100si	
1	Arrow Fastener	Staple Gun	T-50m	
1	Dwyer	Visi-Float Flowmeter	VFB-55-BV	
1	Allpax	Gasket Cutter		
2	Proto	Crescent Wrench 16"		One in Each Mech. Rm.
1	Proto	Crescent Wrench 12"		One in Each Mech. Rm.
1	Mayes	Level 24"		One in Each Mech. Rm.
2	Pony	'C' Clamps	245	One in Each Mech. Rm.
2	Pony	'C' Clamps	246	One in Each Mech. Rm.
1	Uniweld	Manifold Gauge Set	FL33312	One in Each Mech. Rm.
1		Manifold Gauge Set	4 Port	One in Each Mech. Rm.
1		12v Drop Light		
1	Empire	Level 48"		
3		'T' Squares 24"		
1		'T' Squares 48"	Wood	
1	Johnson	48" Straight Edge	TS48M	
1	Ridgid	36" Bolt Cutters		
1	Millers Falls	Sledge Hammer		
1		5' Pry Bar		
1	DeWALT	Heavy Duty 4½" Small Angle Grinder	DW818	
1	Makita	Finishing Sander	B04530	
1	Skil	Soldering Gun	2410	
1	Milwaukee	Jig Saw		
1	Dremel	Dremel Variable Speed Grinder		
2 sets	Ace	Tap & Die Set	614	
1	Desco	Tap & Die Set #4 thru 1"	44348	
1	Milwaukee	⅜" Hammer Drill		

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
1	Milwaukee	Sawzall		
1	Weller	Soldering Gun	8200N	
1	Milwaukee	Heavy Duty ½" Drill		
1	Craftsman	Drill Press 17" 16sp ¾ h.p.		P1 Shop
1	Speedaire	Air Compressor		P1 Shop
1	Graymills	Parts Cleaner/Washer	DM 136	P1 Shop
1	Milwaukee	Bench Grinder 7"		P1 Shop
2	RIDGID	Aluminum Pipe Wrench	836 36"	P1 Shop
1	RIDGID	Aluminum Pipe Wrench	824 24"	P1 Shop
1	RIDGID	Pipe Cutter ⅛"-2"	No. 202	P1 Shop
1	Chicago Specialty	Pipe Cutter 1"-3 ⅛"	No. 3720	P1 Shop
1 set	RIDGID	Thread Cut Set ⅛"-2" Pipe		P1 Shop
1	RIDGID	115v Power Threader	700	P1 Shop
1	RIDGID	Spiral Reamer	No. 2-S	P1 Shop
2	Jorgensen	"C" Clamp 6"	176	P1 Shop
2	Jorgensen	"C" Clamp 4"	174	P1 Shop
1	Proto	"C" Clamp 2"	402	P1 Shop
1	Armstrong	"C" Clamp 8"	78-408	P1 Shop
1	RIDGID	Flare	No. 459 45°	P1 Shop
1	Proto	Flaring Tool	No. 351 45°	P1 Shop
1	RIDGID	Basin Wrench	No. 1017	P1 Shop
1	RIDGID	Hex Wrench	No. 11	P1 Shop
1	RIDGID	Offset Hex Wrench	No. E-110	P1 Shop
1 set	Proto	Open End Box Wrench	⅜" to 1¼"	P1 Shop
2	Proto	Brass Hammer		P1 Shop
1		Plastic Mallet		P1 Shop
2	Proto	Rubber Mallets		P1 Shop
1		Ball Peen Hammer 32 oz.		P1 Shop
1	Stanley	Claw Hammer		P1 Shop
1	Vauguan	Ball Peen Hammer 16 oz.		P1 Shop
3	Wiss	Tin Snips		P1 Shop
1	RIDGID	Spud Wrench	No. 342	P1 Shop
2	Sloan Valve	Universal Wrench		P1 Shop
4	Rachex	Ratchet Action Wrench	10-17mm Box Wrench	P1 Shop
1	Lincoln	Wire Feed Welder SP175 T	Link 2302-1	
1	Pro Star	Welding Helmet Auto Darkening	FIB HPD1-F10	
1	J/B	Deep Vacuum Pump 10FM ½ hp	DV-285N	
1	Makita	Portable Cut-off (Chop Saw)	2414NB	
1	BernzOmatic	High Temperature Torch	TS 4000T	
1	LSI	Cordless Spotlight	RC-1100N	
1	Channel Lock	21" Channel Lock Pliers		
1	Skil	7¼" Circular Saw	5400	
1	Honda	Portable Generator	EM 5000SX	
1	Schumacher	Battery Charger	SE4022	
1	Pinnacle	Refrigerant Recovery Unit		
1	Fluke	Volt-OHM Tester	T+Pro	
1	AEMC	Megohm Tester	1026	

Qty	*Mfg*	*Description*	*Model # (If Applicable)*	*Location (If Applicable)*
3	DeWALT	14.4v Cordless Drill		
1	Armstrong	10 pc. Claw Foot (Open End)		
1	Empire	4’ Level Aluminum		
1	Armstrong	⅜” Socket Set MM 13pcs.		
1	Armstrong	⅜” Socket Set MM (Long) 12 pcs.		
1	Proto	¼” Socket Set		
1	Proto	⅜” Socket Set		
4	Wood’s	Powr-Grip 8”	N4950	
1	Milwaukee	Portable Band Saw		
1	Milwaukee	Roto Hammer	5318-21	
1	CPS	Thermo-Psychrometer	TM360	
1	RIDGID	Hand Held Drain Cleaning Machine	K45	
1	Milwaukee	18v Sawzall & Charger		
2	Dayton	Pump Out Wet Vac	6AKY1	
1	Fluke	Clamp On Meter Amp Probe	324	
1	Milwaukee	120v Sawzall		
1	Ridgid	Pipe Breaker	276	
1	Dayton	8” Bench Grinder ¾hp	2LKR9	
1	Weller	120v Solding Gun	SP23L	
1	Master	Gas Solding Gun Ultratorch	UT-40Si	
1	Milwaukee	Electric ½” Drill 5320010330067		
1	Genie	1 Person Lift		
1	Genie	Material Lift		
1	Eureka	Hepa Vacuum Cleaner		
1		Fence Post Installer		
1		Cherry Picker		
1	Husky	5 Piece Reversible Ratching Wrenches	SKU630699	
1	Greenlee	Circuit Seeker	CS8000	
1	Arrow Crane Hoist	Iron 1 ton Capacity Hoist	B-9620	
1	SPANCO Inc	Aluminum 1 ton Capacity Hoist	1ALU1212B	
1	Coffing	1 ton Chainfall		
1	CM	Electric 1 ton Hoist	WL 480v	
1	Tom Cat	Walk Behind Floor Scrubber		

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
1999	Desk Top Multiplex - Security	Pelco Multiplexer MX4016 CS	Console	Plaza Level	6644 9F	Sentry Control Systems
2009	Security Camera System Monitor	Samsung SMT-1922 19 **1-yr Wty: 4/1/09 to 4/1/2010**	Console	Lobby Level	Serial # Y3OC3VUQ900002	CDW Computer Centers, Inc.
2009	Security Camera System Monitor	Planar PL1520M 15 SPK Part Number 997-3266-00 **1-yr Wty: 3/27/09 to 3/27/2011**	Console	Lobby Level	Serial # P96886JA25192	CDW Computer Centers, Inc.
2009	Security IdentiPass System CPU	Dell Optiplex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/2012**	Console	Lobby Level	Service Tag # H8MDGJ1	Dell.com
2013	Desk Top Keyboard - Security Console	Pelco KBD300A Keyboard Vari-speed Pan, Tilt & Zoom Joystick; Model #KBD300A. Installed 1/8/2013	Console	Lobby Level	SN ACW-VP J8	Vision Communications
2013	Security DVR	Pelco Hybrid Video Recorder 16 channel (DVR); Model DX4816-2000; Installed 1/8/2013	Console	Lobby Level	SN ACV-2002	Vision Communications
2000	Desk Top Printer - Engineer	HP DeskJet 842C	Engineer	P-1 Level	CN01M1P0W8	KDC
2005	Desk Top Monitor - Engineer	1704FPTt-HVAC Monitor	Engineer	P-1 Level	CNOY42997161856AANJH	Dell Computer Corporation
2010	Desk Top Printer - Chief Engr's Office	HP LaserJet P2035n Purchased: May 13, 2010 **1-yr Wty: 5/13/2010 to 5/12/2011**	Engineer	P-1 Level	Serial # CNB9D27365; Mfg#: H-P-CE462A#ABA	CDW Computer Centers, Inc.
2010	Desk Top Computer - Chief Engr	Dell Opti Plex 380 MiniTower Base **3-yr Wty: 5/6/2010 to 5/5/2013**	Engineer	P-1 Level	Service Tag $ 21QTRL1; Express Code: 4459089637; Mfg Date: 5/5/2010	Dell.com
2010	Desk Top Monitor - Chief Engr	Dell 22 inch Flat Panel Display; E2210H; 3-yr Wty: 5/3/2010 to 5/2/2013	Engineer	P-1 Level	DP/N OH265R; S/N: CN-OH265R-64180-047-1USL	Dell.com

Exhibit E-2

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2010	Desk Top Computer - Engineer - Chief Engineer's Andover HVAC System	Dell OptiPlex380 – Intel Core 2 Duo 2.93 Ghz, 4 GB, 160 GB 7200 RPM SATA HD, 16X DVD-ROM; Service Tag: BCG1PN1; Express Service Code: 24697153549	Engineer	P-1 Level	Windows 7 Pro/OA; Product key: TMXCJ-2VBY4-WV43H-R4TH4-HRDTVX16-96076; 00186-77-094-237; OKXGVD	CGB Enterprises
2012	Printer - Engineers' Lunch Room	HP DeskJet 5650	Engineer	P-2 Level	SN MY7CL1R1JP	Dell
2012	Desk Top Monitor - Engineers' Lunch Rm	Model # E1911C; 22 inch Monitor	Engineer	P-2 Level	SN CN-ONO1VP-64180-219-1C9B	Dell
2012	Desk Top Computer - Engineers' Lunch Rm	Model # Core i5; Windows 7; Product Key# 328HW-M472H-GDMW7-4JK32-2H8M9	Engineer	P-2 Level	Service Tag # 1KMMJS1; Express Service Code: 3424109473	Dell
2013	Desk Top Computer - New HVAC System	Dell OptiPlex 990; Intel Core i5; Windows 7; Product Key: 7Q2F2-7WTHG-W8TWR-YH4XP-TKC2W	Engineer	P-1 Level	Service Tag # CVVPYV1; Express Service Code: 28049119165	Emcor
2013	Desk Top Monitor - New HVAC System	LG 32 inch Monitor LS-34; 32LS3410	Engineer	P-1 Level	SN 209MXLS7Q352	Emcor
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Craig Aydelott	SN 12816A0500; Radio ID# 2001	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Esteban Diaz	SN 12816A0496; Radio ID# 2002	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Alfonso Oregel	SN 12816A0497; Radio ID# 2003	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Richard Marshall	SN 12816A0499; Radio ID# 2004	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Jeremiah Lees	SN 12918A0200; Radio ID# 2020	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Claudia Motte-Alvarez, J1	SN 12816A0495; Radio ID# 2007	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Nancy Hernandez, J2	SN 12816A0494; Radio ID# 2008	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Alex Passarelli, J3	SN 12816A0493; Radio ID# 2009	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Hector Nunez	SN 12918A0199; Radio ID# 2019	Vision Communications

Exhibit E-2

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2013	Lobby Level Directory Monitor	Panasonic 42 inch	Lobby	Lobby Level	SN MB21580709; 200 Twr	Jet Communications
2013	Lobby Level Directory Monitor	Panasonic 42 inch	Lobby	Lobby Level	SN MD22360382; 300 Twr	Jet Communications
2003	Desk Top Printer - Guest Room	HP Photosmart 7550 (Color)	OOB	Guest Desk	CN2BS4214N	World Trade Office Supplies
2005	Desk Top Monitor - Guest Room	1704FPTt	OOB	Guest Desk	CNOY42997161856AANM5	Dell Computer Corporation
2005	Desk Top Monitor - Server Room	E153FP	OOB	Server Room	CNOC53696418053UOL5H	Dell Computer Corporation
2005	Desk Top Computer - Guest Room	DHS Mfg Date: 07 20 05	OOB	Guest Desk	6XWKY71	Dell Computer Corporation
2007	Desk Top Printer - Guest Room	HP Photosmart D7260 (Color)	OOB	Guest Desk	MY789U2 NH	HP.com
2009	Desk Top Monitor - Asst. Bldg Mgr	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Mary's Desk	CN-0F532H-74445-93Q-AM6S	Dell.com
2009	Desk Top Monitor - Asst. Bldg Mgr	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Mary's Desk	CN-0F532H-74445-93Q-ANDS	Dell.com
2009	Desk Top Monitor - Property Asst	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Pearl's Desk	CN-0F532H-74445-93Q-AN9S	Dell.com
2009	Security IdentiPass System CPU	DellOptiPlex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/2012**	OOB	Access Card Desk-OOB	Service Tag # BJFDGJ1	Dell.com
2009	Desk Top Scanner - Print Area	HP ScanJet 7650n; Model: (1P): L1943A; Option: (30P): B1H **1-yr Wty: 5/18/09 to5/17/2010**	OOB	Print Area	CN87KT1129	CDW Computer Centers, Inc.
2009	Conference Room TV Monitor	Sharp LC-42SB45UT: **1-yr Wty: 9/4/09 to 9/8/10**	OOB	Confce Rm	905817411	Kelty Co.

Exhibit E-2

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2009	Lobby Level CPU for Directory	Dell Optiplex 740 **3-yr Wty: 9/30/09 to 9/30/2012.**	OOB	Lobby Level	200 Tower: Service Tag # FZ67ZK1; Express Code: 34778501569	Dell.com
2009	Lobby Level CPU for Directory	Dell Optiplex 740 **3-yr Wty: 9/30/09 to 9/30/2012**	OOB	Lobby Level	300 Tower: Service Tag # DZ67ZK1; Express Code: 30424936897	Dell.com
2010	Desk Top Printer - GM's Office	HP LaserJet P3015dn Purchased: May 13, 2010 **1-yr Wty: 5/13/2010 to 5/12/2011**	OOB	Ivette's Desk	Serial # VNBCB406WP; Mfg#: H-P-CE528A#ABA	CDW Computer Centers, Inc.
2010	Desk Top Computer - Property Asst	Dell Opti Plex 380 Minitower Base **3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010.**	OOB	Pearl's Desk	B574KM1	Dell.com
2010	Desk Top Computer - Asst. Bldg Mgr	Dell Opti Plex 380 Minitower Base 3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010.	OOB	Mary's Desk	B582KM1	Dell.com
2010	Desk Top Computer - Server Room	PowerEdge Dell T310 System	OOB	Server Room	Service Tag: 2VL9JS1; Express Service Code: 6263733601	Carapace, Inc.
2012	LapTop Computer - G Mgr	Dell Laptop 13 inch.	OOB	Ivette's Desk	Service Tag (S/N): CKMYFS1; Express Service Code: 27369269857	Dell purchased by Lori McKinney
2012	HP OfficeJet Pro 8600	Model#: SNPRC-1101-01; Product #: CM749A **1-yr Wty: 1/19/2012 to 1/19/2013**	OOB	Print Area	Serial # CN1C31T1C6	Lori McKinney
2012	Desk Top Monitor - GMgr	Dell 22 inch Flat Panel Display	OOB	Ivette's Desk	S/N# CN-0174R7-72872-24B-A2VU	Dell from Lori McKinney
2012	Desk Top Monitor - GMgr	Dell 22 inch Flat Panel Display	OOB	Ivette's Desk	S/N# CN-0174R7-72872-24B-A69U	Dell from Lori McKinney
2012	Copy Machine - Server Room	Ricoh Aficio MPC2551	OOB	Server Room	Equipment ID: V9825200222	Leased from Ricoh Business Solutions

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2013	OOB WIFI Unit	Ruckus ZoneFlex 7300 Series (7363)	OOB	Telco Rm	SN 543D37054B00	Allcovered
2013	Security Radio Repeater	Hytera Professional Digital Radio Repeater; Model RD982; Installed 1/8/2013	OOB	A5 LRR ElecRm	SN12529A0096; 3 antennas located in A11, A5 and P2 by Stair #1.	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	OOB	Pearl Tan	SN 12816A0492; Radio ID# 2010	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	OOB	Mary Ramsey	SN 12723D0125; Radio ID# 2011	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	OOB	Ivette Walker	SN 12723D0127; Radio ID# 2015	Vision Communications
2013	Portable Radio	Motorola SL7550	Owner's Rep	Salvador Gutierrez	SN 682TNB2423; Radio ID# 2016	Vision Communications
2008	Desk Top Monitor - Parking	Parking Access Monitor	Parking	P-1 Parking	S/N #CN-ORY979-74261-848-6D5U	Dell
2009	Desk Top Monitor - Parking	Dell 19" Widescreen LCD SE 198 WFP **1-yr Wty: 1/1/09 to 1/1/2010**	Parking	P-1 Parking	CN-OC558H-72872-89Q-OMAM	Best Buy
2009	Security IdentiPass System CPU	Dell Optiplex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/12.**	Parking	P-1 Parking	Service Tag # F8MDGJ1	Dell.com
2010	Desk Top Computer - Parking Mgr	Dell Opti Plex 380 Minitower Base **3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010**	Parking	P-1 Parking	B583KM1	Dell.com
2011	Desk Top Printer - Parking Mgr	HP LaserJet 2420d	Parking	P-1 Parking	S/N: CNDJF05457	
2012	Brother AIO Printer - Parking Mgr	Brother Model # MFC-7460 DN; **1-yr Wty: 4/5/2012 to 4/5/2013**	Parking	P-1 Parking	Serial #: U62701K1N199757	World Trade Office Supplies
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P1	SN 12723D0126; Radio ID# 2012	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P2	SN 12723D0120; Radio ID# 2013	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P3	SN 12816A0257; Radio ID# 2014	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P4	SN 12817A0326; Radio ID# 2018	Vision Communications

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2007	Desk Top Printer - Security	HP LaserJet 1018; Placed in service on May 19, 2012 by Chip at Allcovered	Security	Kevin's Desk-OOB	CNB1004493	HP.com
2009	Desk Top Monitor - Access Card	Dell Prof 1909, Wide Flat Panel DP/N OW160G: **3-yr Ltd Wty: 9/9/2009 to 9/9/2012**	Security	Access Card Desk-OOB	CN-OW160G-72872-97Q-387S	Dell.com
2010	Desk Top Computer - Dir of Security	Dell Opti Plex 380 MiniTower Base **3-yr Wty: 5/6/2010 to 5/5/2013.**	Security	Kevin's Desk-OOB	Service Tag # 21QYRL1; Express Code: 4459322917; Mfg Date: 5/5/2010	Dell.com
2010	Desk Top Monitor - Dir of Security	Dell 22 inch Flat Panel Display; E2210H; **3-yr Wty: 5/3/2010 to 5/2/2013.**	Security	Kevin's Desk-OOB	DP/N OH265R; S/N: CN-OH265R-64180-047-1TGL	Dell.com
2010	Security Camera at Load Dock on P-1 Level (Camera #2)	Pelco ES3012 20X PTZ Camera at Load Dock; Ship Date: April 6, 2010. **1-yr Wty: 4/6/2010 to 4/5/2011**	Security	P-1 Level	Serial Number: ABA-AP99	Universal Protection Systems
2010	Security Camera at West Monument. Camera #3 at the Plaza Level	Pelco ES3012 - 2 CLZ20PN; Ship Date: May 21, 2010. **1-yr Wty: 5/21/2010 to May 20, 2011.**	Security	Plaza Level	Serial Number: ABC-CYQ8	Vision Communications
2011	Camera 4 on top of East Monument Sign	Pelco Esprit ES3012 Series - Camera (Integrated Positioning System); Installed 3/24/2011.	Security	Plaza Level	SN ABVHVW2; Pelco Esprit ES3012-2CLZ20PN	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Security	Console	SN 12816A0498; Radio ID# 2005	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Security	Patrol	SN 12816A0491; Radio ID# 2006	Vision Communications
2013	Portable Radio	Motorola SL7550	Security	Kevin Stapleton	SN 682TND2817; Radio ID# 2017	Vision Communications

Exhibit E-2

EXHIBIT F

Form of FIRPTA Affidavit

FIRPTA CERTIFICATE

CERTIFICATE OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445 of the Internal Revenue Code), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the seller of the property and not the disregarded entity. To inform AGNL CLINIC, L.P., a Delaware limited partnership ("Buyer"), that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, a _____ (" Seller"), the undersigned hereby certifies the following on behalf of Seller:

1. Seller is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

2. Seller is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Income Tax Regulations.

3. Seller's U.S. employer identification number is _____.

4. Seller's office address is:

Seller understands that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, the undersigned declares that he/she has examined this certification and to the best of his knowledge and belief it is true, correct and complete, and he/she further declares that he/she has the authority to sign this document on behalf of Seller.

Executed as of the ___ day of ____, 20__.

SELLER

,

a _____
By: ____
Name: ____
Title: ____

STATE OF _____)
) SS.
COUNTY _____)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that the above named _____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the foregoing instrument bearing date on the ____ day of June, 2013, as his/her own free and voluntary act and as the free and voluntary act of the _____ of _____. for the uses and purposes therein set forth.

Given under my hand and Notary Seal, this __ day of June, 2013.

Notary Public

My Commission expires: _____

Exhibit F

EXHIBIT G-1

Form of Long Beach Owner's Affidavit

OWNER'S DECLARATION
(200-300 Oceangate, Long Beach, CA)

The undersigned hereby declares as follows:

Article I. Declarant is the _____ of Molina Center, LLC ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at 200-300 Oceangate, Long Beach, California, further described as follows: See Commitment No. 997-23021588-A-TC1 for full legal description (the "Land").

Article II. To the knowledge of Declarant, during the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever other than work done by tenants and licensees with regard to their leased or licensed space.

Article III. To the knowledge of Declarant, Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.

Article IV. To the knowledge of Declarant, except as shown in the above-referenced Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.

Article V. The Land is currently in use as an office building; Owner occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the land: See Exhibit A.

Article VI. To the knowledge of Declarant, there are no other persons or entities that are currently asserting an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that currently affect the Land.

Article VII. To the knowledge of Declarant, there are no outstanding options to purchase or rights of first refusal affecting the Land other than the right of first offer in favor of Molina Healthcare, Inc., which right is being waived in connection with this transaction.

This declaration is made with the intention that Fidelity National Title Insurance Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including reasonable attorneys' fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on June __, 2013 at _____.

OWNER:

MOLINA CENTER, LLC,
a Delaware limited liability company
By: DECLARANT:

Print Name: __
Title: __

Exhibit G-1

EXHIBIT A

List of Leases, Access Agreements and Licenses

LEASE AGREEMENTS, ACESS AGREEMENTS AND LICENSE AGREEMENTS ASSOCIATED WITH 200 & 300 OCEANGATE, LONG BEACH, CALIFORNIA, WITH MOLINA AS LANDLORD:

- 3-Dee International
- Arthritis National Research Foundation
- Lisa Brandon, CFLS
- California Coastal Commission
- Crowell, Weedon & Co.
- Department of Industrial Relations
- High Rise Goodies Restaurant Group, Inc.
- J. Perez Associates, Inc.
- Long Beach Publishing Company, Inc. (aka Press Telegram)
- Lynn E. Moyer
- D. Michael Trainotti
- Michael W. Binning
- Molina Healthcare, Inc.
- MVP Energy, LLC
- Pacific Maritime Association
- Pacific Merchant Shipping
- Bruce A. Dybens, AP
- California State Lands Commission
- US Department of Veterans Affairs
- Perona, Langer, Beck Serbin & Mendoza
- Rose, Klein & Marias, LLP
- United Parcel Services, Inc.
- APB Car Wash & Detailing Specialist - License
- Steel Coil
- Mikko Myong Pvonka, an individual
- TCG Los Angeles, Inc. (aka AT&T) – ACCESS AND LICENSE
- XO Communications Services, LLC – LICENSE
- Molina Healthcare of California (undocumented license agreement)

EXHIBIT G-2

Form of Columbus Owner's Affidavit

AFFIDAVIT AS TO TITLE

TO REAL ESTATE

STATE OF _____)
) SS.
COUNTY OF _____)

_____ ("Affiant"), being first duly sworn, deposes, states and agrees as follows:

Article I. Affiant is the _____ of Molina Healthcare, Inc. (the "Corporation") and is authorized to execute this Affidavit for and on behalf of said corporation.

Article II. The corporation is in good standing in the State of Delaware.

Article III To the knowledge of Affiant, the corporation has marketable title in fee simple to that referenced Property more fully described in Commitment for Title Insurance No. 4257983 dated February 15, 2013, and its possession thereof has been peaceable and undisturbed and the title to said Property has never been disputed or questioned to Affiant's knowledge, nor does Affiant know of any facts by reason of which the title to, or possession of, said Property might be disputed or questioned (the "Property").

Article IV That the corporation is not insolvent or bankrupt and there has been (i) no assignment made for the benefit of its creditors; (ii) no appointment of a receiver for its assets or properties; (iii) no bankruptcy, reorganization or liquidation proceeding instituted by or against it; and (iv) no dissolution proceedings therefor.

Article V That the corporation is not a "foreign person" as defined in the Foreign Investment Property Tax Act, Internal Revenue Code Section 1445; that the address for tax purposes is: _____, and the Federal Taxpayer Identification Number is _____.

Article VI That Affiant is at least eighteen (18) years of age and is not under any legal disability.

Article VII That, to the knowledge of Affiant, there are no unrecorded deeds, mortgages, leases, easements, contracts of sale and/or equities and/or agreements of any kind not fully disclosed of record or unrecorded given by or known to Affiant affecting the title to or use of the Property and that there are no leases, licensees or parties in possession or entitled to possession other than the Corporation and the parties listed on Exhibit A attached hereto.

Article VIII That, to the best of Affiant's knowledge, there are no violations of any covenants, conditions or restrictions of record affecting the Property and that there are no disputes with any adjoining property owners as to either the location of Property lines or the encroachments of any improvements.

Article IXThat, to the knowledge of Affiant, all utility charges (e.g. gas, electric, water bills) against the property have been or will be paid by Affiant.

Article XThat, to the knowledge of Affiant, no construction, labor, repairs, alterations or improvements made, ordered or contracted to be made on or to the Property, nor material ordered therefor, within the last ninety (90) days which has not been paid for in full; nor are there any fixtures attached to the Property which have not been paid for in full, for which the right to file a mechanic's or materialmen's lien might exist, nor has any unsatisfied claim for lien or claim for payment been made for labor or material furnished to the Property, except: as may exist in connection with work performed by tenants or licensees in their applicable space.

Article XIThat, to the knowledge of Affiant, there are no outstanding assessments against the Property nor has any notice been received as to pending assessments, except: _____.

Article XIIThat the foregoing statements are made for the benefit of and to induce Fidelity National Title Insurance Company to issue its owner's/loan policies of title insurance.

In the event that any of the representations made herein prove to be incorrect, for any reason, and a claim is made by third party with respect to these matters, the Corporation agrees to indemnify and hold harmless said Title Insurance Company from all claims and damages, including litigation costs and reasonable attorney fees arising as the result of such claim. All representations herein are made to the best of the knowledge of the parties signing hereto.

Further Affiant Sayeth Naught.

MOLINA HEALTHCARE, INC.,
a Delaware corporation
By: AFFIANT

Print Name: __
Title: __

The foregoing was sworn to and subscribed in my presence on _____.

Notary Public
My term expires: __

Exhibit G-2

EXHIBIT "A"

LEASE AGREEMENTS, ACCESS AGREEMENTS AND LICENSE AGREEMENTS ASSOCIATED WITH 3000 CORPORATE EXCHANGE DRIVE, COLUMBUS, OHIO, WITH MOLINA AS LANDLORD:

- Bresco Solutions, LLC - LICENSE
- iQor, Inc.
- Prime Engineering & Architecture, Inc.
- U.S. Congressman Patrick Tiberi
- XO Communications Services, Inc. – ACCESS AGREEMENT

EXHIBIT H

Form of Tenant Waiver Letter

[TENANT NAME]
[Tenant address]

_____, 20___

AGNL _____, L.L.C.
c/o Angelo, Gordon & Co., L.P.
245 Park Avenue
26th Floor
New York, NY 10167-0094
Attn: Gordon J. Whiting

Re: Lease Agreement, dated as of _____ __, 20___, between AGNL _____, L.L.C., a Delaware limited liability company ("Landlord"), and _____., a _____ ("Tenant") (the "Lease")

Ladies and Gentlemen:

Reference is made to that certain $_____ loan (the "Loan") made by _____ ("Lender") to _____ ("Landlord"), which Loan is secured by, inter alia, a certain [Mortgage] of even date herewith (the "Mortgage") encumbering certain property located at _____ (the "Property"), which Property is leased to _____ ("Tenant") pursuant to the above-referenced Lease.

In consideration of **[the execution and delivery of the Lease by Landlord] [the sum of ten dollars ($10.00)] [latter to be used in lease assumption or loan closed later situations]** and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Tenant hereby covenants and agrees with Landlord that, in the event Tenant or any Affiliate (as hereinafter defined) of Tenant purchases the interest of Lender in the Loan, Tenant or such Affiliate will not exercise any of the remedies provided to Lender under the Mortgage or any of the other documents evidencing or securing the Loan if and so long as an Event of Default (as defined in the Lease) exists and is continuing under the Lease.

[If Tenant is a corporation] [For the purposes hereof, the term "Affiliate" shall mean, with respect to a corporation, (i) any officer or director thereof and any person, trust, corporation, partnership, venture or other entity who or which is, directly or indirectly, the beneficial owner of more than 50% of any class of shares or other equity security of such corporation, or (ii) any person, trust, corporation, partnership, venture or other entity which, directly or indirectly controls or is controlled by or under common control with such corporation, or (iii) any general partner, general partner of a general partner, partnership with a common general partner, or co-venturer of or with any person or entity described in (i) or (ii) above, or (iv) if any general partner or co-venturer is a corporation, any person, trust, corporation, partnership, venture or other entity which is an Affiliate as defined above of such corporation, or (v) if any of the foregoing is a natural person, his or her parents, spouse, children, siblings and their children, and spouse's parents, children, siblings and their children.

"Controls", "controlled by" and "under common control with" each refers to the effective power, directly or indirectly, to direct or cause the direction of the management and policies of the person, trust, corporation, partnership, venture or other entity in question, whether by contract or otherwise.]

[If Tenant is not a corporation] Affiliate" of any Person means any Person which (a) controls, (b) is under the control of, or (c) is under common control with such Person (the term "control" as used herein shall be deemed to mean ownership of more than 50% of the outstanding voting stock of a corporation or other majority equity and control interest if such Person is not a corporation and the power to direct or cause the direction of the management or policies of such Person).

Very truly yours,
[TENANT NAME],
a _____
By: _____
Name: ____
Title: ____

Exhibit H

EXHIBIT I

Form of SLB Lease Agreement

EXHIBIT J

Form of Memorandum of Lease Agreement (Long Beach)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Sheppard Mullin Richter & Hampton,
LLP
1300 I Street, NW
11th Floor East
Washington, DC 20005
Attn: Michele E. Williams, Esq.

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

APN: 7278-003-035
APN: 7278-003-036

Exempt from Documentary Transfer Tax
(Term of the Lease is Less than 35 Years)

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made as of the ____ day of June, 2013, by and between AGNL CLINIC, L.P., a Delaware limited partnership ("Landlord"), having an address at c/o Angelo, Gordon & Co., L.P., 245 Park Avenue, 26th Floor New York, New York 10167-0094, and MOLINA HEALTHCARE, INC., a Delaware corporation ("Tenant"), with an address at 300 Oceangate Blvd., Suite 950, Long Beach, California 90802.

Lease. Landlord has demised and let to Tenant pursuant to the terms and conditions of a Lease Agreement dated as of June ____, 2013 (the "Lease"), the terms and conditions of said Lease are incorporated herein as though set forth in full, certain real property located in the City of Long Beach, County of Los Angeles, State of California described in Exhibit "A" attached hereto (the "Leased Premises").

Initial Term. Under the terms of the Lease, Tenant may have and hold the Leased Premises, together with the tenements, hereditaments, appurtenances and easements thereunto belonging, at the rental and upon the terms and conditions therein stated, for an initial term (the "Initial Term") of three hundred (300) full calendar months commencing as of June ____, 2013.

Renewal Term. Under the terms of the Lease, provided that if, on or prior to the last day of the Initial Term (the "Expiration Date") the Lease shall not have been terminated pursuant to any provision thereof, then on the Expiration Date and on the fifth, tenth, fifteenth, twentieth and twenty-fifth anniversaries of the Expiration Date (each such date, a "Renewal Date"), the term shall be extended for an additional period of five (5) years (each of the extension periods, a "Renewal Term"), provided that Tenant shall have notified Landlord in writing at least eighteen (18) months prior to the Expiration Date that Tenant has elected to so extend the Lease. Any such extension of the term shall be subject to all of the provisions of the Lease (except that Tenant shall not have the right to any additional Renewal Term).

No Responsibility for Liens. NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES, EQUIPMENT OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT, OR TO ANYONE HOLDING OR OCCUPYING ANY OF THE LEASED PREMISES THROUGH OR UNDER TENANT, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN AND TO ANY OF THE LEASED PREMISES. LANDLORD MAY AT ANY TIME POST ANY NOTICES ON ANY OF THE LEASED PREMISES REGARDING SUCH NON-LIABILITY OF LANDLORD.

Purpose and Intention. This Memorandum of Lease is executed for the purpose of recordation in the Official Records of the County of Los Angeles, State of California in order to give notice of all of the terms, provisions and conditions of the Lease and is not intended, and shall not be construed, to define, limit or modify the full text of the Lease. The leasehold estate created and conveyed hereby with respect to the Leased Premises is intended to be one and the same estate as was created with respect to the Leased Premises by the Lease and is further intended to be governed in all respects solely by the Lease and all of the provisions thereof. This Memorandum contains only selected provisions of the Lease.

Counterparts. This Memorandum of Lease may be executed in a number of counterparts and by different parties hereto in separate counterparts each of which, when so executed, shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

[*Signature pages to follow*]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date and year first written above.

"Landlord"
AGNL CLINIC, L.P.,
a Delaware limited partnership
By: AGNL Clinic GP, L.L.C., a Delaware limited liability company, its General Partner
By: AGNL Manager II, Inc., a Delaware corporation, its Manager
By: __

Name: Gordon J. Whiting

Title: President

[Signature Page 1 to CA Memorandum of Lease]

"Tenant"
MOLINA HEALTHCARE, INC.,
a Delaware corporation
By: __
Name: __
Title: __

[Signature Page 2 to CA Memorandum of Lease]

Exhibit J

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On _____, before me, _____, a Notary Public, personally appeared Gordon J. Whiting who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of New that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

[Acknowledgement to CA Memorandum of Lease]
Exhibit J

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PURJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

[Acknowledgement to CA Memorandum of Lease]
Exhibit J

Exhibit A

LEGAL DESCRIPTION

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 7278-003-036

Exhibit J

EXHIBIT K

Form of Memorandum of Lease Agreement (Columbus)

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Sheppard Mullin Richter & Hampton, LLP 1300 I Street, NW 11th Floor East Washington, DC 20005 Attn: Michele E. Williams, Esq.	THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

APN: 7278-003-035
APN: 7278-003-036

MEMORANDUM OF LEASE

1. THIS MEMORANDUM OF LEASE is made pursuant to § 5301.251 of the Ohio Revised Code as of the ____ day of June, 2013, by and between AGNL CLINIC, L.P., a Delaware limited partnership ("Landlord"), having an address at c/o Angelo, Gordon & Co., L.P., 245 Park Avenue, 26th Floor New York, New York 10167-0094, and MOLINA HEALTHCARE, INC., a Delaware corporation ("Tenant"), with an address at 300 Oceangate Blvd., Suite 950, Long Beach, California 90802.

2. Lease. Landlord has demised and let to Tenant pursuant to the terms and conditions of a Lease Agreement dated as of June ___, 2013 (the "Lease"), the terms and conditions of said Lease are incorporated herein as though set forth in full, certain real property located in the City of Columbus, Franklin County, Ohio described in Exhibit "A" attached hereto (the "Leased Premises").

3. Title. Landlord claims title to the Leased Premises through a deed filed as instrument _____ of Franklin County Records.

4. Initial Term. Under the terms of the Lease, Tenant may have and hold the Leased Premises, together with the tenements, hereditaments, appurtenances and easements thereunto belonging, at the rental and upon the terms and conditions therein stated, for an initial term (the "Initial Term") of three hundred (300) full calendar months commencing as of June ____, 2013.

5. Renewal Term. Under the terms of the Lease, provided that if, on or prior to the last day of the Initial Term (the "Expiration Date") the Lease shall not have been terminated pursuant to any provision thereof, then on the Expiration Date and on the fifth, tenth, fifteenth, twentieth and twenty-fifth anniversaries of the Expiration Date (each such date, a "Renewal Date"), the term shall be extended for an additional period of five (5) years (each of the extension periods, a "Renewal Term"), provided that Tenant shall have notified Landlord in writing at least eighteen (18) months prior to the Expiration Date that Tenant has elected to so extend the Lease. Any such extension of the term shall be subject to all of the provisions of the Lease (except that Tenant shall not have the right to any additional Renewal Term).

6. No Responsibility for Liens. NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES, EQUIPMENT OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT, OR TO ANYONE HOLDING OR OCCUPYING ANY OF THE LEASED PREMISES THROUGH OR UNDER TENANT, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN AND TO ANY OF THE LEASED PREMISES. LANDLORD MAY AT ANY TIME POST ANY NOTICES ON ANY OF THE LEASED PREMISES REGARDING SUCH NON-LIABILITY OF LANDLORD.

7. Purpose and Intention. This Memorandum of Lease is executed for the purpose of recordation in the Official Records of the County of Franklin, State of Ohio in order to give notice of all of the terms, provisions and conditions of the Lease and is not intended, and shall not be construed, to define, limit or modify the full text of the Lease. The leasehold estate created and conveyed hereby with respect to the Leased Premises is intended to be one and the same estate as was created with respect to the Leased Premises by the Lease and is further intended to be governed in all respects solely by the Lease and all of the provisions thereof. This Memorandum contained only selected provisions of the Lease.

8. Counterparts. This Memorandum of Lease may be executed in a number of counterparts and by different parties hereto in separate counterparts each of which, when so executed, shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

[*Signature pages to follow*]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease as of the date and year first written above.

"Landlord"
AGNL CLINIC, L.P.,
a Delaware limited partnership
By: AGNL Clinic GP, L.L.C., a Delaware limited liability company, its General Partner
By: AGNL Manager II, Inc., a Delaware corporation, its Manager
By: __

Name: Gordon J. Whiting

Title: President

[*Signature Page 1 to OH Memorandum of Lease*]
Exhibit K

"Tenant"
MOLINA HEALTHCARE, INC.,
a Delaware corporation
By: __
Name: __
Title: __

[*Signature Page 2 to OH Memorandum of Lease*]

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On _____, before me, _____, a Notary Public, personally appeared Gordon J. Whiting who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of New that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

[Acknowledgement to OH Memorandum of Lease]
Exhibit K

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

[Acknowledgement to OH Memorandum of Lease]
Exhibit K

Exhibit A

LEGAL DESCRIPTION

- PARCEL 1:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 13.727 acre tract, and all of the 0.875 acre tract conveyed to 17 Land Realty Corp. by deeds of record in O.R. 14066 B11 and O.R. 25716 J11, respectively, records of the Recorder's Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning at a railroad spike set at the intersection of the Southerly right-of-way line of Interstate 270 (FRA-270-18.32N) and centerline of Cooper Road (60 feet in width). Said railroad spike being the Northeasterly corner of said 0.875 acre tract;

Thence South 26 deg. 55' 00" East, a distance of 241.79 feet, along said centerline of Cooper Road and Easterly line of said 0.875 acre tract, to a railroad spike set at the Southeasterly corner of said 0.875 acre tract;

Thence North 78 deg. 47' 04" West, a distance of 38.14 feet, along the Southerly line of said 0.875 acre tract, to an iron pin set in the Westerly right-of-way line of said Cooper Road;

Thence South 26 deg. 55' 00" East, a distance of 295.14 feet, along said Westerly right-of-way line of Cooper Road and along the Easterly line of said 13.727 acre tract, to an iron pin set at the point of curvature in the Northerly right-of-way line of Corporate Exchange Drive (60 feet in width) of record in Plat Book 60, Page 22 and 23;

Thence the following four (4) courses and distances along said Northerly right-of-way line of Corporate Exchange Drive and Southerly line of said 13.727 acre tract;

1. Thence along arc of said curve to the right having a radius of 35.00 feet, a central angle of 90 deg. 00' 00", and a chord bearing South 18 deg. 05' 00" West, a chord distance of 49.50 feet to the point of tangency;

2. Thence South 63 deg. 05' 00" West, a distance of 35.00 feet, to an iron pin found at the point of curvature;

3. Thence along arc of said curve to the right having a radius of 270.00 feet, a central angle of 28 deg. 56' 27", and a chord bearing South 77 deg. 33' 14" West, a chord distance of 134.94 feet, to an iron pin set at the point of tangency;

4. Thence North 87 deg. 58' 33" West, a distance of 788.06 feet, to an railroad spike set;

Thence North 02 deg. 01' 27" East, a distance of 318.00 feet across said 13.727 acre tract to a railroad spike set in a Southerly line of the 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence South 87 deg. 58' 33" East, a distance of 15.00 feet along said Southerly line of the 5.103 acre tract to a railroad spike set at a Southeasterly corner of said 5.103 acre tract;

Exhibit K

Thence the following three (3) courses and distances along the Easterly lines to said 5.103 acre tract;

1. Thence North 02 deg. 01’ 27” East, a distance of 185.00 feet, to a P.K. nail found;

2. Thence South 87 deg. 58’ 33” East, a distance of 57.50 feet, to a railroad spike set;

3. Thence North 02 deg. 01’ 27” East, a distance of 167.21 feet, to an iron pin set in aforesaid Southerly right-of-way line of Interstate 270 at a Northeasterly corner of said 5.103 acre tract;

Thence South 78 deg. 46’ 49” East, a distance of 677.06 feet, along said Southerly right-of-way line of Interstate 270 and partly along the Northerly line of said 13.727 acre tract and partly along the Northerly line aforesaid 0.875 acre tract, to the point of beginning.

Containing 11.814 acres, more or less, of which 0.167 acres lies within the Cooper Road right-of-way.

The bearings in the above description are based on the bearing of South 87 deg. 58’ 33” East, for the centerline of Corporate Exchange Drive, as shown on the dedication Plat for Corporate Exchange Drive, of record in Deed Book 60, Page 22 and 23, records of the Recorder’s Office, Franklin County, Ohio.

PARCEL 2:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 4.500 and 13.727 acre tracts conveyed to 17 Land Realty Corp. by deed of record in O.R. 14066 B11, Records of the Recorder’s Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning for reference at a PK nail found at the centerline intersection of Presidential Gateway (60 feet in width) as established by the Plat of record in Plat Book 83, Page 80 and Corporate Exchange Drive (60 feet in width) as established by the Plat of record in Plat Book 60, Page 22;

Thence North 87 deg. 58’ 33” West, a distance of 329.18 feet along the centerline of Corporate Exchange Drive to a point;

Thence North 02 deg. 01’ 27” East, a distance of 30.00 feet, to a railroad spike set on the Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 acre tract and being the point of true beginning;

Thence the following three (3) courses and distances along the said Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 and 4.500 acre tracts;

1. Thence North 87 deg. 58’ 33” West, a distance of 94.38 feet to an iron pin set at a point of curvature;

2. Thence along the arc of said curve to the right, having a radius of 420.00 feet, a central angle of 27 deg. 22’ 54”, a chord bearing North 74 deg. 17’ 06” West, and a chord distance of 198.81 feet to an iron pin found at the point of tangency;

3. Thence North 60 deg. 35’ 39” West, a distance of 28.10 feet to an iron pin set at a Southeasterly corner of a 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence the following two (2) courses and distance along the Easterly and Southerly lines of said 5.103 acre tracts;

1. Thence North 02 deg. 01’ 27” East, a distance of 258.02 feet to a railroad spike set;

2. Thence South 87 deg. 58’ 33” East, a distance of 312.50 feet to a railroad spike set;

Thence South 02 deg. 01’ 27” West, a distance of 318.00 feet across said 13.727 acre tract to the point of true beginning, containing 2.183 acres, more or less, subject to all easements, restrictions and rights-of-way of record.

Exhibit K

EXHIBIT L

Existing Leases, Access Agreements and License Agreements

EXISTING, LEASE AGREEMENTS, ACCESS AGREEMENTS AND LICENSE AGREEMENTS ASSOCIATED WITH 200 & 300 OCEANGATE, LONG BEACH, CALIFORNIA, WITH MOLINA AS LANDLORD:

- 3-Dee International
- Arthritis National Research Foundation
- Lisa Brandon, CFLS
- California Coastal Commission
- Crowell, Weedon & Co.
- Department of Industrial Relations
- High Rise Goodies Restaurant Group, Inc.
- J. Perez Associates, Inc.
- Long Beach Publishing Company, Inc. (aka Press Telegram)
- Lynn E. Moyer
- D. Michael Trainotti
- Michael W. Binning
- Molina Healthcare, Inc.
- MVP Energy, LLC
- Pacific Maritime Association
- Pacific Merchant Shipping
- Bruce A. Dybens, AP
- California State Lands Commission
- US Department of Veterans Affairs
- Perona, Langer, Beck Serbin & Mendoza
- Rose, Klein & Marias, LLP
- United Parcel Services, Inc.
- APB Car Wash & Detailing Specialist - License
- Steel Coil
- Mikko Myong Pivonka, an individual
- TCG Los Angeles, Inc. (aka AT&T) – ACCESS AND LICENSE
- XO Communications Services, LLC – LICENSE
- Molina Healthcare of California (undocumented license agreement)

LEASE AGREEMENTS AND LICENSE AGREEMENTS ASSOCIATED WITH 3000 CORPORATE EXCHANGE DRIVE, COLUMBUS, OHIO, WITH MOLINA AS LANDLORD:

- Bresco Solutions, LLC - LICENSE
- iQor, Inc.
- Prime Engineering & Architecture, Inc.
- U.S. Congressman Patrick Tiberi
- XO Communications Services, Inc. – ACCESS AGREEMENT

EXHIBIT M

Form of Subordination, Nondisturbance and Attornment Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Sheppard Mullin Richter & Hampton LLP
1300 I Street NW
Washington, DC 20005
Attention: Michele E. Williams

THIS SPACE ABOVE FOR RECORDER'S USE

SUBORDINATION AGREEMENT, ATTORNMENT AND NON-DISTURBANCE AGREEMENT, AND CONSENT TO SUBLEASE

NOTICE: SUBJECT TO THE NON-DISTURBANCE PROVISIONS CONTAINED HEREIN, THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASE BECOMING SUBORDINATE TO, SUBJECT TO AND OF LOWER PRIORITY THAN THE GROUND LEASE (DEFINED BELOW)

THIS SUBORDINATION AGREEMENT, ATTORNMENT AND NON-DISTURBANCE AGREEMENT AND CONSENT TO SUBLEASE (this "Agreement") is made as of _____ ____, 2013 (the "Effective Date"), by and among AGNL Clinic, L.P., a Delaware limited partnership ("AGNL"), Molina Healthcare, Inc., a Delaware corporation ("Molina"), Royal Bank of Scotland PLC and RBS Financial Products, Inc. (collectively, "Lender") and Long Beach Publishing Company, Inc., a Delaware corporation (a/k/a Long Beach Press Telegram) ("Sub-Tenant").

RECITALS:

A. Molina Center LLC, a Delaware limited liability company ("Center"), as landlord, and Sub-Tenant, as tenant (or their respective predecessors in interest), entered into a Standard Form Office Lease made and entered into as of October 21, 2005 (as amended by the First Amendment to Lease dated July 20, 2006 and the Second Amendment to Lease dated March 20, 2008,the "Lease"). Pursuant to the Lease, Sub-Tenant leases from Center that certain portion of the Property (defined below) as more particularly described on Exhibit B attached hereto and incorporated herein by this reference (the "Premises"). A copy of the Lease is attached hereto as Exhibit C and incorporated herein by this reference.

B. On the Effective Date, Center sold and conveyed to AGNL the fee simple interest in that certain real property with an address of 200 and 300 Oceangate Blvd., Long Beach,

California 90802, and described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the " Property") and Center assigned the Lease to Molina.

C. On the Effective Date, AGNL, as landlord, and Molina, as tenant, entered into a Lease Agreement dated as of the Effective Date (together with any amendments, modifications, replacements or extensions, the " Ground Lease") pursuant to which AGNL leased to Molina all of the Property and improvements located thereon as more fully described in the Ground Lease and Lender made a loan (the "Loan") to AGNL secured by, among other things, that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Security Instrument") encumbering AGNL's interest in the Property.

D. As a condition to completing the sale and purchase of the Property and entering into the Ground Lease, AGNL and Lender have required that Molina and Sub-Tenant acknowledge and agree that (notwithstanding the fact that the Lease was entered into prior to the Ground Lease) unconditionally and at all times the Ground Lease shall be prior and superior in title to the Lease and that Molina and Sub-Tenant specifically and unconditionally subordinate their respective interests in the Lease to the priority in title of the Ground Lease, subject to certain "non-disturbance" protections for Sub-Tenant described herein.

E. Subject to certain "non-disturbance" protections for Sub-Tenant described herein, the effect of the foregoing subordination shall be that the Ground Lease shall be deemed a master lease or superior lease and that the Lease shall be deemed a sublease under the Ground Lease.

F. The parties have agreed to the foregoing and to all of the other agreements and understandings set forth in this Agreement.

NOW, THEREFORE, for valuable consideration and to induce AGNL to enter into the transactions described in the recitals, AGNL, Molina, Lender and Sub-Tenant hereby agree as follows:

Subordination; Consent to Sublease. AGNL, Molina, Lender and Sub-Tenant hereby agree that:

Recitals. The foregoing recitals are incorporated herein by reference as if fully set forth in this Agreement.

Prior Title. Subject to Section 4 of this Agreement, the Ground Lease, and any modifications, renewals or extensions thereof, is and shall unconditionally be and at all times remain prior and superior in title to the Lease. Molina shall be the direct landlord under the Lease and shall continue to be liable and obligated to Sub-Tenant for all of landlord's liabilities and obligations thereunder.

Additional Agreements. It is covenanted and agreed that so long as the Ground Lease is in effect:

No Advance Rents. Sub-Tenant will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease except as may be expressly required of Sub-Tenant under the Lease.

Assignment of Rents. Upon receipt by Sub-Tenant of written notice from AGNL that AGNL has elected to terminate the Ground Lease or that an Event of Default (as defined in the Ground Lease) has occurred, Sub-Tenant will pay directly to AGNL all rents due and payable under the Lease. Sub-Tenant shall comply with such direction to pay and shall not be required to determine whether the Ground Lease has been terminated or whether Molina is in default under the Ground Lease, Molina and AGNL hereby agreeing with Sub-Tenant that Sub-Tenant shall be given credit under the Lease for any such payments as though such payments had been made to Molina.

Assignment and Subletting. Sub-Tenant shall not exercise any of its rights to assign, sublet, license, lease, sublease or otherwise transfer any right of use or occupancy for the Premises which requires the prior consent of Molina under the Lease without obtaining the prior written consent of AGNL in accordance with Section 2.6 hereof (the foregoing requirement for AGNL's consent shall exist independent of and regardless of whether Molina has granted its consent to such assignment, subletting, license, lease, sublease or other transfer).

Alterations and Repairs. Tenant shall not make any alteration (as defined in the Lease) at the Premises which requires the prior consent of Molina under the Lease without obtaining the prior written consent of AGNL in accordance with Section 2.6 hereof.

AGNL Agreement. So long as Molina (or any successor landlord) does not have the right to terminate the Lease by reason of default (after any applicable notice and cure periods) on the part of Sub-Tenant, then, in such event, (a) unless any applicable law requires same, Sub-Tenant shall not be joined as a party defendant in any action or proceeding which may be instituted or taken by AGNL for the purpose of terminating the Ground Lease by reason of any default thereunder, (b) Sub-Tenant shall not be evicted from the Premises nor shall any of Sub-Tenant's rights under the Lease be impaired or otherwise affected in any way by reason of any default under the Ground Lease, and (c) Sub-Tenant's estate under the Lease shall not be terminated or disturbed by reason of any default on the part of Molina under the Ground Lease.

Consents. AGNL covenants and agrees that any consents by AGNL provided for hereunder generally shall be given, deemed given or withheld under the same standard as would be the case for Molina under the Lease, provided that Tenant also delivers to AGNL any notices related to such matters at the same time as delivered to Molina in accordance with the terms of the Lease. Tenant agrees that, if Tenant contends that AGNL improperly withheld its consent to any action or occurrence which requires AGNL's consent hereunder, then Tenant may seek an action for declaratory judgment against AGNL seeking to reverse such decision, or otherwise avail itself of any other remedies against AGNL to the extent available against the landlord under the Lease. The foregoing shall not limit or otherwise affect any and all remedies or claims that Tenant may have against Molina under or pursuant to the Lease.

Attornment. Sub-Tenant agrees for the benefit of AGNL and any transferee, successor or assign of AGNL or lender of AGNL, including, without limitation, Lender, which succeeds to the rights of AGNL, as landlord, pursuant to a foreclosure, deed-in-lieu of foreclosure or other exercise of remedies (hereafter referred to, collectively, as "Prime Landlord") following a termination of the Ground Lease, but subject in each case to Section 4 of this Agreement, as follows:

Payment of Rent. Sub-Tenant shall pay to Prime Landlord all rental payments required to be made by Sub-Tenant pursuant to the terms of the Lease for the duration of the term of the Lease.

Continuation of Performance. Sub-Tenant shall be bound to Prime Landlord in accordance with all of the provisions of the Lease for the balance of the term thereof, and Sub-Tenant hereby attorns to Prime Landlord as its landlord following a termination of the Ground Lease, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Prime Landlord's termination of the Ground Lease and delivery of written notice thereof to Sub-Tenant.

No Offset. Prime Landlord shall not be liable for, nor subject to, any offsets, credits or defenses which Sub-Tenant may have by reason of any act or omission of Molina under the Lease (except to the extent specifically provided in the Lease as of the Effective Date and solely for such offsets, credits or defenses accruing or continuing after Prime Landlord becomes the landlord under the Lease), nor for the return of any sums which Sub-Tenant may have paid to Molina under the Lease as and for security deposits, advance rentals or otherwise, except to the extent that such sums are actually delivered by Molina to Prime Landlord (and provided that the foregoing provisions shall not exempt or discharge Prime Landlord, if Prime Landlord succeeds to the interest of Molina under the Lease, from the performance of the obligations of the "Landlord" under the Lease accruing during and applicable to Prime Landlord's period of ownership).

Subsequent Transfer. If Prime Landlord, by succeeding to the interest of Molina under the Lease, should become obligated to perform the covenants of Molina thereunder, then, upon any further transfer of Prime Landlord's interest by Prime Landlord and assumption thereof in writing by the transferee, all of such obligations (except those assumed by Prime Landlord during and applicable to Prime Landlord's period of ownership) shall terminate as to Prime Landlord.

Non-Disturbance. In the event of a termination of the Ground Lease, or other action to enforce AGNL's remedies under the Ground Lease or any other termination or surrender thereof, including, without limitation, pursuant to Section 365(h) of the U.S. Bankruptcy Code or Lender's exercise of remedies under the Security Instrument, so long as there shall then exist no right of the landlord to exercise remedies pursuant to the Lease by reason of default (beyond any applicable notice and cure period) by Sub-Tenant such that there is a right to terminate the Lease, each of AGNL and Lender agrees for itself and each of its successors and assigns that the leasehold interest of Sub-Tenant under the Lease shall not be disturbed, extinguished or terminated by reason of such termination or exercise of remedies by AGNL or Lender, but rather the Lease shall continue in full force and effect and AGNL or Lender (and any party that shall become a transferee of the Property by reason thereof), as applicable, shall recognize and accept Sub-Tenant as tenant under the Lease subject to and upon the terms and provisions of the Lease except as modified by this Agreement.

If a default (beyond any applicable notice and cure period) exists under the Lease such that there is a right to terminate the Lease at the time of the termination of the Ground Lease or the exercise of any of AGNL's remedies thereunder, then both AGNL and Lender may elect to continue the Lease as provided for in this Agreement or terminate the Lease upon written notice from AGNL and/or Lender to Sub-Tenant.

Miscellaneous.

Heirs, Successors, Assigns and Transferees. The covenants herein shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the parties hereto including, without limitation, Lender or any other lender of AGNL that becomes landlord under the Ground Lease or the Lease.

Notices. All notices or other communications required or permitted to be given pursuant to the provisions hereof shall be deemed served upon personal delivery or, if delivered by overnight courier such as FedEx or UPS, upon the date of delivery, or, if mailed, upon the first to occur of actual receipt or the expiration of three (3) days after deposit in United States Postal Service, certified mail, postage prepaid and addressed to the address of AGNL, Molina, Lender or Sub-Tenant appearing below:

"AGNL"	AGNL Clinic, L.P. c/o Angelo, Gordon & Co., L.P. 245 Park Avenue, 26th Floor New York, NY 10167-0094 Phone No.: (212) 883-4157 Fax No.: (212) 883-4141 Attn: Gordon J. Whiting
With a copy to:	AGNL Manager II, Inc. c/o Angelo, Gordon & Co., L.P. 245 Park Avenue, 26th Floor New York, NY 10167-0094 Phone No.: (212) 692-2296 Fax No.: (212) 867-6448 Attn: Joseph R. Wekselblatt
With a copy to:	Sheppard, Mullin, Richter & Hampton LLP 1300 I Street, N.W., Suite 1100 Washington, D.C. 20005 Phone No.: (202) 469-4943 Fax No.: (202) 312-9411 Attn: Michele E. Williams, Esquire
"Molina"	Director of Facilities Molina Healthcare, Inc. 200 Oceangate, Suite 100 Long Beach, CA 90802-4317

	Phone No.: (562) 435-3666 Fax No.: (562) 901-1086
with a copy to:	Sidley Austin LLP 555 West 5th Street 40th Floor Los Angeles, CA 90013 Phone No: (213) 896-6018 Fax No.: (213) 896-6600 Attn.: Marc I. Hayutin, Esquire
and to:	Sidley Austin LLP 555 West 5th Street 40th Floor Los Angeles, CA 90013 Phone No: (213) 896-6048 Fax No.: (213) 896-6600 Attn.: Edward C. Prokop, Esquire
"Lender"	The Royal Bank of Scotland PLC c/o RBS Financial Products Inc. 600 Washington Boulevard Stamford, Connecticut 06901 Attn: Real Estate Advisory Fax No.: (203) 873-4670
and to:	The Royal Bank of Scotland PLC c/o RBS Financial Products Inc. 600 Washington Boulevard Stamford, Connecticut 06901 Attn: Legal Department Fax No.: (203) 873-4670
with a copy to:	Kaye Scholer LLP 425 Park Avenue New York, New York 10022 Attn: Stephen Gliatta, Esq. Telecopier: (212) 836-8689
"Sub-Tenant"	Long Beach Publishing Company, Inc. 300 Oceangate, Suite 400 Long Beach, California 90802 Attn: _____ Phone No.: ( ) _____ Fax No.: ( ) _____
with a copy to:	_____ _____ _____

and to: George A. Furst
Law Offices of George A. Furst
16161 Ventura Boulevard, Suite C710
Encino, California 91436
Phone No.: (818) 789-5668
Fax No.: (818) 789-5668 (prior notification before sending fax required)

provided, however, that any party shall have the right to change its address for notice hereunder by the giving of written notice thereof to the other parties in the manner set forth in this Agreement.

Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

Remedies Cumulative. All rights of AGNL herein to collect rents on behalf of Molina under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between AGNL and Molina or others.

Paragraph Headings. Paragraph headings in this Agreement are for convenience only and are not to be construed as part of this Agreement or in any way limiting or applying the provisions hereof.

Representations. Each of AGNL, Molina, Lender and Sub-Tenant represents to the other respective parties that it has the power and authority to enter into this Agreement.

Intentionally Omitted.

Governing Law. It is the intention of the parties hereto that this Agreement (and the terms and provisions hereof) shall be construed and enforced in accordance with the laws of the State of California, without regard to any conflict of law principles.

Recordation. At AGNL's option, this Agreement may be recorded in the land records where the Property is located. Any recordation of this Agreement or any memorandum thereof, whether at the request of AGNL, Lender or otherwise, shall not be at Sub-Tenant's expense.

Fee Lender Subordination. AGNL, Molina, Lender and Sub-Tenant agree that the Lease shall be subordinate to the Loan and the Security Instrument and any mortgage or other security instrument hereafter placed upon the Property (which includes the Premises) by AGNL, and to any and all advances made or to be made thereunder, to the interest thereon, and all renewals, replacements and extensions thereof; provided, however, that the foregoing shall not limit Lender's agreements contained herein, including, without limitation, as described in Section 4 hereof.

INCORPORATION. Exhibit A, Exhibit B and Exhibit C are attached hereto and incorporated herein by this reference.

(SIGNATURES FOLLOW)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above-written.

NOTICE: IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

"MOLINA"

MOLINA HEALTHCARE, INC.,
a Delaware corporation
By: ____
Name: ____

Date: __ Its: __

"AGNL"

AGNL CLINIC, L.P.,
a Delaware limited partnership
By: AGNL CLINIC GP, L.L.C.,
its general partner
By: AGNL Manager II, Inc.,
its manager
Date: By: ____

Gordon J. Whiting, President

Signature Page to
Sublease SNDA
Exhibit M

"LENDER"

ROYAL BANK OF SCOTLAND PLC

Date:

By: RBS Securities, Inc., its agent

By: __
Name:__
Its:____

RBS FINANCIAL PRODUCTS, INC.,
a Delaware corporation

Date:

By: RBS Securities, Inc., its agent

By: __
Name:__
Its:____

Signature Page to
Sublease SNDA
Exhibit M

"SUB-TENANT"

LONG BEACH PUBLISHING COMPANY, INC.,
a Delaware corporation

Date: By:_____

Name:_____

Its:_____

Signature Page to
Sublease SNDA
Exhibit M

ACKNOWLEDGEMENT
(For Molina)

STATE OF CALIFORNIA)
)ss.
COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Acknowledgement to
Sublease SNDA
Exhibit M

ACKNOWLEDGEMENT
(For AGNL)

STATE OF_____
COUNTY OF ____

On June ___, 2013 before me, _____, a Notary Public, in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Notary Public in and for said State

Acknowledgement to
Sublease SNDA
Exhibit M

ACKNOWLEDGEMENT
(For Lender)

STATE OF_____
COUNTY OF ____

On June ___, 2013 before me, _____, a Notary Public, in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Notary Public in and for said State

ACKNOWLEDGEMENT
(For Lender)

STATE OF_____
COUNTY OF ____

On June ___, 2013 before me, _____, a Notary Public, in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her/their authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Notary Public in and for said State

Acknowledgement to
Sublease SNDA
Exhibit M

ACKNOWLEDGEMENT
(For Sub-Tenant)

STATE OF CALIFORNIA)
)ss:
COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)]

Acknowledgement to
Sublease SNDA
Exhibit M

EXHIBIT A

PROPERTY

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 7278-003-036

EXHIBIT B

PREMISES

The premises leased from Molina to Sub-Tenant under the Lease, consisting of approximately 26,213 rentable square feet, on portions of the first, fourth and fourteenth floors of the office building located at 300 Oceangate Blvd., Long Beach, California

EXHIBIT C

LEASE

Exhibit M

EXHIBIT N

Form of Notice of Subordination

NOTICE OF SUBORDINATION

THIS NOTICE OF SUBORDINATION (this "Notice") is dated June __, 2013 (the "Effective Date"), by AGNL Clinic, L.P., a Delaware limited partnership ("AGNL") and Molina Healthcare, Inc., a Delaware corporation (" Molina")

1. Molina Center LLC, a Delaware limited liability company ("Center"), as landlord, and _____ ("Sub-Tenant") as tenant (or their respective predecessors in interest), entered into a Lease made and entered into as of _____, 20__ (the "Lease"). Pursuant to the Lease, Sub-Tenant leases from Center that certain portion of the Property (defined below) as more particularly described on Exhibit B attached hereto and incorporated herein by this reference (the " _____ Premises").

2. On the Effective Date, Center, sold and conveyed to AGNL the fee simple interest in that certain real property with an address of 200 and 300 Oceangate Blvd., Suite 950, Long Beach, California 90802, and described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "Property").

3. On the Effective Date, AGNL, as landlord, and Molina, as tenant, entered into a Lease Agreement dated as of the Effective Date (together with any amendments, modifications, replacements or extensions, the " Ground Lease") pursuant to which AGNL leased to Molina all of the Property and improvements located thereon as more fully described in the Ground Lease, Center assigned the Lease to Molina, and Lender made a loan (the "Loan") to AGNL secured by, among other things, that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Security Instrument") encumbering AGNL's interest in the Property.

4. Pursuant to Section 12 or Section 33, as applicable, of the Lease, Sub-Tenant agreed that, at the option of Landlord (as defined in the Lease), all future ground leases would be superior to the Lease. Center, as Landlord under the Lease, hereby exercises such option with regard to the Ground Lease. The effect of the foregoing subordination shall be that the Ground Lease shall be deemed a master lease or superior lease and that the Lease shall be deemed a sublease under the Ground Lease.

[Signature Page Follows]

Sincerely,

AGNL Clinic, L.P.,
a Delaware limited partnership

By: AGNL Clinic GP, L.L.C.,
a Delaware limited liability company,
its general partner

By: AGNL Manager II, Inc.,
a Delaware corporation, its manager

By: _____
Name: Gordon J. Whiting
Title: President

Exhibit N

Exhibit A

LEGAL DESCRIPTION

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 7278-003-036

Exhibit B

[ ] PREMISES

[Address and Suite #]

Exhibit N

EXHIBIT O-1

Long Beach Title Pro Forma

(attached)

Fidelity National Title Insurance Company

POLICY NO.: Pro Forma-23021588

PRO FORMA
OWNER'S POLICY OF TITLE INSURANCE

Issued by

Fidelity National Title Insurance Company

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, FIDELITY NATIONAL TITLE INSURANCE COMPANY, a California corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.

2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from

   (a) A defect in the Title caused by

      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;

      (ii) failure of any person or Entity to have authorized a transfer or conveyance;

      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;

      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;

      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;

(vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or

(vii) a defective judicial or administrative proceeding.

(b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.

(c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.

3. Unmarketable Title.

4. No right of access to and from the Land.

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

(a) the occupancy, use, or enjoyment of the Land;

(b) the character, dimensions, or location of any improvement erected on the Land;

(c) the subdivision of land; or

(d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

9. Title being vested other than as stated Schedule A or being defective

   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or

   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records

      (i) to be timely, or

      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, FIDELITY NATIONAL TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

27306 (6/06)
Alta Owner's Policy

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda,

correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights

and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the

policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms

of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Fidelity National Title Insurance Company, Attn: Claims Department, Post Office Box 45023, Jacksonville, Florida 32232-5023.

Fidelity National Title Insurance Company

SCHEDULE A

This is a Pro Forma Policy. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

Name and Address of Title Insurance Company: **Fidelity National Title Company**
1300 Dove Street, Suite 310
Newport Beach, CA 92660

Policy No.: **Pro Forma-23021588** Order No.: **23021588-997-MAT**

Address Reference: **200-300 Oceangate, Long Beach, CA**

Amount of Insurance: $134,625,566.00 Premium: **PRO FORMA**

Date of Policy: **PRO FORMA**

1. Name of Insured:

   AGNL Clinic, L.P., a Delaware limited partnership

2. The estate or interest in the Land that is insured by this policy is:

   A FEE

3. Title is vested in:

   AGNL Clinic, L.P., a Delaware limited partnership

4. The Land referred to in this policy is described as follows:

   See Exhibit A attached hereto and made a part hereof.

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY AND ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 & 7278-003-036

THE ABOVE DESCRIBED LAND IS ALSO DESCRIBED ON THE ALTA SURVEY PREPARED BY FJS LAND CONSULTING FOR BOCK & CLARK'S NATIONAL SURVEYOR'S NETWORK, DATED FEBRUARY 27, 2013 AND LAST REVISED _____, 2013, AND DESIGNATED AS JOB NO. 201300337-002, AS FOLLOWS:

PARCEL 2, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 2, BEING A 2 ½" IRON PIPE TAGGED LS 2680; THENCE:

1ST – NORTH 89° 55'49" EAST 584.88 FEET TO A 2 ½" IRON PIPE TAGGED LS 2680; THENCE,
2ND – SOUTH 00° 04'11" EAST 320.00 FEET TO A 2 ½" IRON PIPE TAGGED LS 2680; THENCE,
3RD – SOUTH 89° 55'49" WEST 109.01 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY HAVING A RADIUS OF 477.83 FEET; THENCE ALONG SAID CURVE,
4TH – WESTERLY 61.71 FEET THROUGH A CENTRAL ANGLE OF 7° 24'00"; THENCE,
5TH – SOUTH 82° 24'48" WEST 58.94 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHERLY HAVING A RADIUS OF 652.00 FEET; THENCE ALONG SAID CURVE,
6TH – WESTERLY 84.21 FEET THROUGH A CENTRAL ANGLE OF 7° 24'00", THENCE,
7TH – SOUTH 89° 55'49" WEST 162.45 FEET TO A 2 ½" IRON PIPE TAGGED LS 2680; THENCE,
8TH NORTH 00° 04"11" WEST 161.00 FEET; THENCE,
9TH SOUTH 89° 55'48" WEST 109.46 FEET; THENCE,
10TH NORTH 00° 04'11" WEST 176.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 3, BEING A 2 1/2" IRON PIPE TAGGED LS 2680; THENCE

1ST – SOUTH 0° 04'11" EAST 76.02 FEET; THENCE,

2ND – SOUTH 88° 26’36” EAST 475.58 FEET; THENCE,
3RD – NORTH 0° 04’11” WEST 80.68 FEET TO A 2 1/2” IRON PIPE TAGGED LS 2680; THENCE

4TH – SOUTH 89° 55’49” WEST 109.01 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE SOUTHERLY HAVING A RADIUS OF 477.83 FEET; THENCE ALONG SAID CURVE,
5TH – WESTERLY 61.71 FEET THROUGH A CENTRAL ANGLE OF 7° 24’00”, THENCE;
NORTHERLY HAVING A RADIUS OF 652.00 FEET; THENCE ALONG SAID CURVE,
6TH – SOUTH 82° 24’48” WEST 58.94 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHERLY HAVING A RADIUS OF 652.00 FEET; THENCE ALONG SAID CURVE,
7TH – WESTERLY 84.21 FEET THROUGH A CENTRAL ANGLE OF 7° 24’00”, THENCE,
8TH – SOUTH 89° 55’49” WEST 162.45 FEET TO THE TRUE POINT OF BEGINNING.

NOTE: PARCEL 3 ONLY INCLUDES THE AIRSPACE LOCATED 15.5 FEET ABOVE THE FINISHED SURFACE OF SAID LAND

PER THE SURVEYOR THE ABOVE METES AND BOUNDS LEGAL DESCRIPTIONS COVER THE SAME PROPERTY AS THE PROPERTY COVERED BY THE RECORD LEGAL DESCRIPTION. HOWEVER, ARE NOT THE VESTING LEGAL DESCRIPTION. THESE ARE MERELY PROVIDED AS A COURTESY.

THE ABOVE METES AND BOUNDS LEGAL DESCRIPTION IN NOT THE RECORD LEGAL DESCRIPTION AND IS MERELY PROVIDED AS A COURTESY ONLY.NO COVERAGE IS GIVEN AS TO THE ACCURACY THEREOF.

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014.
2. Intentionally Deleted.
3. Intentionally Deleted
4. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California. None yet due and payable.
5. Water rights, claims or title to water, whether or not disclosed by the public records.
6. Intentionally deleted
7. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

   Redevelopment Agency: Redevelopment Agency of the City of Long Beach, California
   Recording Date: October 21, 1969
   Recording No: 3208 of Official Records
8. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

   Granted by: Redevelopment Agency of the City of Long Beach
   Granted to: The City of Long Beach
   Purpose: Slope and incidental purposes
   Recording Date: April 22, 1976
   Recording No: as Instrument No. 470, Book D7050, Page 668, of Official Records
   Affects: A portion of Parcel 2

9. Matters contained in that certain document

   Entitled: Grants, Covenants and Restrictions
   Executed by: Redevelopment Agency of The City of Long Beach, California, a public body, corporate and politic and Oceangate Financial Center, Ltd., a California limited partnership
   Recording Date: February 18, 1976
   Recording No: as Instrument No. 488, Book M5256, Page 630, of Official Records

10. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

    Entitled: "Resolution No. RA. 13-76"
    Executed by: Redevelopment Agency of The City of Long Beach, California
    Recording Date: May 27, 1976
    Recording No: as Instrument No. 4810, Book D7097, Page 356, of Official Records

    Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

11. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

    Entitled: "Grant Deed"
    Grantor: Redevelopment Agency of The City of Long Beach, California
    Recording Date: November 25, 1980
    Recording No: 80-1188844 of Official Records

    Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

    In connection therewith, a "Certificate of Completion for Construction of Improvements" recorded July 12, 1983, as Instrument No. 83-780907, of Official Records.

12. Matters contained in that certain document

    Entitled: Disposition and Development Agreement
    Executed By and Between: Redevelopment Agency of The City of Long Beach, California and Dillingham Investments, Incorporated and Gilbert F. Platt, Incorporated, a California corporation
    Recording Date: November 25, 1980
    Recording No: 80-1188843, of Official Records

    Reference is hereby made to said document for full particulars.

    In connection therewith, a "Certificate of Completion for Construction of Improvements" recorded July 12, 1983, as Instrument No. 83-780907, of Official Records.

13. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Grantor:	Norland Properties
Granted to:	The Mutual Life Insurance Company of New York

Purpose:	Subsurface encroachment of a parking structure, the maintenance thereof, and incidental purposes
Recording Date:	December 02, 1982
Recording No:	82-1201843, of Official Records
Affects:	The easterly 4 feet of Parcel 2

14. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Grantor:	Norland Properties
Granted to:	Southern California Edison Company, a corporation
Purpose:	electrical supply and communication systems, and incidental purposes
Recording Date:	September 29, 1982
Recording No:	82-986386 of Official Records
Affects:	A portion of Parcel 2

15. Recitals as shown on that certain Parcel Map 5196, Book 71, Page 14, of Parcel Maps.

    Which among other things recites:

    a. Abutter's rights of ingress and egress to or from Shoreline Drive, except the public right to travel on same, have been dedicated or relinquished on the map of Tract Map No. 27757 on file in Book 820, Page 91, of Tract Maps.

    b. The following matters as shown in the "NOTES" on Parcel Map No. 5196 filed in Book 71 of Parcel Maps, at Page 14, Los Angeles County Records, as said Parcel Map is referred to in the herein legal description:

        1. "Parcels 3 and 4 represent portions of the undedicated portions of Lots 4 and 10, Tract 27757, M.B. 820, Pgs. 91-94 lying above an imaginary surface which at all points thereon is 15.5 feet vertically above the unfinished surface of said Lots 4 and 10 improved for public street purposes."
        2. "The ownership, sale, lease or financing of all or part of Parcels 2 and 3 separately is prohibited per conditions in Resolution No. 13-76 as recorded in Book D7097, Pgs. 356."
        3. "Pedestrian & vehicular ingress and egress rights into Seaside Way across the southwesterly & southerly line of Parcel 1 and the southerly line of Parcel 2 are retained."

    Reference is hereby made to said document for full particulars.

16. Intentionally Deleted.

17. Intentionally Deleted.

18. Intentionally deleted

19. Intentionally Deleted.

20. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

    Job No.: 201300337-002
    Dated: 2/27/2013 last revised 3/1/2013
    Prepared by: FJS Land Consulting

    A) Intentionally Deleted
    B) An encroachment of an air conditioning unit over an easement for slope purposes. Said easement is described in item 8 above.
    C) Intentionally Deleted
    D) An encroachment of a loading dock over an easement for slope purposes. Said easement is described in item 8 above.
    E) An encroachment of a surface deck and a subterranean parking garage over an easement for utility purposes. Said easement is described in item 14 above.

F) Intentionally Deleted
G) Intentionally Deleted
H) Intentionally Deleted
I) Intentionally Deleted
J) Intentionally Deleted
K) Intentionally Deleted
L) Intentionally Deleted

21. Intentionally Deleted.

22. Open-End Mortgage, Assignment of Leases and Rents and Security Agreement given to secure the original amount shown below, and any other amount payable under the terms thereof.

Amount:	$103,770,000.00
Dated:	__/__/2013
Trustor/Grantor	**AGNL Clinic, L.P., a Delaware limited partnership**
Trustee:	Fidelity National Title Company
Beneficiary:	RBS Financial Products Inc., a Delaware corporation and The Royal Bank of Scotland plc
Recording Date:	__/__/2013
Recording No:	2013 _____

23. An assignment of all moneys due, or to become due as rental or otherwise from said Land, to secure payment of an indebtedness, shown below and upon the terms and conditions therein

Amount:	$TBD
Assigned to:	RBS Financial Products Inc., a Delaware corporation and The Royal Bank of Scotland plc
Assigned By:	**AGNL Clinic, L.P., a Delaware limited partnership**
Recording Date:	__/__/2013
Recording No:	2013 _____

24. A financing statement as follows:

Debtor:	**AGNL Clinic, L.P., a Delaware limited partnership**
Secured Party:	RBS Financial Products Inc., a Delaware corporation and The Royal Bank of Scotland plc
Recording Date:	__/__/2013
Recording No:	2013 _____

25. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

END OF SCHEDULE B

This is a pro forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insured. The inclusion of endorsements as a part of the pro forma policy in no way evidences the willingness of the company to provide any affirmative coverage shown therein. There are requirements which must be met before a final policy can be issued in the same form as the pro forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.

Additional Matters may be added or other amendments may be made to this pro forma policy by reason of any defects, liens or encumbrances that appear for the first time in the Public Records or come to the attention of the Company and are created or attached between the issuance of this pro forma policy and the issuance of a policy of title insurance. The Company shall have no liability because of such addition or amendment.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued By
Fidelity National Title Insurance Company

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For the purposes of this endorsement only,

   a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.

   b. "Improvement" means a building, structure located on the surface of the Land, road, walkway, driveway, or curb, affixed to the Land at Date of Policy and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.

3. The Company insures against loss or damage sustained by the Insured by reason of:

   a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;

   b. Enforced removal of an Improvement as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or

   c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.

4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

   a. any Covenant contained in an instrument creating a lease;

   b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or

   c. except as provided in Section 3.c., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land as described in Schedule A to be the same as that identified on the survey made by FJS Land Consulting for Bock & Clark's National Surveyor's Network, dated February 27, 2013, last revised _____, 2013 and designated as Job No. 201300337-002.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured if, at Date of Policy (i) the Land does not abut and have both actual vehicular and pedestrian access to and from W Ocean Boulevard and Seaside Way (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements to it.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured by reason of the failure of a **Commercial improvement**, known as 200-300 Oceangate, Long Beach, CA, to be located on the Land at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured by reason of the lack of a right of access to the following utilities or services: (CHECK ALL THAT APPLY)

X Water service X Natural gas service X Telephone service

X Electrical power service X Sanitary sewer X Storm water drainage

☐ ☐ ☐

either over, under or upon rights-of-way or easements for the benefit of the Land because of:

(1) a gap or gore between the boundaries of the Land and the rights-of-way or easements;

(2) a gap between the boundaries of the rights-of-way or easements; or

(3) a termination by a grantor, or its successor, of the rights-of-way or easements.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land to constitute a lawfully created parcel according to the subdivision statutes and local subdivision ordinances applicable to the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured by reason of:

1. those portions of the Land identified below not being assessed for real estate taxes under the listed tax identification numbers or those tax identification numbers including any additional land:

   Parcel: Tax Identification Numbers:
   Parcel 2 of Schedule A 7278-003-035

   Parcel 3 of Schedule A 7278-003-036

2. the easements, if any, described in Schedule A being cut off or disturbed by the nonpayment of real estate taxes, Assessments or other charges imposed on the servient estate by a governmental authority.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements to it.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

1. The Company insures against loss or damage sustained by the Insured in the event that, at Date of Policy,

   a. according to applicable zoning ordinances and amendments, the Land is not classified Zone PD-6

   b. the following use or uses are not allowed under that classification:

      Office Building

   c. There shall be no liability under this paragraph 1.b. if the use or uses are not allowed as the result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses. This paragraph 1.c. does not modify or limit the coverage provided in Covered Risk 5.

2. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a court of competent jurisdiction either prohibiting the use of the Land, with any existing structure, as specified in paragraph 1.b.; or requiring the removal or alteration of the structure, because, at Date of Policy, the zoning ordinances and amendments have been violated with respect to any of the following matters:

   a. Area, width, or depth of the Land as a building site for the structure

   b. Floor space area of the structure

   c. Setback of the structure from the property lines of the Land

   d. Height of the structure, or

   e. Number of parking spaces.

3. There shall be no liability under this endorsement based on:

   a. the invalidity of the zoning ordinances and amendments until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses;

   b. the refusal of any person to purchase, lease or lend money on the Title covered by this policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The Company insures against loss or damage sustained by the Insured by reason of:

1. the failure Parcels 2 and 3 described in Schedule A to be contiguous; or

2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued by
Fidelity National Title Insurance Company

The policy is hereby amended by deleting Paragraph 13 of the Conditions, relating to Arbitration.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

PRO FORMA ENDORSEMENT
Attached to Policy No. Pro Forma-23021588
Issued By
Fidelity National Title Insurance Company

The Company hereby insures the insured against loss which said insured shall sustain, including costs of defense, in the event that any claim is made seeking the removal of any portion of the existing improvements on the land described in Schedule A (including lawns, shrubbery, or trees) by reason of the encroachments shown in Paragraph B, D and E of Exception 20, Schedule B, Part I hereon.

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the schedules, conditions and stipulations therein, except as modified by the provisions hereof.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: **PRO FORMA**

Fidelity National Title Insurance Company

Countersigned by:

Pro Forma Specimen

Authorized Signature

This is a Pro Forma Endorsement. It does not reflect the present state of the Title and is not a commitment to (i) insure the Title or (ii) issue any of the attached endorsements. Any such commitment must be an express written undertaking on appropriate forms of the Company.

EXHIBIT O-2

Columbus Title Pro Forma

(attached)

Name and Address of Title Insurance Company

Fidelity National Title Insurance Company

PO Box 45023

Jacksonville, FL 32232-5023

Policy No.: PROFORMA

Amount of Insurance: $24,000,000.00

Date of Policy: PROFORMA

1. Name of Insured:

   AGNL Clinic, L.P., a Delaware limited partnership

2. The estate or interest in the Land that is insured by this policy is:

   Fee Simple

3. Title is vested in:

   AGNL Clinic, L.P., a Delaware limited partnership

4. The Land referred to in this policy is described as follows:

   See attached Exhibit “A”

THIS IS A PRO FORMA POLICY FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE AN AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

Countersigned:

Authorized Officer or Agent

Exhibit A

Policy Number:

PARCEL 1:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 13.727 acre tract, and all of the 0.875 acre tract conveyed to 17 Land Realty Corp. by deeds of record in O.R. 14066 B11 and O.R. 25716 J11, respectively, records of the Recorder's Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning at a railroad spike set at the intersection of the Southerly right-of-way line of Interstate 270 (FRA -270-18.32N) and centerline of Cooper Road (60 feet in width). Said railroad spike being the Northeasterly corner of said 0.875 acre tract;

Thence South 26 deg. 55' 00" East, a distance of 241.79 feet, along said centerline of Cooper Road and Easterly line of said 0.875 acre tract, to a railroad spike set at the Southeasterly corner of said 0.875 acre tract;

Thence North 78 deg. 47' 04" West, a distance of 38.14 feet, along the Southerly line of said 0.875 acre tract, to an iron pin set in the Westerly right-of-way line of said Cooper Road;

Thence South 26 deg. 55' 00" East, a distance of 295.14 feet, along said Westerly right-of-way line of Cooper Road and along the Easterly line of said 13.727 acre tract, to an iron pin set at the point of curvature in the Northerly right-of-way line of Corporate Exchange Drive (60 feet in width) of record in Plat Book 60, Page 22 and 23;

Thence the following four (4) courses and distances along said Northerly right-of-way line of Corporate Exchange Drive and Southerly line of said 13.727 acre tract;

1. Thence along arc of said curve to the right having a radius of 35.00 feet, a central angle of 90 deg. 00' 00", and a chord bearing South 18 deg. 05' 00" West, a chord distance of 49.50 feet to the point of tangency;

2. Thence South 63 deg. 05' 00" West, a distance of 35.00 feet, to an iron pin found at the point of curvature;

3. Thence along arc of said curve to the right having a radius of 270.00 feet, a central angle of 28 deg. 56' 27", and a chord bearing South 77 deg. 33' 14" West, a chord distance of 134.94 feet, to an iron pin set at the point of tangency;

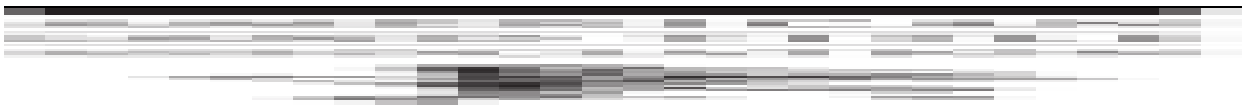
4. Thence North 87 deg. 58' 33" West, a distance of 788.06 feet, to an railroad spike set;

Exhibit A continued

Policy Number:

Thence North 02 deg. 01' 27" East, a distance of 318.00 feet across said 13.727 acre tract to a railroad spike set in a Southerly line of the 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence South 87 deg. 58' 33" East, a distance of 15.00 feet along said Southerly line of the 5.103 acre tract to a railroad spike set at a Southeasterly corner of said 5.103 acre tract;



Thence the following three (3) courses and distances along the Easterly lines to said 5.103 acre tract;

1. Thence North 02 deg. 01' 27" East, a distance of 185.00 feet, to a P.K. nail found;

2. Thence South 87 deg. 58' 33" East, a distance of 57.50 feet, to a railroad spike set;

3. Thence North 02 deg. 01' 27" East, a distance of 167.21 feet, to an iron pin set in aforesaid Southerly right-of-way line of Interstate 270 at a Northeasterly corner of said 5.103 acre tract;

Thence South 78 deg, 46' 49" East, a distance of 677.06 feet, along said Southerly right-of-way line of Interstate 270 and partly along the Northerly line of said 13.727 acre tract and partly along the Northerly line aforesaid 0.875 acre tract, to the point of beginning.

Containing 11.814 acres, more or less, of which 0.167 acres lies within the Cooper Road right-of-way.

The bearings in the above description are based on the bearing of South 87 deg. 58' 33" East, for the centerline of Corporate Exchange Drive, as shown on the dedication Plat for Corporate Exchange Drive, of record in Deed Book 60, Page 22 and 23, records of the Recorder's Office, Franklin County, Ohio.

PARCEL 2:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 4.500 and 13.727 acre tracts conveyed to 17 Land Realty Corp. by deed of record in O.R. 14066 B11, Records of the Recorder's Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning for reference at a PK nail found at the centerline intersection of Presidential Gateway (60 feet in width) as established by the Plat of record in Plat Book 83, Page 80 and Corporate Exchange Drive (60 feet in width) as established by the Plat of record in Plat Book 60, Page 22;

Thence North 87 deg. 58' 33" West, a distance of 329.18 feet along the centerline of Corporate Exchange Drive to a point;

Exhibit A continued

Policy Number:

Thence North 02 deg. 01' 27" East, a distance of 30.00 feet, to a railroad spike set on the Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 acre tract and being the point of true beginning;

Thence the following three (3) courses and distances along the said Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 and 4.500 acre tracts;

1. Thence North 87 deg. 58' 33" West, a distance of 94.38 feet to an iron pin set at a point of curvature;

2. Thence along the arc of said curve to the right, having a radius of 420.00 feet, a central angle of 27 deg. 22' 54", a chord bearing North 74 deg. 17' 06" West, and a chord distance of 198.81 feet to an iron pin found at the point of tangency;

3. Thence North 60 deg. 35’ 39” West, a distance of 28.10 feet to an iron pin set at a Southeasterly corner of a 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence the following two (2) courses and distance along the Easterly and Southerly lines of said 5.103 acre tracts;

1. Thence North 02 deg. 01’ 27” East, a distance of 258.02 feet to a railroad spike set;

2. Thence South 87 deg. 58’ 33” East, a distance of 31250 feet to a railroad spike set;

Thence South 02 deg. 01’ 27” West, a distance of 318.00 feet across said 13.727 acre tract to the point of true beginning, containing 2.183 acres, more or less, subject to all easements, restrictions and rights-of-way of record.

Schedule B
EXCEPTIONS FROM COVERAGE

Policy Number:

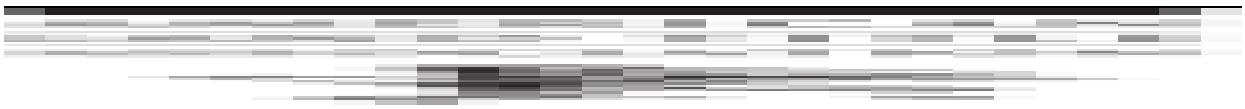
This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. ~~Defects, liens, encumbrances adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon.~~ Intentionally deleted.
2. ~~Assessments, if any, not yet certified to the County Auditor.~~ Intentionally deleted.
3. ~~Rights or claims of parties other than Insured in actual possession of any or all of the property.~~ Intentionally deleted.
4. ~~Any encroachment, encumbrances, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land Insurvey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.~~ Intentionally deleted.
5. ~~Unfiled mechanic's or materialman's liens.~~ Intentionally deleted.
6. ~~No liability is assumes for tax increases occasioned by retroactive revaluation change in land usage, or loss of any homestead exemption status for insured premises.~~ Intentionally deleted.
7. ~~Any inaccuracy in the specific quantity of acreage contained on any survey if any or contained with the legal description of premises insured herein.~~ Intentionally deleted.
8. ~~Any covenant, condition or restriction referred to herein indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin is omitted as provided in 42 U.S.C. Section 3604, unless and only to the extent that the restriction (a) is not in violation of state or federal law, (b) is exempt under 42 U.S.C. Section 3607, or (c) related to handicap, but does not discriminate against handicapped people.~~ Intentionally deleted.
9. ~~Covenants, conditions and restrictions and other instruments recorded in the public records and purporting to impose a transfer fee or conveyance fee payable upon the conveyance of a interest in real property or payable for the right to make or accept such a transfer, and any and all fees, liens or charges, whether recorded or unrecorded, if any, currently due payable or that will become due or payable, and any other rights deriving therefrom, that are assessed pursuant thereto.~~ Intentionally deleted.
10. ~~Oil and gas leases, pipeline agreements or any other instruments related to the production or sale of oil and gas which may arise subsequent to the date of the Policy.~~ Intentionally deleted.

Schedule B continued

Policy Number:

11. Any lease, grant, exception or reservation of minerals or mineral rights together with any rights appurtenant thereto.



12. Reservations, restrictions, covenants, limitations, easements and/or other conditions as shown on plat filed for record June 30, 1983, in Plat Book 60, Page 22, of the Franklin County Records as shown on survey prepared by David 1 Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043,

13. Easement for Pole Line to The Columbus Railway Power and Light Company, filed for record November 4, 1932, in Deed Book 982, Page 352, of the Franklin County Records.

14. Easement to Columbus and Southern Ohio Electric Company, filed for record October 22, 1965, in Deed Book 2687, Page 577, of the Franklin County Records as shown on survey prepared by David J. Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043,

~~15. Right of Way to Columbia Gas of Ohio, Inc., filed for record May 13, 1966, in Deed Book 2732, Page 586 of the Franklin County Records.~~ Intentionally deleted.

16. Easement to the City of Columbus, filed for record August 1, 1972, in Deed Book 3258, Page 232, of the Franklin County Records as shown on survey prepared by David J. Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043,

17. Protective Covenants for Corporate Exchange, filed for record April 14, 1983 in Official Record 2681E15, of the Franklin County Records as shown on survey prepared by David J. Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043.

    First Supplement to Protective Covenants for Corporate Exchange, filed for record April 3, 1984 in Official Record 4063I14, of the Franklin County Records,

    Second Supplement to Protective Covenants for Corporate Exchange, filed for record June 7, 1988 in Official Record 11707E20, of the Franklin County Records.

    Third Supplement to Protective Covenants for Corporate Exchange, filed for record June 28, 1988 in Official Record 11831G13, of the Franklin County Records,

18. Easement to Columbus and Southern Ohio Electric Company, filed for record August 11, 1983, in Official Record 3169B07, of the Franklin County Records as shown on survey prepared by David J. Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043.

Schedule B continued

Policy Number:

19. Easement to Columbus and Southern Ohio Electric Company, filed for record January 18, 1985, in Official Record 5276E08, of the Franklin County Records as shown on survey prepared by David J.,

    Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043.

20. Easement to The Ohio Bell Telephone Company, filed for record November 27, 1992, in Official Record 21144J02, of the Franklin County Records as shown on survey prepared by David J. Kuethe, Registered

Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043.

21. Easement Agreement by and between Land Realty Corp. and Corporate Exchange Buildings IV and V Limited Partnership, filed for record November 5, 1993 in Official Record 24554B10, of the Franklin County Records as shown on survey prepared by David J. Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043.

22. Easement & Right-of-Way to Columbus Southern Power Company, filed for record March 29, 1999, in Instrument No. 199903290076085, of the Franklin County Records as shown on survey prepared by David J. Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2013, last revised April 22, 2013, having Job No. 1201300043.

23. Easement for parking, ingress and egress to Corporate Exchange Buildings IV & V Limited Partnership, filed for record July 27, 1999, in Instrument No. 199907270190224, of the Franklin County Records,

24. Non-exclusive Ingress and Egress and Parking Easement to Cass Information Systems, Inc. as established in Deed of Easement recorded December 5, 2007, in Instrument No. 200712050209493, of the Franklin County Records.

25. Open-End Mortgage, Assignment of Leases and Rents and Security Agreement from AGNL Clinic, L.P., a Delaware limited partnership to RBS Financial Products Inc., a Delaware corporation and The Royal Bank of Scotland plc, a Delaware corporation, dated _____, in the principal sum of $100,500,000.00, filed for record ___ of Franklin County Records as Instrument No._____.

26. Assignment of Leases and Rents by and between AGNL Clinic, L.P., a Delaware limited partnership to RBS Financial Products Inc. and RBS Financial Products Inc., a Delaware corporation and The Royal Bank of Scotland plc, a Delaware corporation, dated _____, filed for record ___ of Franklin County Records as Instrument No. _____.

27. UCC Financing Statement from AGNL Clinic, L.P., a Delaware limited partnership, Debtor to RBS Financial Products Inc. and RBS Financial Products Inc., a Delaware corporation and The Royal Bank of Scotland plc, a Delaware corporation, Secured Party, filed for record ___ of Franklin County Records as Instrument No. _____.

Schedule B continued

Policy Number:

28. Rights of Molina Healthcare, Inc., a Delaware corporation, as tenant in possession only, as evidenced by that certain Memorandum of Lease by and between AGNL Clinic, L.P., a Delaware limited partnership,

    as landlord and Molina Healthcare, Inc., as tenant, filed for record _____, 2013 in Official Record _____, of the Franklin County, Ohio records.

29. Subordination, Non-Disturbance and Attornment Agreement by and between AGNL Clinic, L.P., as landlord and Molina Healthcare, Inc., as tenant, and RBS Financial Products Inc., a Delaware corporation and The Royal Bank of Scotland plc, a Delaware corporation (Lender) filed for record _____, 2013 in Official Record _____, of the Franklin County, Ohio records.

~~26. Liens in favor of the State of Ohio filed, but not yet indexed in the dockets of the Franklin County Common Pleas Clerk.~~ Intentionally deleted.

30. Taxes for the second half of 2012 and subsequent years are a lien, but are not yet due and payable.

The County Treasurer's General Tax Records for the tax year 2012 are as follows

PPN 600-122680-00
Taxes for the first half are paid.
Taxes for the second half are a line, not yet due and payable.
Per half amount $192,733.72.

PPN 600-215203-00
Taxes for the first half are paid.
Taxes for the second half are a lien, not yet due and payable.
Per half amount $5,940.81.

ENDORSEMENT
Attached to and forming a part of
Owners Policy No. 508130029
Issued by
FIDELITY NATIONAL TITLE INSURANCE COMPANY

ARBITRATION ENDORSEMENT

Paragraph 14 (Arbitration) of the Conditions and Stipulations of this policy is hereby amended to provide that all arbitrable matters, regardless of the Amount of Insurance provided herein, shall be arbitrated only when agreed to by both the Company and the Insured.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

FIDELITY NATIONAL TITLE INSURANCE COMPANY

Authorized Signature

THIS IS A PROFORMA ENDORSEMENT FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A FINAL ENDORSEMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE AN AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY

ENDORSEMENT
Attached to Policy No. Proforma
Issued by
Fidelity National Title Insurance Company

ALTA Endorsement Form 3.1-06 Zoning-Completed Structure

1. The Company insures against loss or damage sustained by the Insured in the event that, at Date of Policy,

   a. according to applicable zoning ordinances and amendments, the Land is not classified Zone C2-Office Commercial in the H-110 Height District 110 with Parcel Two (parking lot) being located in the CPD, Planned Commercial Zoning District;

   b. the following use or uses are not allowed under that classification: General Office Building and parking lot;

   c. There shall be no liability under this paragraph 1.b. if the use or uses are not allowed as the result of any lack of compliance with any conditions, restrictions, or requirements contained in the zoning ordinances and amendments, including but not limited to the failure to secure necessary consents or authorizations as a prerequisite to the use or uses, This paragraph 1.c. does not modify or limit the coverage provided in Covered Risk 5.

2. The Company further insures against loss or damage sustained by the Insured by reason of a final decree of a court of competent jurisdiction either

   prohibiting the use of the Land, with any existing structure, as specified in paragraph 1.b.; or

   requiring the removal or alteration of the structure, because, at Date of Policy, the zoning ordinances and amendments have been violated with respect to any of the following matters:

   a. Area, width, or depth of the Land as a building site for the structure

   b. Floor space area of the structure

   c. Setback of the structure from the property lines of the Land

   d. Height of the structure, or

   e. Number of parking spaces.

3. There shall be no liability under this endorsement based on:

   a. the invalidity of the zoning ordinances and amendments until after a final decree of a court of competent jurisdiction adjudicating the invalidity, the effect of which is to prohibit the use or uses;

   b. the refusal of any person to purchase, lease or lend money on the Title covered by this policy.

End. — ALTA 3.1-06 Zoning – Completed Structure (10/22/09)

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By: _____
Authorized Signature

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End – ALTA Form
Form

ENDORSEMENT
Attached to Policy No. Proforma
Issued by
Fidelity National Title Insurance Company

Commercial Environmental Protection Lien ALTA 8.2

The Company insures against loss or damage sustained by the Insured by reason of an environmental protection lien that, at Date of Policy, is recorded in the Public Records or filed in the records of the clerk of the United States district court for the district in which the Land is located, unless the environmental protection lien is set forth as an exception in Schedule B.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By:

Authorized Signature

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ENDORSEMENT
Attached to Policy No. PROFORMA
Issued By
Fidelity National Title Insurance Company

ALTA 9.2-06 Covenants, Conditions and Restrictions - Improved Land - Owner's Policy

1. The insurance provided by this endorsement is subject to the exclusions in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.

2. For the purposes of this endorsement only,

   a. "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.

   b. "Improvement" means a building, structure located on the surface of the Land, road, walkway, driveway, or curb, affixed to the Land at Date of Policy and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees

3. The Company insures against loss or damage sustained by the Insured by reason of:

   a. A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;

   b. Enforced removal of an Improvement as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation; or

   c. A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation.

4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

   a. any Covenant contained in an instrument creating a lease;

   b. any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land; or

   c. except as provided in Section 3.c., any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or

a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements

Fidelity National Title Insurance Company

Authorized Signatory

THIS IS A PROFORMA ENDORSEMENT FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A FINAL ENDORSEMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE AN AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

ENDORSEMENT
Attached to Policy No. Proforma
Issued by
Fidelity National Title Insurance Company

ALTA Endorsement Form 17-06 Access and Entry

The Company insures against loss or damage sustained by the Insured if, at Date of Policy (i) the Land does not abut and have both actual vehicular and pedestrian access to and from Corporate Exchange Drive and Cooper Road (the "Street"), (ii) the Street is not physically open and publicly maintained, or (iii) the Insured has no right to use existing curb cuts or entries along that portion of the Street abutting the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By

Authorized Signature

THIS IS A PROFORMA ENDORSEMENT FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A FINAL ENDORSEMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE AN AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

ENDORSEMENT
Attached to
Owner's Policy No. Proforma
Issued by
Fidelity National Title Insurance Company

ALTA Form 17.2-06 Utility Access

The Company insures against loss or damage sustained by the Insured by reason of the lack of a right of access to the following utilities or services:

__X__Water service __X__Natural gas service __X__Telephone service
__X__Electrical power service __X__Sanitary sewer __X__Storm water drainage

either over, under or upon rights-of-way or easements for the benefit of the Land because of:

(1) a gap or gore between the boundaries of the Land and the rights-of-way or easements;

(2) a gap between the boundaries of the rights-of-way or easements; or

(3) a termination by a grantor, or its successor, of the rights-of-way or easements.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By

Authorized Signature

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ENDORSEMENT
Attached to Policy No. Proforma
Issued By
Fidelity National Title Insurance Company

ALTA Endorsement Form 18.1-06 Multiple Tax Parcel

The Company insures against loss or damage sustained by the Insured by reason of:

1. those portions of the Land identified below not being assessed for real estate taxes under the listed tax identification numbers or those tax identification numbers including any additional land:

   600-122680-00 600-215203-00

2. the easements, if any, described in Schedule A being cut off or disturbed by the nonpayment of real estate taxes assessed against the servient estate

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By

Authorized Signature

THIS IS A PROFORMA ENDORSEMENT FURNISHED TO OR ON BEHALF OF THE PARTY (TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A FINAL ENDORSEMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE AN AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

ENDORSEMENT
Attached to Policy No. Proforma
Issued by
Fidelity National Title Insurance Company

ALTA Endorsement Form 19-06 Contiguity — Multiple Parcels

The Company insures against loss or damage sustained by the Insured by reason of:

1. the failure of the boundary line of Fee Parcel 1 of the land to be contiguous to the boundary line of Fee Parcel 2: or

2. the presence of any gaps, strips, or gores separating any of the contiguous boundary lines described above.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By

Authorized Signature

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ENDORSEMENT
Attached to Policy No. Proforma
Issued by
Fidelity National Title Insurance Company

ALTA Endorsement Form 22-06 (Location)

The Company insures against loss or damage sustained by the Insured by reason of the failure of a 7 story brick and glass building, known as 3000 Corporate Exchange Drive, Columbus, OH, to be located on the Land at Date of Policy.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the tetras and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By

Authorized Signature

THIS IS A PROFORMA ENDORSEMENT FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REFLECT THE PRESENT STATUS OF TITLE AND IS NOT A FINAL ENDORSEMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE AN AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

ENDORSEMENT
Attached to and forming a part of
Policy No. Proforma
Issued by
FIDELITY NATIONAL TITLE INSURANCE COMPANY

ALTA Form 25-06 Same as Survey

The Company hereby insures against loss or damage, which the Insured shall sustain by reason of the failure of the land to be the same as that delineated on the plat of survey made by David J. Kuethe, Registered Surveyor No. 7911 of Bock & Clark's National Surveyors Network, dated February 27, 2012, last revised April 11, 2013, having Job No. 1201300043.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

FIDELITY NATIONAL TITLE INSURANCE COMPANY

Authorized Signature

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ALTA Endorsement Form 25-06
(Same as Survey) (10/16/08)

ENDORSEMENT
Attached to Policy No. PROFORMA
Issued by
Fidelity National Title Insurance Company

ALTA Form 26-06 Subdivision

The Company insures against loss or damage sustained by the Insured by reason of the failure of the Land to constitute a lawfully created parcel according to the subdivision statutes and local subdivision ordinances applicable to the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By

Authorized Signature

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ENDORSEMENT
Attached to Policy No. PROFORMA
Issued by
Fidelity National Title Insurance Company

ALTA Form 28-06 Easement-Damage or Enforced Removal

The Company insures against loss or damage sustained by the Insured if the exercise of the granted or reserved rights to use or maintain the easement(s) referred to in Exception(s) 12, 13, 14, 16, 17, 18, 19, 20, 21, 22 and 23 of Schedule B results in:

(1) damage to an existing building located on the Land, or

(2) enforced removal or alteration of an existing building located on the Land.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Fidelity National Title Insurance Company

By

Authorized Signature

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ENDORSEMENT
Attached to Policy No. PROFORMA
Issued By
Fidelity National Title Insurance Company

ALTA 35-06 Minerals and Other Subsurface Substances - Buildings

1. The insurance provided by this endorsement is subject to the exclusion in Section 4 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy

2. For purposes of this endorsement only, "Improvement" means a building on the Land at Date of Policy.

3. The Company insures against loss or damage sustained by the insured by reason of the enforced removal or alteration of any Improvement resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B

4. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:

   a. contamination, explosion, fire, vibration, fracturing, earthquake or subsidence; [or]

   b. negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances[; or

   c. the exercise of the rights described in NONE.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements

Fidelity National Title Insurance Company

Authorized Signature

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EXECUTION COPY

LEASE AGREEMENT

by and between

AGNL CLINIC, L.P.,

a Delaware limited partnership,

as LANDLORD

and

MOLINA HEALTHCARE, INC.,

a Delaware corporation,

as TENANT

Premises: 200 & 300 Oceangate Blvd., Long Beach, CA
3000 Corporate Exchange, Columbus, OH

Dated as of: June 13, 2013

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SCHEDULES

EXHIBITS

This LEASE AGREEMENT (as amended, supplemented or modified, this " Lease"), made as of this 13th day of June, 2013 (the "Effective Date"), between AGNL CLINIC, L.P., a Delaware limited partnership (together with its successors and assigns "Landlord"), with an address at c/o Angelo, Gordon & Co., L.P., 245 Park Avenue, 26th Floor New York, New York 10167-0094, and MOLINA HEALTHCARE, INC., a Delaware corporation (together with its successors and permitted assigns, " Tenant", collectively with Landlord the "Parties" and each individually a "Party") with an address at 300 Oceangate Blvd., Suite 950, Long Beach, CA 90802.

In consideration of the rents and provisions herein stipulated to be paid and performed, Landlord and Tenant hereby covenant and agree as follows:

1. Demise of Premises. Landlord hereby demises and lets to Tenant, and Tenant hereby takes and leases from Landlord, for the term and upon the provisions hereinafter specified, the following described property (collectively and individually, as the context may require, the "Leased Premises"):

(a) The "Columbus Leased Premises," which means:

(i) the real property located in Columbus, Ohio particularly described in Exhibit A-1 (the "Columbus Real Property");

(ii) the buildings and all other structures and improvements situated on, or affixed or appurtenant to the Columbus Real Property, including any Parking Facilities owned by Landlord in each case except to the extent owned by subtenants or licensees at the Columbus Real Property (collectively, the "Columbus Improvements");

(iii) all tenements, hereditaments, easements, rights-of-way, rights, privileges appurtenant to the Columbus Real Property, including (A) easements over other lands granted by any easement agreement benefiting the Columbus Real Property, including any Parking Easement, and (B) Landlord's right, title and interest in and to any streets, ways, alleys, vaults, gores or strips of land adjoining the Columbus Real Property (collectively, the "Columbus Appurtenances"); and

(iv) all Columbus Property Other Assets.

(b) The "Long Beach Leased Premises," which means:

(i) the real property located in Long Beach, CA particularly described in Exhibit A-2 (the " Long Beach Real Property");

(ii) the buildings and all other structures and improvements situated on, or affixed or appurtenant to the Long Beach Real Property, including any Parking Facilities owned by Landlord in each case except to the extent owned by subtenants or licensees at the Long Beach Real Property (collectively, the "Long Beach Improvements");

(iii) all tenements, hereditaments, easements, rights-of-way, rights, privileges appurtenant to the Long Beach Real Property, including (A) easements over other lands granted by any easement agreement benefiting the Long Beach Real Property, including any Parking Easement,

and (B) Landlord's right, title and interest in and to any streets, ways, alleys, vaults, gores or strips of land adjoining the Long Beach Real Property (collectively, the "Long Beach Appurtenances"); and

(iv) all Long Beach Property Other Assets.

2. Certain Definitions.

"AAA" is defined in Exhibit D-1.

"Acquisition Cost" means, with respect to any Leased Premises, the Acquisition Cost specified in Exhibit E for such Leased Premises.

"Action" is defined in Paragraph 35(b)(i).

"Additional Rent" is defined in Paragraph 7(a).

"Affiliate" means in relation to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, the first Person (and, for purposes of this definition, "controlling", "controlled by" and "under common control with" means the possession directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise).

"Alterations" means all alterations, changes, additions, improvements, reconstructions, restorations, renewals, repairs, replacements or removals of, and all substitutions or replacements for, any of the Improvements, Fixtures or Equipment, both interior and exterior, structural and non-structural, capital and non-capital, and ordinary and extraordinary.

"Appurtenances" means the Columbus Appurtenances and the Long Beach Appurtenances.

"Asset Transfer" is defined in Paragraph 21(c).

"Assignment" means any assignment of rents and leases by Landlord that encumbers any of the Leased Premises, as the same may be amended, supplemented or modified from time to time.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1998, as amended, or any similar law or statute of the United States or any state thereof.

"Basic Rent" is defined in Paragraph 6(a).

"Basic Rent Adjustment Date" is defined in Exhibit D.

"Basic Rent Payment Date" is defined in Exhibit D.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed.

"Casualty" means any loss of or damage to or destruction of all or any portion of any of the Leased Premises by fire or other casualty event.

"Code" is defined in Paragraph 32.

"Columbus Appraisers" is defined in Exhibit D-1.

"Columbus Appurtenances" is defined in Paragraph 1(a)(iii).

"Columbus FMBR" is defined in Exhibit D-1.

"Columbus Improvements" is defined in Paragraph 1(a)(ii).

"Columbus Leased Premises" is defined in Paragraph 1(a).

"Columbus Property Equipment" is defined in Exhibit B-1.

"Columbus Property Excluded Items" is defined in Exhibit B-1.

"Columbus Property Other Assets" is defined in Exhibit B-1.

"Columbus Real Property" is defined in Paragraph 1(a)(i).

"Commencement Date" is defined in Paragraph 5(a).

"Condemnation" means (a) any taking of all or a portion of any of the Leased Premises (i) in or by condemnation or other eminent domain proceedings pursuant to any Law, (ii) by reason of any agreement with any condemning authority in settlement of or under threat of any such condemnation or other eminent domain proceeding, or (iii) Requisition. A Condemnation shall be considered to have taken place as of the later of the date actual physical possession is taken by the condemning authority, or the date on which the right to compensation and damages accrues under the applicable Law.

"Condemnation Notice" means notice or knowledge of the institution of or any threatened institution of any proceeding for Condemnation.

"Control" is defined in Paragraph 21(d).

"Control Person" is defined in Paragraph 21(d).

"Costs" of a Person directly related to a specified transaction or occurrence means all reasonable third-party out-of-pocket costs and expenses incurred by such Person or associated with such transaction, including without limitation, reasonable attorneys' fees and expenses, reasonable consultants' fees and expenses, reasonable travel costs, court costs, reasonable real estate brokerage fees, title insurance premiums and expenses, recording taxes and fees, and transfer taxes, but excluding (in the case of Costs of Landlord) (i) all costs, expenses, and fees associated with the day-to-day management of the Leased Premises and the Lease, and (ii) all costs, expenses and fees associated with any Note or Loan including, without limitation, any Prepayment Premium (provided,

however, that the foregoing shall not limit any express obligation in this Lease of Tenant to pay a Prepayment Premium).

"CPI" means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items (1982-84=100), published by the Bureau of Labor Statistics of the U.S. Department of Labor. If the CPI is not published for any month during the Term, Landlord, in its reasonable discretion, shall substitute a comparable index published by the Bureau of Labor Statistics of the U.S. Department of Labor. If such an index is not published by the Bureau of Labor Statistics, Landlord, in its reasonable discretion, shall select a comparable index published by a nationally recognized responsible financial periodical.

"Credit Entity" means any Person that has a publicly traded debt rating of "Baa" or better from Moody's or a rating of "BBB" or better from S&P (or, if such Person does not then have publicly traded rated debt, a determination by either of such Rating Agencies that such Person's unsecured senior debt would be so rated by such Rating Agency and will not be on "Negative Credit Watch"), and in the event both such Rating Agencies cease to furnish such ratings, then a comparable rating by any rating agency acceptable to Landlord.

"Default Rate" is defined in Paragraph 7(a)(iii).

"Diesel Tank" is defined in Paragraph 10(l).

"Easement Agreement" means any condition, covenant, restriction, easement, declaration, right of way, license or other agreement listed as a Permitted Encumbrance or as may hereafter affect any of the Leased Premises.

"EBITDA" means, for any Person, Net Income *plus*, to the extent deducted from revenues in determining Net Income, (i) Interest Expense, (ii) expense for income taxes paid or accrued, (iii) depreciation, (iv) amortization, (v) non-cash expenses, charges, or losses and (vi) extraordinary or non-recurring charges or losses realized other than in the ordinary course of business *minus*, to the extent included in Net Income, (1) income tax credits and refunds (to the extent not netted from tax expense), (2) any cash payments made during such period in respect of items described in clause (v) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were incurred, (3) extraordinary or non-recurring income or gains realized other than in the ordinary course of business and (4) non-cash income or gains, all calculated for such Person in accordance with GAAP on a consolidated basis.

"EBITDAR" means, for any Person, for the most recent twelve (12) month period where applicable financial information is reasonably available, EBITDA plus, to the extent deducted from revenues in determining Net Income, Rental Expense, calculated in accordance with GAAP on a consolidated basis for such period.

"Effective Date" is defined in the introductory Paragraph.

"Environmental Adverse Condition" means the presence or likely presence of any Hazardous Substances on a property under conditions that indicate an existing release, a past release, or material threat of a release of any Hazardous Substances into structures at any of the Leased Premises or

into or on the ground, ground water, or surface water of the Real Property, or the presence or likely presence of any environmental condition that could adversely affect in a material manner business operations at any of the Leased Premises.

"Environmental Law" means (a) whenever enacted or promulgated, any applicable federal, state, or local law, statute, ordinance, rule, regulation, license, permit, authorization, approval, consent, court order, judgment, decree, injunction, code, requirement or agreement with any governmental entity, (i) relating to pollution (or the cleanup thereof), or the protection of air, water vapor, surface water, groundwater, drinking water supply, land (including land surface or subsurface), plant, aquatic and animal life from injury caused by a Hazardous Substance or (ii) concerning exposure to, or the use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, handling, labeling, production, disposal or remediation of any Hazardous Substance, Hazardous Condition or Hazardous Activity, as now or hereafter in effect, and (b) any common law or equitable doctrine (including, without limitation, injunctive relief and tort doctrines such as negligence, nuisance, trespass and strict liability) that may impose liability or obligations for injuries or damages due to or threatened as a result of the presence of, exposure to, or inadvertent ingestion of, any Hazardous Substance. The term Environmental Law includes, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Clean Air Act, the Clean Water Act, the Solid Waste Disposal Act, the Toxic Substance Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Occupational Safety and Health Act, the National Environmental Policy Act and the Hazardous Materials Transportation Act, each as amended and hereafter in effect and any similar state or local Law.

"Environmental Violation" means (a) any direct or indirect discharge, disposal, spillage, emission, escape, pumping, pouring, injection, leaching, release, seepage, filtration presence or transporting of any Hazardous Substance at, upon, under, onto or within any of the Leased Premises, or from any of the Leased Premises to the environment, in violation of any Environmental Law or in excess of any reportable quantity established under any Environmental Law or which could result in any liability to any federal, state or local government or any other Person for the costs of any removal or remedial action or natural resources damage or for bodily injury or property damage, (b) any deposit, storage, dumping, placement or use of any Hazardous Substance at, upon, under or within any of the Leased Premises or which extends to any adjoining property in violation of any Environmental Law or in excess of any reportable quantity established under any Environmental Law or which could result in any liability to any federal, state or local government or to any other Person for the costs of any removal or remedial action or natural resources damage or for bodily injury or property damage, (c) the abandonment or discarding at the Leased Premises of any drums, barrels, containers or other receptacles containing any Hazardous Substances in violation of any Environmental Laws, (d) any activity, occurrence or condition which could reasonably be expected to result in any liability, cost or expense under any Environmental Law to Landlord, Tenant or Lender or any other owner or occupier of any of the Leased Premises, or which could reasonably be expected to result in a creation of a lien on any of the Leased Premises under any Environmental Law or (e) any material violation of or noncompliance with any Environmental Law at the Leased Premises.

"Equipment" means, collectively, the Columbus Property Equipment and the Long Beach Property Equipment.

"Escrow Charges" is defined in Paragraph 9(g).

"Escrow Payment" is defined in Paragraph 9(g).

"Event of Default" is defined in Paragraph 22(a).

"Exchange Act" is defined in Paragraph 36(n).

"Excluded Claims" is defined in Paragraph 17(a).

"Exempt Person" means (i) any of the following: any Affiliate of Tenant; any Credit Entity; and any Qualified Transferee, (ii) any of the following, and any successor to any of the following: The Molina Foundation; Joseph M. Molina, M.D., Professional Association - Florida, a Florida professional medical corporation; Joseph M. Molina, M.D., Professional Corporation – Southern California; and Joseph M. Molina, M.D., Professional Corporation – Northern California, and (iii) any Subsidiary of any Credit Entity or any Qualified Transferee that enters into a Sublease, provided that such Credit Entity or Qualified Transferee provides a Guaranty with regard to such Sublease.

"Exempt Sublease" means any Existing Sublease, and any extension or non-material modification thereof.

"Existing Insurance Policies" is defined in Paragraph 16(a).

"Existing Sublease" means any of the existing Subleases listed in Exhibit K attached hereto.

"Expiration Date" is defined in Paragraph 5(a).

"Fair Market Basic Rent" is defined in Exhibit D-1.

"First Full Basic Rent Payment Date" is defined in Exhibit D.

"Fitch" means Fitch Ratings Ltd.

"Force Majeure" is defined in Paragraph 36(p).

"GAAP" is defined in Paragraph 28(a).

"Governmental Authority" means any federal, state or local government, authority, agency or regulatory body.

"Governmental Entity" means the United States of America, and any organization, political subdivision or territory thereof, including without limitation any state, county, locality or municipality therein, and any court, commission, administrative agency, department, regulatory body, instrumentality, authority or other entity (in each case whether federal, state, county, local or municipal) exercising executive, legislative, judicial, regulatory or administrative functions.

"Guarantor" means any person who enters into a Guaranty.

"Guaranty" means any guaranty entered into between Landlord and any assignee of Tenant under this Lease, together with any Replacement Guaranty, if any, in each case, as amended, restated, modified and supplemented from time to time.

"Hazardous Activity" means any activity, process, procedure or undertaking which directly or indirectly: (a) procures, generates or creates any Hazardous Substance; (b) causes or results in (or threatens to cause or result in) the release, seepage, spill, leak, flow, discharge presence or emission of any Hazardous Substance into the environment (including the air, soil, ground water, watercourses or water systems); (c) involves the containment or storage of any Hazardous Substance; or (d) would cause any of the Leased Premises or any portion thereof to become a hazardous waste treatment, recycling, reclamation, processing, storage or disposal facility within the meaning of any Environmental Law.

"Hazardous Condition" means any condition which would support any material claim or liability under any Environmental Law, including the presence of underground storage tanks.

"Hazardous Substance" means (a) any substance, material, product, petroleum, petroleum product, derivative, compound or mixture, mineral (including asbestos), chemical, gas, solid, medical waste, or other pollutant, in each case whether naturally occurring, man-made or the by-product of any process, that is toxic, harmful or hazardous or acutely hazardous to the environment or public health or safety or (b) any substance supporting a claim under any Environmental Law, whether or not defined as hazardous as such under any Environmental Law. Hazardous Substances include, without limitation, any toxic or hazardous waste, pollutant, contaminant, industrial waste, petroleum or petroleum-derived substances or waste, radon, radioactive materials, asbestos, asbestos containing materials, urea formaldehyde foam insulation, lead, mold and other microbial contamination, and polychlorinated biphenyls.

"Immediate Repairs" is defined in Paragraph 12(a).

"Impositions" is defined in Paragraph 9(a).

"Improvements" means the Columbus Improvements and the Long Beach Improvements.

"Indemnitee" means (a) Landlord, (b) Lender, (c) any director, member, officer, general partner, limited partner, shareholder, employee or agent of Landlord or Lender (or any legal representative, heir, estate, successor or assign of any thereof), (d) any predecessor or successor partnership, corporation, limited liability company (or any other entity) of Landlord or Lender, or any of its general partners, members or shareholders, or (e) any affiliate of Landlord or Lender.

"Information" is defined in Paragraph 36(n).

"Initial Term" is defined in Paragraph 5(a).

"Insurance Requirements" means the requirements of all insurance policies required to be maintained in accordance with this Lease.

"Interest Expense" means, for any Person, with reference to any period, the interest expense (including without limitation interest expense under capital lease obligations that is treated as interest in accordance with GAAP) of such Person calculated on a consolidated basis for such period with respect to all outstanding indebtedness of such Person allocable to such period in accordance with GAAP.

"Landlord" is defined in the introductory Paragraph.

"Late Charge" is defined in Paragraph 7(a)(ii).

"Law" means any constitution, statute, rule of law, code, ordinance, order, judgment, decree, injunction, rule, regulation, policy, requirement or administrative or judicial determination, even if unforeseen or extraordinary, of every duly constituted governmental authority, court or agency, now or hereafter enacted or in effect.

"Lease" is defined in the introductory Paragraph.

"Lease Adjusted Funded Debt" means, for any Person (on a consolidated basis) at the time of any determination, without duplication, all obligations, contingent or otherwise, of such Person that, in accordance with GAAP, should be classified upon the balance sheet of such Person as indebtedness, but in any event including the following: (a) all obligations for borrowed money; (b) all obligations arising from installment purchases of property or representing the deferred purchase price of property or services in respect of which such Person is liable, contingently or otherwise, as obligor or otherwise (other than trade payables and other current liabilities incurred in the ordinary course of business); (c) all obligations evidenced by notes, bonds, debentures, acceptances or instruments, or arising out of letters of credit (other than trade letters of credit) or bankers' acceptances issued for such Person's account; (d) all obligations, whether or not assumed, secured by any lien or payable out of the proceeds or production from any property or assets now or hereafter owned or acquired by such Person (but only up to the value of such property or assets); (e) the capitalized portion of lease obligations under any capital lease; (f) all obligations for which such Person is obligated pursuant to any derivative agreements or arrangements; (g) all obligations of such Person upon which interest charges are customarily paid or accrued; (h) all obligations of the types listed in clauses (a) through (g) of this paragraph, for which such Person is obligated pursuant to a Guaranty; and (i) the Basic Rent payable under this Lease for the immediately following twelve (12) month period capitalized at a rate of a multiple of eight (8).

"Leased Premises" is as defined in Paragraph 1.

"Leasehold Mortgage" is defined in Paragraph 34.

"Leasehold Mortgagee" is defined in Paragraph 34.

"Legal Requirements" means the requirements of all present and future Laws applicable during the Term, including all applicable permit and licensing requirements and all covenants, restrictions and conditions, including all Easement Agreements, now or hereafter of record which may be applicable to Tenant or to any of the Leased Premises, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or restoration of any of the Leased Premises.

"Lender" means any Person which may, on or after the date hereof, make a Loan to Landlord or be the holder of a Note, together with its successors, transferees and assigns.

"Letter of Credit" means an irrevocable, transferable standby letter of credit that provides for automatic renewal sixty (60) days prior to the expiration thereof, in form and substance satisfactory to Landlord, issued by a bank or financial institution acceptable to Landlord (a) that is chartered under the laws of the United States, any state thereof or the District of Columbia, and which is insured by the Federal Deposit Insurance Corporation, (b) whose long-term debt ratings on bank level senior debt obligations are rated at least the second highest category by at least two of Fitch, Moody's (and S&P or any other Rating Agency (which shall mean AA from Fitch, Aa from Moody's and AA from S&P) and (c) that has a short-term deposit rating at the bank level in the highest category from at least two Rating Agencies (which shall mean F1 from Fitch, P-1 from Moody's and A-1 from S&P).

"Loan" means any loan made by one or more Lenders to Landlord, which loan is secured by a Mortgage and an Assignment and evidenced by a Note.

"Long Beach Appraisers" is defined in Exhibit D-1.

"Long Beach Appurtenances" is defined in Paragraph 1(b)(iii).

"Long Beach Equipment" is defined in Exhibit B-2.

"Long Beach FMBR" is defined in Exhibit D-1.

"Long Beach Improvements" is defined in Paragraph 1(b)(ii).

"Long Beach Leased Premises" is defined in Paragraph 1(b).

"Long Beach Property Excluded Items" is defined in Exhibit B-2.

"Long Beach Property Other Assets" is defined in Exhibit B-2.

"Long Beach Real Property" is defined in Paragraph 1(b)(i).

"Losses" is defined in Paragraph 15(a).

"MAI" means Member, Appraisal Institute.

"Moody's" means Moody's Investors Service, Inc.

"Moody's Credit Rating" means the credit rating assigned by Moody's Investors Service to the highest rated publicly issued debt securities of the assignee.

"Mortgage" means any mortgage or deed of trust entered into by Landlord that encumbers any of the Leased Premises, as the same may be amended, supplemented or modified from time to time.

"Net Award" means, with respect to any of the Leased Premises, (a) the entire award payable by reason of a Condemnation, less any sums paid pursuant to a separate claim by Tenant as described in Paragraph 17(b); or (b) the entire proceeds of any insurance policy by reason of a Casualty, in each case, less any expenses incurred by Landlord in collecting such award or proceeds.

"Net Income" means, for any Person, with reference to any period, the net income (or loss) of such Person calculated in accordance with GAAP on a consolidated basis (without duplication) for such period.

"Note" means any promissory note evidencing Landlord's obligation to repay a Loan, as the same may be amended, supplemented or modified.

"Parking Easement" means, with respect to either of the Leased Premises, a permanent parking easement for the benefit of such Leased Premises.

"Parking Facilities" means, with respect to either of the Leased Premises, any and all on-site, satellite or off-site parking facilities to be utilized by Tenant or its employees, agents, invitees or contractors in connection with the use and operation of such Leased Premises.

"Partial Casualty" means any Casualty which does not constitute a Termination Event.

"Partial Condemnation" means any Condemnation which does not constitute a Termination Event.

"Party" and "Parties" are defined in the first paragraph of this Lease.

"Permits" is defined in Paragraph 3(d).

"Permitted Asset Transfer" is defined in Paragraph 21(c).

"Permitted Change of Control" is defined in Paragraph 21(d).

"Permitted Encumbrances" means those covenants, restrictions, reservations, liens, conditions and easements and other encumbrances, other than any Mortgage or Assignment, listed on Exhibit C.

"Permitted Use" is defined in Paragraph 4(a).

"Permitted Violations" is defined in Paragraph 14.

"Person" means an individual, corporation, partnership, joint venture, association, joint-stock company, trust, estate, limited liability company, non-incorporated organization or association, or any other entity, any government authority or any agency or political subdivision thereof.

"Portfolio Rent Adjustment Factor" is defined in Exhibit D-1.

"Preapproved Assignment" is defined in Paragraph 21(b).

"Preapproved Sublease" is defined in Paragraph 21(e).

"Prepayment Premium" means any payment required to be made by Landlord to a Lender under a Note or other document evidencing or securing a Loan (other than payments of principal and/or interest) solely by reason of any prepayment or defeasance by Landlord of any principal due under such Loan, and which may, without limitation, take the form of (a) a "make whole" or yield maintenance clause requiring a prepayment premium or (b) a defeasance payment (such defeasance payment to be an amount equal to the positive difference between (i) the total amount required to defease a Loan and (ii) the outstanding principal balance of the Loan as of the date of such defeasance plus Costs of Landlord and Lender).

"Present Value" of any amount means such amount discounted by a rate per annum which is the lower of (a) the Prime Rate at the time such present value is determined or (b) six percent (6%) per annum .

"Prime Rate" means the interest rate per annum as published, from time to time, in The Wall Street Journal as the "Prime Rate" in its column entitled "Money Rate". The Prime Rate may not be the lowest rate of interest charged by any "large U.S. money center commercial banks" and Landlord makes no representations or warranties to that effect. In the event The Wall Street Journal ceases publication or ceases to publish the "Prime Rate" as described above, the Prime Rate shall be the average per annum discount rate (the "Discount Rate") on ninety-one (91) day bills ("Treasury Bills") issued from time to time by the United States Treasury at its most recent auction, plus three hundred (300) basis points. If no such 91-day Treasury Bills are then being issued, the Discount Rate shall be the discount rate on Treasury Bills then being issued for the period of time closest to ninety-one (91) days.

"Property Action" is defined in Paragraph 10(b).

"Property Condition Report" is defined in Paragraph 12(c).

"Purchase and Sale Agreement" means the Purchase and Sale Agreement dated as of June 12, 2013 between Tenant and Molina Center, LLC, as Seller, and Landlord, as Buyer.

"Qualified Institutional Purchaser" means a bank, savings and loan association, insurance company, investment company, employee benefit plan, or investment advisor registered under the Investment Advisors Act, that has at least Five Billion Dollars ($5,000,000,000) in discretionary assets under management, or a private equity, venture capital or similar buyout fund with at least Five Billion Dollars ($5,000,000,000) of equity capital under management.

"Qualified Transferee" means (a) a Qualified Institutional Purchaser or Strategic Buyer; provided that, on a pro forma basis, after giving effect to the applicable transaction, Tenant together with such Qualified Institutional Purchaser or Strategic Buyer, on a consolidated basis, have (i) a tangible net worth of not less than Two Billion Five Hundred Million Dollars ($2,500,000,000), (ii) a ratio of Lease Adjusted Funded Debt to EBITDAR of not more than 2.5 to 1.0, and (iii) EBITDAR of not less than Four Hundred Fifty Million Dollars ($450,000,000.00); (b) in the case of a Control Person that acquires Control of Tenant by purchasing equity interests in Tenant through the "over-

the-counter market" or through any recognized exchange, a Control Person who delivers to Landlord, upon Landlord's request, after notice from Tenant of such Change of Control, a Letter of Credit equal to twelve (12) months of Basic Rent; or (c) any other Person who delivers to Landlord (or, the case of a sublease, to Tenant) a Letter of Credit equal to eighteen (18) months of Basic Rent.

"Rating Agencies" means, collectively, Fitch, Moody's, and S&P, and any successor of any of them.

"Real Property" means the Columbus Real Property and the Long Beach Real Property.

"Record" is defined in Paragraph 11(b).

"Remaining Obligations" is defined in Paragraph 18(e).

"Remaining Sum" is defined in Paragraph 19(c).

"Renewal Date" is defined in Paragraph 5(a).

"Renewal Term" is defined in Paragraph 5(a).

"Rent" means, collectively, Basic Rent and Additional Rent.

"Rental Expense" means, for any Person, with reference to any period, the aggregate fixed amounts payable by such Person under any operating leases, calculated on a consolidated basis for such period in accordance with GAAP.

"Replacement Guarantor" means the Guarantor under any Replacement Guaranty.

"Replacement Guaranty" is defined in Paragraph 21(c).

"Requesting Party" is defined in Paragraph 25.

"Required Sublease Provisions" is defined in Paragraph 21(e).

"Requisition" means a temporary requisition or confiscation of the use or occupancy of all or a portion of any of the Leased Premises by any governmental authority, civil or military, whether pursuant to an agreement with such governmental authority in settlement of or under threat of any such requisition or confiscation.

"Responding Party" is defined in Paragraph 25.

"Restoration Fund" is defined in Paragraph 19(a).

"Review Criteria" means all of the following with respect to any proposed subtenant or assignee of Tenant's interest in the Lease: (i) creditworthiness, (ii) ownership structure, (iii) management experience, and (iv) operating history, if applicable.

"S&P" means Standard & Poor's Rating Service.

"S&P Credit Rating" means the credit rating assigned by Standard & Poor's Rating Group to the highest rated publicly issued debt securities of the assignee.

"Secured Lender" is defined in Paragraph 31(b).

"Secured Property" is defined in Paragraph 31(b).

"Securities Act" is defined in Paragraph 36(n).

"Security Deposit" is defined in Paragraph 33(a).

"Seller" means Molina Healthcare, Inc., a Delaware corporation, and Molina Center, LLC, a Delaware limited liability company, individually or collectively, as the case may be.

"Senior Credit Facility" means, with respect to any Person, any credit facility with an outstanding and drawn principal balance not less than $500,000,000, where such Person is the borrower, and where such facility is secured by all or substantially all of the assets of such Person.

"Set-Off" is defined in Paragraph 8(a).

"Site Assessment" is defined in Paragraph 10(d).

"Site Reviewers" is defined in Paragraph 10(d).

"SNDA" is defined in Paragraph 31(a).

"Specially Designated National or Blocked Person" is defined in Paragraph 36(m).

"Sponsor" is defined in Paragraph 6(c).

"State" means the State of California or the State of Ohio, as the case may be.

"Strategic Buyer" means a domestic exchange-traded public company doing business in the healthcare industry and/or the insurance industry.

"Sublease" means any sublease of any of the Leased Premises and any modifications, amendments, extensions, supplements, restatements or replacements thereof.

"Sublease SNDA" is defined in Paragraph 21(f).

"Subleasing Threshold" is defined in Paragraph 21(e).

"Subsidiary(ies)" means, as to any Person, any corporation, partnership, limited liability company, association, or other business entity of which such Person directly or indirectly owns more than 50% of the capital stock or other equity interests.

"Tenant" is defined in the introductory Paragraph.

"Term" is defined in Paragraph 5(a).

"Termination Amount" means, with respect to any of the Leased Premises, the sum of (i) the Net Award (if received by Tenant), (ii) any Costs incurred by Landlord in collecting such Net Award (to the extent such Costs have not already been reimbursed), and (iii) any insurance deductible payable in connection such Net Award related to a Casualty.

"Termination Date" is defined in Paragraph 18(d).

"Termination Event" means a Casualty or Condemnation regarding which a Termination Notice may be delivered pursuant to Paragraph 18.

"Termination Notice" is defined in Paragraph 18(a).

"Third Party Purchaser" is defined in Paragraph 21(k).

"UCC" means the Uniform Commercial Code as adopted by the State of New York.

"Warranties" is defined in Paragraph 3(d).

"Water Tank" is defined in Paragraph 10(l).

"Work" is defined in Paragraph 13(b).

3. Title and Condition .

(a) Each of the Leased Premises is demised and let subject to (i) any Mortgage and Assignment in effect from time to time (pursuant to and subject to Paragraph 31), (ii) the rights of any Persons in possession of such Leased Premises as of the date hereof, (iii) the state of title of such Leased Premises as of the date hereof, including any Permitted Encumbrances, (iv) any circumstances or conditions which an accurate survey or physical inspection of such Leased Premises might show, (v) all Legal Requirements, including any existing violation thereof, and (vi) the condition of such Leased Premises as of the date hereof (without representation or warranty by Landlord regarding such condition).

(b) Tenant acknowledges that each of the Leased Premises is in good condition and repair as of the date of executing this Lease and that Tenant has owned the Columbus Leased Premises since December 20, 2012 and the Long Beach Leased Premises since December 8, 2011. SUBJECT TO THE TERMS OF THIS LEASE, LANDLORD LEASES AND WILL LEASE AND TENANT TAKES AND WILL TAKE EACH OF THE LEASED PREMISES IN ITS AS IS CONDITION, WHERE IS AND WITH ALL FAULTS. TENANT ACKNOWLEDGES THAT LANDLORD (WHETHER ACTING AS LANDLORD HEREUNDER OR IN ANY OTHER CAPACITY) HAS NOT MADE AND WILL NOT MAKE, NOR SHALL LANDLORD BE DEEMED TO HAVE MADE, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE LEASED PREMISES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION AS TO (i) THE FITNESS, DESIGN OR CONDITION OF SUCH LEASED PREMISES FOR ANY PARTICULAR USE OR PURPOSE,

(ii) THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, (iii) THE EXISTENCE OF ANY DEFECT, INCLUDING ANY LATENT OR PATENT DEFECT, (iv) LANDLORD'S TITLE THERETO, (v) VALUE, (vi) COMPLIANCE WITH SPECIFICATIONS, (vii) LOCATION, (viii) USE, (ix) CONDITION, (x) MERCHANTABILITY, (xi) QUALITY, (xii) DESCRIPTION, (xiii) DURABILITY (xiv) OPERATION, (xv) THE EXISTENCE OR PRESENCE OF ANY HAZARDOUS SUBSTANCE, OR (xvi) COMPLIANCE OF THE LEASED PREMISES WITH ANY LEGAL REQUIREMENT; AND, WITHOUT LIMITING THE EXPRESS TERMS OF THIS LEASE, ALL RISKS RELATED TO ANY OF THE FOREGOING ARE TO BE BORNE BY TENANT. TENANT ACKNOWLEDGES THAT THE LEASED PREMISES ARE OF ITS SELECTION AND TO ITS SPECIFICATIONS AND THAT THE LEASED PREMISES HAVE BEEN INSPECTED BY TENANT AND ARE SATISFACTORY TO IT.WITHOUT LIMITING THE EXPRESS TERMS OF THIS LEASE, IN THE EVENT OF ANY DEFECT OR DEFICIENCY IN ANY OF THE LEASED PREMISES OF ANY NATURE, LANDLORD SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO AND LANDLORD SHALL NOT BE RESPONSIBLE FOR ANY SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT). THE PROVISIONS OF THIS PARAGRAPH 3(b) HAVE BEEN NEGOTIATED, AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES BY LANDLORD, EXPRESS, IMPLIED OR CREATED BY APPLICABLE LAW, WITH RESPECT TO THE CONDITION OF THE LEASED PREMISES.

With respect to the claims released in this Paragraph 3(b), Tenant expressly waives any rights or benefits available to it under the provisions of Section 1542 of the California Civil Code, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Tenant acknowledges that its attorney at law has explained to it the meaning and effect of this statute. Tenant understands fully the statutory language of California Civil Code Section 1542, and, with this understanding, Tenant nevertheless elects to, and does, assume all risk for claims released by it under this Agreement whether arising before or after this Agreement and whether now known or unknown, and Tenant specifically waives any rights it may have under California Civil Code Section 1542 and any successive sections or statutes of a similar nature. Tenant fully understands that if the facts with respect to which this Agreement is executed are

later found to be other than or different from the facts now believed by it to be true, it expressly accepts and assumes the risk of that possible difference in facts and agrees that this Agreement shall be and remain effective notwithstanding that difference in facts.

The provisions of this Paragraph 3(b) shall survive the termination of this Agreement.

_____ _____

Tenant's Initials Landlord's Initials

(c) Tenant acknowledges that Tenant has examined the title to each of the Leased Premises prior to the execution and delivery of this Lease and has found the same to be satisfactory for all of the purposes permitted under this Lease. Tenant represents and warrants to Landlord that, with respect to each of the Leased Premises, except as disclosed in any document recorded against title to either of the Leased Premises, or otherwise disclosed in writing to Landlord, as of the Effective Date (i) Tenant and any subtenants at the Leased Premises have only the leasehold right of possession and use of such Leased Premises, as provided herein, and (ii) neither Tenant nor any agent, officer, employee, principal or affiliate of Tenant has granted or knowingly suffered to exist any unrecorded deeds, mortgages, land contracts, leases, subleases, licenses, options to purchase, agreements or other instruments adversely affecting title to such Leased Premises or any lien, encumbrance, transfer of interest, constructive trust, or other equity in such Leased Premises, and (iii) Tenant has received no notice of any Casualty, Condemnation or pending or threatened special assessments affecting such Leased Premises. The foregoing representations and warranties and the representations and warranties contained in the Purchase and Sale Agreement (subject to the terms thereof) shall survive the date on which this Lease is fully executed.

(d) Landlord hereby assigns to Tenant, without recourse or warranty whatsoever, in conjunction with Landlord, the non-exclusive right to enforce all assignable warranties, guaranties, indemnities, contract rights, causes of action and similar rights (collectively "Warranties") that Landlord may have against any manufacturer, seller, architect, engineer, contractor, builder or other counterparty in respect of any of the Leased Premises, including without limitation in connection with any building plans, specifications or drawings with respect to the Improvements. Such assignment shall remain in effect and be irrevocable until the expiration or earlier termination of this Lease (unless Tenant or its affiliate or designee acquires such Leased Premises, in which instance such assignment shall become permanent and irrevocable with respect to such Leased Premises), whereupon such assignment shall cease and all of the Warranties shall automatically revert to Landlord. In confirmation of such reversion Tenant shall execute and deliver promptly any certificate or other document reasonably required or requested by Landlord. Landlord shall also retain the right to enforce any Warranties upon the occurrence and during the continuance of an Event of Default. Tenant shall use commercially reasonable efforts to enforce the Warranties in accordance with their respective terms, Landlord shall cooperate with Tenant to the extent necessary to permit Tenant to enforce such Warranties prior to the expiration or earlier termination of this Lease. Tenant shall cooperate with Landlord to the extent necessary to permit Landlord to enforce such Warranties after the expiration or earlier termination of this Lease (to the extent not transferred to Tenant). Landlord shall also reasonably cooperate with Tenant in connection with any permits, licenses, and approvals held by Landlord, if any, that are mandated or necessary to operate the

Properties (collectively, the "Permits"), including exercising rights thereunder and pursuing modifications thereof that Tenant determines would be beneficial to its operations at any of the Leased Premises, and pursuing any additional Permit that Tenant determines would be beneficial to its operations at any of the Leased Premises. The foregoing provisions shall survive the expiration or earlier termination of this Lease.

(e) LANDLORD AND TENANT AGREE THAT IT IS THEIR MUTUAL INTENT TO CREATE, AND THAT THIS LEASE CONSTITUTES, A MASTER LEASE WITH RESPECT TO EACH AND EVERY PARCEL OF REAL PROPERTY AND THE IMPROVEMENTS INCLUDED IN ANY AND ALL OF THE LEASED PREMISES (WHEREVER LOCATED), THAT THIS LEASE IS NOT INTENDED AND SHALL NOT BE CONSTRUED TO BE SEPARATE LEASES AND THAT ALL THE TERMS AND CONDITIONS HEREOF SHALL GOVERN THE RIGHTS AND OBLIGATIONS OF LANDLORD AND TENANT WITH RESPECT THERETO.

(f) TENANT, ON BEHALF OF ITSELF AND ANY TRUSTEE OR LEGAL REPRESENTATIVE (UNDER THE FEDERAL BANKRUPTCY CODE OR ANY SIMILAR STATE INSOLVENCY PROCEEDING) EXPRESSLY ACKNOWLEDGES AND AGREES THAT, NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH 18 HEREOF OR ANY OTHER PROVISION IN THIS LEASE TO THE CONTRARY, IT IS THE EXPRESS INTENT OF LANDLORD AND TENANT TO CREATE, AND THAT THIS LEASE CONSTITUTES, A SINGLE LEASE WITH RESPECT TO EACH AND EVERY PARCEL OF LAND, THE IMPROVEMENTS AND OTHER PROPERTY INCLUDED IN EACH OF THE RELATED PREMISES (WHEREVER LOCATED) AND SHALL NOT BE (OR BE DEEMED TO BE) DIVISIBLE OR SEVERABLE INTO SEPARATE LEASES FOR ANY PURPOSE WHATSOEVER, AND TENANT, ON BEHALF OF ITSELF AND ANY SUCH TRUSTEE OR LEGAL REPRESENTATIVE, HEREBY WAIVES ANY RIGHT TO CLAIM OR ASSERT A CONTRARY POSITION IN ANY ACTION OR PROCEEDING; IT BEING FURTHER UNDERSTOOD AND AGREED BY TENANT THAT THE ALLOCATIONS OF ACQUISITION COST AND PERCENTAGE ALLOCATION OF BASIC RENT AS RESPECTIVELY SET FORTH ON EXHIBIT E AND EXHIBIT F HEREOF ARE INCLUDED TO PROVIDE A FORMULA FOR RENT ADJUSTMENT AND LEASE TERMINATION UNDER CERTAIN CIRCUMSTANCES AND AS AN ACCOMMODATION TO TENANT. ANY EVENT OF DEFAULT HEREUNDER IN CONNECTION WITH ANY PORTION OF THE LEASED PREMISES SHALL BE DEEMED TO BE AN EVENT OF DEFAULT WITH RESPECT TO THE ENTIRE LEASED PREMISES. THE FOREGOING AGREEMENTS AND WAIVERS BY TENANT IN THIS PARAGRAPH 3(f) ARE MADE AS A MATERIAL INDUCEMENT TO LANDLORD TO ENTER INTO THE TRANSACTION CONTEMPLATED BY THIS LEASE AND THAT, BUT FOR THE FOREGOING AGREEMENTS AND WAIVERS BY TENANT, LANDLORD WOULD NOT CONSUMMATE THIS LEASE TRANSACTION.

4. Use of Leased Premises; Quiet Enjoyment.

(a) Tenant may occupy and use each of the Leased Premises for general office use (including parking) (the "Permitted Use") and for no other purpose without the prior written consent of Landlord. Tenant shall be responsible for obtaining and maintaining all permits, licenses, certificates of occupancy, or any other items required by any Legal Requirement with respect to

Tenant's use and occupancy of each of the Leased Premises. Without limiting Tenant's express rights under this Lease (including without limitation with respect to Alterations), Tenant shall not use or occupy or permit any of the Leased Premises to be used or occupied, nor do or permit anything to be done in or on any of the Leased Premises, in a manner that (i) violates any Legal Requirement or Permitted Encumbrance, (ii) makes void or voidable or causes any insurer to cancel any insurance required by this Lease, or could be reasonably expected to make it difficult or impossible to obtain any such insurance at commercially reasonable rates, (iii) makes void or voidable, cancels or causes to be cancelled or releases any of the Warranties (except in the ordinary course of business, including obtaining, where applicable, replacement or similar Warranties for those canceled), (iv) causes structural injury to any of the Improvements, (v) diminishes the market value or impairs the usefulness of such Leased Premises, or (vi) constitutes a public or private nuisance or waste. Without limiting any of Tenant's express rights to terminate the Lease set forth herein, if during the Term Tenant's use or occupancy of any of the Leased Premises is no longer permitted by Law or any Legal Requirement, Tenant shall not have the right to terminate this Lease by reason of same.

(b) Subject to the provisions hereof, so long as no Event of Default has occurred and is continuing, Tenant shall quietly hold, occupy and enjoy each of the Leased Premises throughout the Term, without any hindrance, ejection or molestation by Landlord with respect to matters that arise after the date hereof; provided that Landlord or its agents may enter upon and examine any of the Leased Premises at such reasonable times as Landlord may select and upon reasonable notice to Tenant (except in the case of any emergency, in which event no notice shall be required) for the purpose of inspecting such Leased Premises, verifying compliance or non-compliance by Tenant with its obligations hereunder and the existence or non-existence of an Event of Default or event which with the passage of time and/or notice would constitute an Event of Default, showing such Leased Premises to prospective Lenders and purchasers, making any repairs and taking such other action with respect to such Leased Premises as is permitted by any provision hereof. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's operations and business in connection with any entry upon the Leased Premises by Landlord. Tenant shall permit inspection of any of the Leased Premises by any federal, state, county or municipal officer or representative to determine if such Leased Premises or any portion thereof comply with any Legal Requirement.

5. Term.

(a) Subject to the provisions hereof, Tenant shall have and hold the Leased Premises for an initial term (the " Initial Term", and as extended or renewed in accordance with the provisions hereof, including any exercised Renewal Term, the " Term") commencing on the Effective Date (the "Commencement Date") and ending on the last day of the three hundredth (300 th) full calendar month next following the Effective Date (the "Expiration Date"); provided that if, on or prior to the Expiration Date or any other Renewal Date (as hereinafter defined) this Lease shall not have been terminated pursuant to any provision hereof, and no Events of Default are continuing under this Lease, then on the Expiration Date and on the fifth (5 th), tenth (10th), fifteenth (15th), twentieth (20th) and twenty-fifth (25th) anniversaries of the Expiration Date (each such date, a " Renewal Date"), the Term shall be extended for an additional period of five (5) years (each of the extension periods, a " Renewal Term"); provided that Tenant shall have notified Landlord in writing at least eighteen (18) months prior to such Renewal Date that Tenant has elected to so extend this Lease as of such Renewal Date. At Landlord's request at any time after the giving of a notice of renewal,

Tenant shall execute a notice in recordable form confirming such Renewal Date. Any such extension of the Term shall be subject to all of the provisions of this Lease (except that Tenant shall not have the right to any additional Renewal Terms except as otherwise provided herein).

(b) If Tenant does not exercise any of its options pursuant to Paragraph 5(a) to extend the Term for an additional Renewal Term, or if an Event of Default occurs and is continuing, then Landlord shall have the right during the remainder of the Term then in effect and, in any event, Landlord shall have the right during the last eighteen (18) months of the Term, to (i) advertise the availability of any of the Leased Premises for sale or reletting and to erect upon such Leased Premises signs indicating such availability and (ii) show such Leased Premises to prospective purchasers or tenants or their agents at such reasonable times as Landlord may select and upon five (5) Business Days' prior written notice to Tenant. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's operations and business in connection with any entry upon the Leased Premises by Landlord.

6. Basic Rent.

(a) On each Basic Payment Date, Tenant shall pay to Landlord for the Leased Premises basic rent the amounts described in Exhibit D ("Basic Rent"). Each payment of Basic Rent shall be made to Landlord (or one or more other Persons as Landlord may designate) on each Basic Rent Payment Date, without set-off, abatement (except as otherwise provided in this Lease), or deduction, pursuant to subparagraph (b) below.

(b) Each payment of Basic Rent shall be made to Landlord (or one or more other Persons as Landlord may designate) via wire transfer of immediately available funds on each Basic Rent Payment Date pursuant to wire transfer instructions delivered to Tenant from Landlord. Upon Landlord's request following an Event of Default, Tenant shall deliver to Landlord a complete ACH Authorization Agreement – Pre-Arranged Payments substantially in the form of Exhibit H, together with a voided check for account verification, establishing arrangements whereby payments of Rent are transferred by automated clearing house debit initiated by Landlord from an account established by Tenant (and such account not being subject to any control agreement or other lien or encumbrance) at a bank reasonably acceptable to Landlord that is chartered under the laws of the United States, any state thereof or the District of Columbia, and which is insured by the Federal Deposit Insurance Corporation, to such account as Landlord may designate. Following any such Landlord's request to establish an automated clearing house account, Tenant shall continue to pay all Rent by automated clearing house debit until otherwise directed in writing by Landlord.

(c) If, at any time, Tenant and/or Guarantor, if any, is owned directly or indirectly by one or more private equity funds or other financial sponsors which receive a management fee or other comparable distribution (" Sponsor"), Tenant and/or such Guarantor, as the case may be, shall cause each such Sponsor to enter into a Subordination Agreement substantially in the form of Exhibit I, subordinating Sponsor's right to collect its management fee to Landlord's right to collect Basic Rent under this Lease.

(d) The collection or application of any rent or other amounts directly from any subtenant at the Leased Premises by Landlord shall be subject to Paragraph 21(h) and shall not (i) be deemed

a waiver of any term, covenant or condition of this Lease, or (ii) relieve Tenant from its obligation to fully observe and perform the terms, covenants and conditions of this Lease.

7. Additional Rent.

(a) Tenant shall pay and discharge, as additional rent (collectively, "Additional Rent") the following costs and expenses:

(i) except as otherwise specifically provided herein (including without limitation Paragraph 36(q)), all Costs of Landlord not caused by Landlord's gross negligence, willful misconduct or breach of its obligations under this Lease, and which are incurred in connection with (A) the use, non-use, occupancy, possession, operation, condition, design, construction, maintenance, alteration, repair or restoration of any of the Leased Premises, (B) the Landlord's performance of any of Tenant's obligations under this Lease (if and to the extent permitted under the terms of this Lease), (C) any Condemnation proceedings, (D) the adjustment, settlement or compromise of any insurance claims involving or arising from any of the Leased Premises, (E) the prosecution, defense or settlement of any litigation (1) involving or arising from any of the Leased Premises or this Lease or the sale of any of the Leased Premises by Landlord following an Event of Default or (2) brought by any third-party directly against Landlord related to this Lease, any of the Leased Premises or Tenant's use or occupancy thereof, (F) the exercise or enforcement by Landlord of any of its rights under this Lease, (G) any amendment or supplement to or modification or termination of this Lease requested by Tenant or necessitated by any action of Tenant, including without limitation, any default by Tenant in the performance of any of its obligations under this Lease, (H) any act undertaken by Landlord (or its counsel) at the request of Tenant, any act of Landlord performed on behalf of Tenant (pursuant to any express right of Landlord to act on Tenant's behalf under the terms of this Lease), or the reasonable and customary review and monitoring of compliance by Tenant with the terms of this Lease and applicable Law, and (I) all other items expressly required to be paid by Tenant under this Lease;

(ii) subject to Paragraph 2(b) of Exhibit D, if all or any portion of any installment of Basic Rent is due and not paid by the applicable Basic Rent Payment Date, an amount (the "Late Charge") equal to five percent (5%) of the amount of such unpaid installment of Basic Rent or portion thereof to reimburse Landlord for its Costs and inconvenience incurred as a result of Tenant's delinquency; and

(iii) subject to Paragraph 2(b) of Exhibit D, interest, from the date of delinquency, at the rate (the "Default Rate") of five percent (5%) over the Prime Rate per annum on the following sums until paid in full: (A) all overdue installments of Basic Rent from the respective due dates thereof, (B) all overdue amounts of Additional Rent relating to obligations which Landlord shall have paid on behalf of Tenant, from the date reimbursement is due from Tenant (including any applicable notice, cure, and grace periods) under the express terms of this Lease, and (C) all other overdue amounts of Additional Rent, from the date when such amount becomes due (including any applicable notice and grace periods).

(b) Tenant shall pay and discharge any Additional Rent not later than five (5) Business Days after Landlord's demand for payment thereof, in the case of items billed to Landlord, and

within five (5) Business Days after the due date, in the case of items billed directly to Tenant. After the occurrence of an Event of Default, upon request from Landlord, all payments of Rent shall be paid by automated clearing house debit initiated by Landlord pursuant to Paragraph 6(b).

(c) In no event shall amounts payable under Paragraphs 7(a)(i), (ii), and (iii) or elsewhere in this Lease exceed the maximum amount permitted by applicable Law.

(d) Landlord acknowledges that in no event shall "Additional Rent" include, nor shall Landlord have any rights under this Lease, to any charges or other amounts paid by subtenants or others for parking at the Leased Premises.

8. Net Lease: Non-Terminability.

(a) This is an absolute net lease and all Rent shall be paid without notice or demand, except as otherwise expressly set forth herein, and without set-off, counterclaim, recoupment, abatement (except as otherwise set forth herein), suspension, deferment, diminution, deduction, reduction or defense (collectively, a "Set-Off").

(b) Except as otherwise expressly set forth herein (including without limitation Paragraph 36(p)), this Lease and the rights of Landlord and the obligations of Tenant hereunder shall not be affected by any event or for any reason or cause whatsoever foreseen or unforeseen.

(c) The obligations of Tenant hereunder shall be separate and independent covenants and agreements, all Rent shall continue to be payable in all events (or, in lieu thereof, Tenant shall pay amounts equal thereto), and the obligations of Tenant hereunder shall continue unaffected unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease. The obligation to pay Rent shall not be affected by any collection of rents by any governmental body pursuant to a tax lien or otherwise. All Rent payable by Tenant hereunder shall constitute "rent" for all purposes (including Section 502(b)(6) of the Federal Bankruptcy Code).

(d) Except as otherwise expressly provided herein, Tenant shall have no right and hereby waives all rights which it may have under any Law to (i) quit, terminate or surrender this Lease or any of the Leased Premises, or (ii) exercise any right of Set-Off of any Rent.

9. Payment of Impositions.

(a) Tenant shall pay and discharge when due the following to the extent they are imposed on, or with respect to, the Leased Premises: all taxes (including real and personal property taxes, franchise taxes (to the extent imposed in lieu of real property taxes), sales taxes, use taxes, commercial activity taxes (to the extent imposed in lieu of rent taxes), gross receipts (to the extent imposed in lieu of rent taxes) and rent taxes); all charges for any Easement Agreement; all assessments and levies; all taxes, fines, penalties and other Costs in connection with noncompliance of any of the Leased Premises with any applicable Law; all permit, inspection and license fees; all rents and charges for water, sewer, utility and communication services relating to any of the Leased Premises; all ground rents and all other public charges, imposed upon or assessed against (i) Tenant, (ii) Tenant's interest in any of the Leased Premises, (iii) any of the Leased Premises, or (iv) Landlord

as a result of or arising in respect of the acquisition, ownership, occupancy, leasing, use, possession or sale of any of the Leased Premises, any activity conducted on any of the Leased Premises, or the Rent (collectively, the "Impositions"); provided, however that nothing herein shall obligate Tenant to pay (A) income, excess profits, gross receipts tax, franchise or other taxes of Landlord (or Lender) which are determined on the basis of Landlord's (or Lender's) net income or net worth (unless such taxes are in lieu of or a substitute for any other tax, assessment or other charge upon or with respect to any of the Leased Premises which, if it were in effect, would be payable by Tenant under the provisions hereof or by the terms of such tax, assessment or other charge, e.g., any real property tax that is recharacterized as a franchise tax) or that is imposed upon Landlord (or Lender) under Code Section 59A, (B) any estate, inheritance, succession, gift or similar tax imposed on Landlord, (C) any tax imposed on Landlord in connection with the sale, transfer or other disposition of either of the Leased Premises or any interest therein, including, but not limited to, any transfer, capital gains, sales, gross receipts, value added, income, stamp, real property gains or withholding taxes, and (D) any interest or penalties or other charges related to the foregoing. For the avoidance of doubt, nothing in this Paragraph 9(a) shall make Tenant responsible for Landlord's Ohio Commercial Activity Tax liability.

(b) Upon expiration of the Term (or any earlier termination of this Lease), all unpaid taxes and assessments shall be apportioned. If the tax bill for the tax year in which the expiration of the Term (or any earlier termination of this Lease) occurs has not been issued, the apportionment of taxes shall be computed based upon the most recent tax bill available. Landlord and Tenant shall pro-rate any tax refund received by Landlord or Tenant for the tax year in which the expiration of the Term (or any earlier termination of this Lease) occurs.

(c) If any Imposition may be paid in installments without penalty, Tenant shall have the option to pay such Imposition in installments and shall only be liable for the payment of such installments as they become due and payable and that occur during the Term of this Lease. If any Imposition may be paid in installments with interest, Tenant shall have the option to pay such Imposition in installments, provided that if such installments extend beyond the Term, Landlord shall have the option to repay all remaining installments coming due following the Term without interest.

(d) Tenant shall prepare and file all tax reports required by governmental authorities which relate to the Impositions. Landlord shall promptly deliver to Tenant any bill, invoice, settlement or notice that Landlord receives with respect to the Impositions. In addition, Landlord agrees to cooperate with Tenant as and when necessary to enable Tenant to receive tax bills, settlements and notices with respect to the Impositions directly from the respective taxing authorities. Tenant shall deliver to Landlord (i) copies of all settlements and notices pertaining to the Impositions which may be issued by any governmental authority within ten (10) days after Tenant's receipt thereof, (ii) receipts for payment of all taxes required to be paid by Tenant hereunder within thirty (30) days after the due date thereof, and (iii) receipts for payment of all other Impositions within ten (10) days after Landlord's request therefor.

(e) Notwithstanding anything to the contrary herein, Tenant shall not be required to pay or cause to be paid any tax, assessment, charge or levy that is not yet past due, or is being contested in good faith by appropriate actions or proceedings, so long as by reason of such nonpayment and

contest no material item or portion of the Leased Premises is in jeopardy of being seized, levied upon or forfeited. Tenant shall be entitled to any refund of any Impositions (including, without limitation, penalties or interest thereon) received by Tenant or Landlord, whether or not such refund was a result of actions or proceedings instituted by Tenant.

(f) Impositions shall include, without limitation, any increase in any of the foregoing taxes, payments or costs based upon construction of improvements on the Leased Premises or "change in ownership" (as defined in the California and Revenue Taxation Code) of the Leased Premises.

(g) During the continuance of an Event of Default, Tenant shall pay to Landlord or Lender such amounts (each an " Escrow Payment") as required by Landlord or Lender so that there shall be in an escrow account an amount sufficient to pay as they become due the Escrow Charges that will accrue over such period of time as Landlord or Lender shall reasonably require. As used herein, "Escrow Charges" means real estate taxes and assessments on or with respect to any of the Leased Premises or payments in lieu thereof and premiums on any insurance required by this Lease, payments due under any Easement Agreement and any reserves for capital improvements, deferred maintenance, repair and/or tenant improvements and leasing commissions. Landlord shall reasonably determine the amount of the Escrow Charges (it being agreed that if required by a Lender, such amount shall equal any corresponding escrow installments required to be paid by Landlord) and the amount of each Escrow Payment. Notwithstanding the immediately preceding sentence (including without limitation any Lender requirements), the Escrow Payments shall not be commingled with other funds of Landlord or other Persons (and shall not exceed twelve (12) months of Escrow Charges at any given time), shall not exceed with respect to any Escrow Charge in any month one twelfth ($1/12^{th}$) of the annual amount of the applicable Escrow Charge, and in no event may Landlord require any Escrow Payment regarding any Escrow Charge if Landlord is holding the aggregate annual amount of such Escrow Charge. No interest thereon shall be due or payable to Tenant. Landlord or Lender, as applicable, shall apply the Escrow Payments to the payment of the Escrow Charges in such order or priority as Landlord or Lender shall determine or as required by Law. Subject to the foregoing, if at any time the Escrow Payments theretofore paid to Landlord or Lender, as applicable, shall be insufficient for the payment of the Escrow Charges, Tenant, within ten (10) days after Landlord's written demand therefor, shall pay the amount of the deficiency to Landlord or Lender, as applicable.

(h) Tenant agrees to notify Landlord immediately of any changes to the amounts, schedules, or instructions for payment of any Impositions and premiums on any insurance held under this Lease of which Tenant has obtained knowledge and authorizes Landlord or Lender to obtain duplicate copies of the bills for Impositions or Escrow Charges directly from the appropriate authority or entity.

(i) To the extent required by NPDES Permit No. CAG994004, Tenant agrees to (i) conduct monthly sampling of the water in the sump pump at the Long Beach Real Property, and (ii) provide the applicable quarterly reporting thereof to the LA Regional Water Quality Control Board.

10. Compliance with Laws and Easement Agreements; Environmental Matters.

(a) Tenant shall, at its expense, comply with and conform to, and cause each of the Leased Premises and any other Person occupying any part of any of the Leased Premises to materially comply with and conform to all Insurance Requirements and all Legal Requirements (including all applicable Environmental Laws); provided, however, that Tenant shall only be required to cause any other Person to comply with Insurance Requirements if and to the extent such Insurance Requirements are reasonably applicable to such Person and its activities or operations at any Leased Premises. Tenant shall not at any time (i) cause, permit, or suffer to occur, any Environmental Violation or any environmental lien whether due to the acts of Tenant or any other party, (ii) permit any subtenant, assignee or other Person occupying any of the Leased Premises under or through Tenant to cause, permit or suffer to occur any Environmental Violation and, at the request of Landlord, Tenant shall promptly remediate or undertake any other appropriate response action to correct any existing Environmental Violation, however immaterial, or (iii) without the prior written consent of Landlord, permit any drilling or exploration for or extraction, removal, or production of any oil, gas or minerals from the surface or the subsurface of the Real Property, regardless of the depth thereof or the method of mining or extraction thereof. Any and all reports prepared for or by Landlord with respect to any of the Leased Premises shall be for the sole benefit of Landlord and no other Person shall have the right to rely on any such reports.

(b) Tenant, at its sole cost and expense, will at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in any Easement Agreement on the part of Landlord, Tenant or any subtenant to be kept and performed thereunder; provided, however, that Landlord shall reasonably cooperate with Tenant to enable and assist Tenant in connection therewith. Neither Party will alter, modify, amend or terminate any Easement Agreement, give any consent or approval thereunder, or enter into any new Easement Agreement without, in each case, the prior written consent of the other Party. Tenant agrees to reasonably cooperate with Landlord, at Tenant' sole cost and expense, in connection with (i) the granting of easements, licenses, rights-of-way and other rights and privileges in the nature of Easement Agreements reasonably necessary or desirable for ownership and operation of any of the Leased Premises as herein provided; (ii) the execution of petitions to have any of the Leased Premises annexed to any municipal corporation or utility district; and (iii) the execution of amendments to any covenants and restrictions affecting any of the Leased Premises; provided, however, that in no event shall Landlord undertake any of the actions described in clauses (i), (ii) and (iii) or any other grant, release, dedication, transfer, easement, amendment or government action, or other action or agreement relating to either of the Leased Premises (any of the foregoing, a " Property Action") without the prior written consent of Tenant, which consent Tenant shall not unreasonably withhold, condition or delay; provided, however, that Tenant may condition such consent in part on receiving from Landlord a certificate stating that such Property Action will not materially interfere with Tenant's use and enjoyment of the Leased Premises.

(c) Subject to the provisions of this Paragraph 10(c), so long as no Event of Default has occurred and is continuing, Landlord hereby agrees to reasonably cooperate with the following actions by Tenant, in the name and stead of Landlord and cause Lender to cooperate with, but at Tenant's sole cost and expense: (i) the granting of easements, licenses, rights-of-way and other rights and privileges in the nature of Easement Agreements reasonably necessary or desirable for

the construction, operation, restoration, use, repair, renovation or maintenance of any of the Leased Premises as herein provided; (ii) the execution of petitions to have any of the Leased Premises annexed to any municipal corporation or utility district; (iii) the execution of amendments to any covenants and restrictions affecting any of the Leased Premises; (iv) Tenant's obtaining all necessary government or third-party actions, consents or agreements necessary for the performance and completion of any Alteration; provided, however that in each case Tenant shall have delivered to Landlord a certificate stating that: (A) the Property Action does not impair the value, utility or remaining useful life of such Leased Premises or have an adverse effect on the value of Landlord's interest in such Leased Premises (other than to a de minimis extent, or, with respect to an Alteration, a temporary extent), (B) such Property Action is reasonably necessary in connection with the use, maintenance, alteration, renovation, construction, operation, restoration, repair or improvement of such Leased Premises, (C) Tenant shall remain obligated under this Lease and under any instrument executed by Tenant consenting to the assignment of Landlord's interest in this Lease as security for indebtedness, in each such case in accordance with their terms, and (D) Tenant shall pay any Costs of Landlord under such Property Action. Without limiting the effectiveness of the foregoing, Landlord shall, within thirty (30) days of receipt of the written request of Tenant, and at Tenant's sole cost and expense (including reasonable fees and disbursements of counsel to Landlord and Lender to review such Property Action), review and either approve or disapprove in writing the proposed Property Action, and, if approved, execute and deliver any instruments and take any other action reasonably necessary or appropriate to confirm any such Property Action, to any person permitted under this Paragraph 10 or to implement any such Property Action.

(d) Upon prior written notice from Landlord, Tenant shall permit such persons as Landlord may designate ("Site Reviewers") to visit any of the Leased Premises during normal business hours and in a manner which does not unreasonably interfere with Tenant's operations and perform environmental site investigations and assessments (" Site Assessments") on such Leased Premises in any of the following circumstances: (i) in connection with any sale, financing or refinancing of such Leased Premises; (ii) within the six (6) month period prior to the expiration of the Term; (iii) if required by Lender or the terms of any credit facility to which Landlord is bound; (iv) if an Event of Default exists; (v) if required under any applicable Law; or (vi) at any other time that, in the opinion of Landlord or Lender, a reasonable basis exists to believe that an Environmental Violation or any condition that could reasonably be expected to result in any Environmental Violation exists; provided, however, that Landlord and Lender may only conduct, in the aggregate, one (1) Site Assessment per calendar year, unless Landlord or its Lender has a reasonable basis to believe that a previously undisclosed material Environmental Violation exists. Such Site Assessments may include both above and below the ground testing for Environmental Violations and such other tests as may be necessary, in the opinion of the Site Reviewers, to conduct the Site Assessments including additional Site Assessments that may be required as a result of any limited Phase II environmental report prepared prior to the date hereof or as may be required by Lender or any provider of insurance for such Leased Premises. Tenant shall supply to the Site Reviewers such historical and operational information regarding such Leased Premises as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments, and shall make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The cost of performing and reporting any Site Assessments pursuant to subsections (i) and (iii) of this Paragraph 10(d) shall be paid by Landlord; all other costs relating to Site Assessments shall be paid by Tenant.

(e) If an Environmental Violation occurs or is found to exist and, in Landlord's reasonable judgment, the cost of remediation of, or other response action with respect to, the same is likely to exceed Five Hundred Thousand Dollars ($500,000) , Tenant shall provide to Landlord, within ten (10) days after Landlord's written request therefor, adequate financial assurances, as determined in Landlord's reasonable discretion, that Tenant will effect such remediation in accordance with applicable Environmental Laws, and fulfill Tenant's indemnification obligations that could reasonably be expected to arise as a result of such Environmental Violation. Such financial assurances shall be in an amount equal to or greater than Landlord's reasonable estimate, based upon a Site Assessment performed pursuant to Paragraph 10(d), of the anticipated cost of such remedial action. Tenant shall comply with all reasonable requests of Landlord with respect to an Environmental Violation, including without limitation (i) a request to effectuate a remediation of any Environmental Violation, (ii) a request for Tenant to comply with any Environmental Laws or to comply with any directive from a governmental authority, or (iii) a reasonable request to take any action necessary to protect human health and safety.

(f) Notwithstanding any other provision of this Lease, if an Environmental Violation occurs or is found to exist and the Term would otherwise terminate or expire, then, at the option of Landlord, the Term shall be automatically extended beyond the date of termination or expiration and this Lease shall remain in full force and effect on a month-to-month basis beyond such date until the earlier to occur of (i) the completion of all remedial action in accordance with applicable Environmental Laws or (ii) the date specified in a written notice from Landlord to Tenant terminating this Lease.

(g) If Tenant fails to comply with any requirement of any Environmental Law, Landlord shall have the right (but no obligation) to take any and all actions as Landlord shall deem necessary or advisable in order to comply with such Environmental Law.

(h) Except as provided in Schedule 10(h), Tenant represents and warrants that (i) it is not aware of any Environmental Violation or suspected Environmental Violation at any of the Leased Premises as of the Effective Date and (ii) Tenant has disclosed to Landlord all known or suspected Environmental Violations and the presence of Hazardous Conditions or Hazardous Substances existing on any of the Leased Premises prior to the Effective Date. If Tenant fails to comply with any requirement of any Environmental Law in connection with any Environmental Violation which occurs or is found to exist, Landlord shall have the right (but no obligation) to take any and all actions as Landlord shall deem necessary or advisable in order to cure such Environmental Violation.

(i) Tenant shall notify Landlord on the earlier of (i) three (3) Business Days after obtaining knowledge thereof or (ii) the date on which notice is required to be delivered to any governmental authority under applicable Environmental Law, or contemporaneous with notice being provided to any governmental authority, with respect to (X) any Environmental Violation (or alleged Environmental Violation), (Y) spill or release of any Hazardous Substances that could reasonably be expected to result in a claim or liability under Environmental Law, or (Z) noncompliance with any of the covenants contained in this Paragraph 10, and shall promptly forward to Landlord copies of all orders, reports, notices, permits, applications or other communications relating to any such violation or noncompliance.

(j) Intentionally Omitted.

(k) Tenant shall, from time to time, upon Landlord's reasonable request, provide Landlord with evidence (a duly authorized and executed officer's certificate from Tenant shall be sufficient evidence) satisfactory to Landlord that the Real Property complies with all Legal Requirements or is exempt from compliance with such Legal Requirements.

(l) Except for the water tank more particularly described in Schedule 10(l) (the " Water Tank"), and the above-ground tank containing diesel fuel described in Schedule 10(l) (the " Diesel Tank"), there are no above or underground tanks at either of the Leased Premises as of the date hereof. Tenant represents and warrants that the Water Tank has not been used by Tenant or its Affiliates for any purpose other than to hold water from a domestic water line as a water reservoir for the fire sprinkler system at the Long Beach Leased Premises. Unless otherwise directed by Landlord, and except for the Water Tank and the Diesel Tank, Tenant shall, at its sole cost and expense, close any tanks (above or underground) or remnants thereof at each of the Leased Premises prior to the termination or expiration of the Term. Tenant shall: (i) remove any such tanks, their contents, and associated equipment and piping at each of the Leased Premises in accordance with Environmental Law; (ii) close any such tanks in accordance with Environmental Law; (iii) perform any Site Assessments reasonably necessary to determine whether the prior use of or removal or closure procedures with respect to any such tanks resulted in an Environmental Adverse Condition; (iv) remediate all Environmental Adverse Conditions associated with any such tanks in accordance with this subparagraph; and (v) notify as required all appropriate Governmental Authorities of the closure and removal of any such tanks that are regulated in accordance with Environmental Law. In the event that Landlord notifies Tenant that any or all of the tanks that otherwise are required to be removed pursuant to this Paragraph 10(l) may remain on any of the Leased Premises at the termination or expiration of the Term, Tenant shall take all appropriate actions to ensure that such tanks are in good working order, are emptied of all contents, are in compliance with all Environmental Laws, and do not constitute an Environmental Adverse Condition at the termination or expiration of the Term. Prior to the termination or expiration of the Term, Tenant shall provide Landlord with (x) proof of closure or removal of any such tanks that are required to be closed or removed pursuant to this Paragraph 10(l), (y) copies of all Site Assessments performed in conjunction with the closure or removal of any such tanks, and (z) all documentation of the regulatory status of all tanks at any of the Leased Premises (including without limitation any such documentation regarding the Water Tank and the Diesel Tank, and any other tanks whether or not Landlord has allowed Tenant to leave in place any other tanks at such Leased Premises).

11. Liens; Recording.

(a) Except as contemplated in Paragraph 10, Tenant shall not, directly or indirectly, create or permit to be created or to remain and shall promptly discharge or remove any lien, levy or encumbrance on any of the Leased Premises or on any Rent or any other sums payable by Tenant under this Lease, other than any Mortgage or Assignment, the Permitted Encumbrances and any mortgage, lien, encumbrance or other charge created by or resulting solely from any act or omission of Landlord. NOTICE IS HEREBY GIVEN THAT LANDLORD SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES, EQUIPMENT OR MATERIALS FURNISHED OR TO BE FURNISHED TO TENANT OR TO ANYONE HOLDING OR OCCUPYING ANY OF THE

LEASED PREMISES THROUGH OR UNDER TENANT, AND THAT NO MECHANICS' OR OTHER LIENS FOR ANY SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE INTEREST OF LANDLORD IN AND TO ANY OF THE LEASED PREMISES. LANDLORD MAY AT ANY TIME POST ANY NOTICES ON ANY OF THE LEASED PREMISES REGARDING SUCH NON-LIABILITY OF LANDLORD. Landlord may record, at its election, notices of non-responsibility pursuant to California Civil Code Section 8444 in connection with any work performed by Tenant at the Leased Premises.

(b) At the request of either Party, the other Party shall execute, deliver and record, file or register (collectively, "Record") all such instruments as may be reasonably required or permitted by any present or future Law in order to evidence the respective interests of Landlord and Tenant in the Leased Premises, and shall cause a memorandum of this Lease and a memorandum memorializing any amendment or supplement hereto or thereto, to be Recorded in such manner and in such places as may be required or permitted by any present or future Law in order to protect the validity and priority of this Lease.

12. Maintenance and Repair.

(a) Tenant shall complete the repairs listed on Schedule 12(a) (the "Immediate Repairs") no later than twelve (12) months after the Effective Date. Upon completion of the Immediate Repairs, Tenant shall deliver to Landlord (i) lien waivers reasonably satisfactory to Landlord and (ii) a certificate of Tenant, signed by an officer of Tenant, stating that the Immediate Repairs have been fully completed and comply with the applicable requirements of this Lease and with all Legal Requirements. Landlord hereby agrees that no Letter of Credit or other security shall be required to be delivered by Tenant to Landlord in connection with the Immediate Repairs.

(b) Subject to the completion of the Immediate Repairs, any Alterations permitted hereunder, restorations following any Casualty or Condemnation, and all other rights of Tenant under this Lease, and subject to reasonable wear and tear, Tenant shall at all times maintain each of the Leased Premises in as good repair, appearance and condition as they are on the Effective Date and fit to be used for the Permitted Use in accordance with the practices generally recognized as then acceptable by other office tenants, and (ii) the Equipment, in as good mechanical condition as it was on the later of the date hereof or the date of its installation, except for ordinary wear and tear, and subject to maintenance, repair and replacement of same. Tenant shall take every other action necessary or appropriate for the preservation and safety of each of the Leased Premises and the life safety of any occupants of each of the Leased Premises or their invitees. Tenant shall promptly make all Alterations of every kind and nature, whether foreseen or unforeseen, which may be required to comply with the foregoing requirements of this Paragraph 12(b) or to comply with any Legal Requirement. Landlord shall not be required to make any Alteration, whether foreseen or unforeseen, or to maintain any of the Leased Premises in any way, and Tenant hereby expressly waives any right which may be provided for in any Law now or hereafter in effect to make Alterations at the expense of Landlord or to require Landlord to make Alterations. Any Alteration made by Tenant pursuant to this Paragraph 12 shall be made in conformity with the provisions of Paragraph 13. Tenant hereby agrees and covenants not to commit or permit any of the Leased Premises to suffer waste, and shall take all precautions necessary to prevent waste from occurring at any of the Leased Premises.

(c) Tenant shall provide Landlord with an engineering or property condition report (at Tenant's sole cost and expense and in form and substance satisfactory to Landlord, in Landlord's reasonable discretion) not more than twenty-four (24) months nor less than eighteen (18) months prior to the end of the Initial Term or any Renewal Term (a "Property Condition Report"). If (i) such Property Condition Report lists replacements of the roof or HVAC systems as required or advisable on any of the Leased Premises during the remainder of the Initial Term or any Renewal Term, or (ii) an Alteration or repair to any of the Leased Premises is required by any Legal Requirement during the last eighteen (18) months of the Initial Term or any Renewal Term, then, provided that such Alteration or repair is the result of normal wear and tear and not due to neglect or waste by Tenant, then the cost of such Alteration or repair, as the case may be, will be apportioned between Landlord and Tenant with Tenant's share equal to the cost of such Alteration or repair, as the case may be, multiplied by a fraction, the numerator of which shall be the remainder of the Term from the time such Alteration or repair is made pursuant to subparagraphs (i) or (ii) above, and the denominator of which shall be the anticipated useful life of such Alteration or repair, as the case may be. If such Alteration or repair is required due to neglect or waste by Tenant or the breach of any of Tenant's other obligations under this Lease, Tenant shall bear the full cost of such Alteration or repair, including any reasonable Costs incurred by Landlord to ensure that the Alteration and repair are completed, and such Alteration or repair shall be made in accordance with Paragraphs 12 and 13 of this Lease.

(d) Except as disclosed by a survey or other writing provided to Landlord prior to the Effective Date, if any Improvement, now or hereafter constructed, shall (i) materially encroach upon any setback or any property, street or right-of-way adjoining such Leased Premises, (ii) materially violate any zoning restrictions, including without limitation height or set-back restrictions, or the provisions of any restrictive covenant affecting such Leased Premises, (iii) hinder or obstruct any Easement Agreement to which such Leased Premises is subject or (iv) impair the rights of others in, to or under any of the foregoing, Tenant shall, promptly after receiving written notice or otherwise acquiring actual knowledge thereof, either (A) obtain from all necessary parties waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation, hindrance, obstruction or impairment, whether the same shall affect Landlord, Tenant or both, or (B) take such action as shall be necessary to remove all such encroachments, hindrances or obstructions and to end all such violations or impairments, including, if necessary, making Alterations.

(e) Tenant waives and releases any right it may have to make repairs at Landlord's expense or to quit the Leased Premises under Sections 1941, 1942(a) and 1932(1) of the California Civil Code or any other statute now or hereafter in effect which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Leased Premises in good order, condition and repair.

13. Alterations and Improvements.

(a) Tenant shall not make (i) any non-structural Alterations to any of the Long Beach Leased Premises that cost more than One Million Dollars ($1,000,000.00) or to any of the Columbus Leased Premises that cost more than Five Hundred Thousand Dollars ($500,000.00), each in the aggregate, in any calendar year or (ii) any structural Alterations to any Leased Premises, without

having first obtained the prior written consent of Landlord (such consent not to be unreasonably withheld, conditioned or delayed); provided, however that the Alterations (x) in progress as of the Effective Date, (y) planned to be completed before the end of the year 2014, or (z) that are tenant improvements under Existing Subleases and described in Schedule 13(a) of this Lease, are not subject to, and do not and shall not count against, the foregoing monetary caps and are hereby approved by Landlord in all respects. Tenant shall not construct upon the Real Property any additional buildings or other structural improvements without having first obtained the prior written consent of Landlord. Landlord shall have the right to require Tenant to remove at the end of the Term any Alterations so long as Landlord gives Tenant written notice of election to require removal within ten (10) days of giving Tenant approval for such Alteration; provided, however, that Landlord shall not have the right to require Tenant to remove any of the following: Alterations required by Law, Alterations generally consistent with office use, and tenant improvements by subtenants under approved Subleases.

(b) If Tenant makes any Alterations pursuant to this Paragraph 13 or as required by Paragraph 12 or Paragraph 17 (such Alterations and actions being hereinafter collectively referred to as " Work") to any of the Leased Premises, then (i) the market value of such Leased Premises shall not be lessened or its usefulness impaired, by the completion of such Work (ii) all such Work shall be performed by Tenant in a good and workmanlike manner, (iii) all such Work shall be expeditiously completed in compliance with all Legal Requirements, (iv) all such Work shall comply with the requirements of all insurance policies required to be maintained by Tenant hereunder, (v) if any such Work involves the replacement of Equipment or parts thereto, all replacement Equipment or parts shall have a value and useful life equal to the greater of (A) the value and useful life on the Effective Date of the Equipment being replaced or (B) the value and useful life of the Equipment being replaced immediately prior to the occurrence of the event which required its replacement (assuming such replaced Equipment was then in the condition required by this Lease), (vi) Tenant shall promptly discharge or remove all liens filed against such Leased Premises arising out of such Work, (vii) Tenant shall procure and pay for all permits and licenses required in connection with any such Work, (viii) the product and results of all such Work shall be the property of Landlord and shall be subject to this Lease, and Tenant shall execute and deliver to Landlord any document reasonably requested by Landlord evidencing the assignment to Landlord of all estate, right, title and interest (other than the leasehold estate created hereby) of Tenant or any other Person thereto or therein, and (ix) if such Alterations will cost in excess of One Million Dollars ($1,000,000.00), Tenant shall comply, to the extent requested by Landlord or required by this Lease, with the provisions of Paragraph 19(a)(i)-(vii) (provided that (x) any "Restoration Fund" shall be funded within ten (10) Business Days after Landlord's approval of such Alterations, in such as amount as Landlord shall reasonably determine, (y) Tenant shall not be required to hire a casualty consultant, and (z) neither Landlord nor Lender shall commingle amounts in any "Restoration Fund" created pursuant to this Paragraph 13(b) with Landlord's or Lender's other funds, and Tenant agrees that such amounts in any such "Restoration Fund" shall not bear interest), whether or not such Work involves restoration of any of the Leased Premises.

14. Permitted Contests.

Notwithstanding any other provision of this Lease, Tenant shall not be required to (a) pay any Imposition , (b) comply with any Legal Requirement, (c) discharge or remove any lien referred

to in Paragraph 11 or Paragraph 13 or (d) take any action with respect to any encroachment, violation, hindrance, obstruction or impairment referred to in Paragraph 12(d) (such non-compliance with the terms hereof being hereinafter referred to collectively as "Permitted Violations") and may dispute or contest the same, so long as at the time of such non-compliance no Event of Default exists and so long as Tenant shall contest, in good faith, the existence, amount or validity thereof, the amount of the damages caused thereby, or the extent of its or Landlord's liability therefor by appropriate proceedings which shall operate during the pendency thereof to prevent or stay (i) the collection of, or other realization upon, the Permitted Violation so contested, (ii) the sale, forfeiture or loss of any of the Leased Premises or any Rent to satisfy or to pay any damages caused by any Permitted Violation, (iii) any interference with the use or occupancy of any of the Leased Premises, (iv) any interference with the payment of any Rent, (v) the cancellation or increase in the rate of any insurance policy or a statement by the carrier that coverage will be denied or (vi) the enforcement or execution of any injunction, order or Legal Requirement with respect to the Permitted Violation. Tenant shall provide Landlord security (by way of example only, in the form of a cash escrow or Letter of Credit) which is satisfactory, in Landlord's reasonable judgment, to assure that such Permitted Violation is corrected, including all Costs, interest and penalties that may be incurred or become due in connection therewith. While any proceedings which comply with the requirements of this Paragraph 14 are pending and the required security is held by Landlord, Landlord shall not have the right to correct any Permitted Violation thereby being contested unless Landlord is required by Law to correct such Permitted Violation and Tenant's contest does not prevent or stay such requirement as to Landlord. Each such contest shall be promptly and diligently prosecuted by Tenant to a final conclusion, except that Tenant, so long as the conditions of this Paragraph 14 are at all times complied with, has the right to attempt to settle or compromise such contest through negotiations. Tenant shall pay any and all losses, judgments, decrees and Costs in connection with any such contest and shall, promptly after the final determination of such contest, fully pay and discharge the amounts which shall be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with all penalties, fines, interest and Costs thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof. No such contest shall subject Landlord to the risk of any civil or criminal liability. Without limiting the foregoing, Tenant shall also have the right to take any action or undertake any proceeding against any applicable collecting authority to (y) seek an abatement or refund of any Impositions or a reduction in the valuation of the Leased Premises, and/or (z) contest the applicability of any Impositions. In any instance where any permitted action or proceeding is being undertaken by Tenant as set forth in this Paragraph 14, Landlord shall cooperate reasonably with Tenant, at no cost or expense to Landlord, and execute any and all documents reasonably required in connection therewith. Tenant shall be entitled to any refund of any amounts received by Tenant or Landlord pursuant to any permitted action or proceeding described in this Paragraph 14.

15. Indemnification.

(a) Tenant shall pay, protect, indemnify, defend, save and hold harmless Landlord, Lender and all other Indemnitees from and against any and all liabilities, losses, damages (including punitive damages), penalties, Costs (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature whatsoever, without regard to the form of action and whether based on strict liability, gross negligence, negligence, or any other theory of

recovery at law or in equity (collectively, "Losses"), in each case proximately caused by events occurring during the Term, and arising from (i) the ownership, leasing, use, non-use, occupancy, operation, management, condition, design, construction, maintenance, repair or restoration of any of the Leased Premises; (ii) any Casualty in any manner arising from any of the Leased Premises, whether or not Indemnitee has or should have knowledge or notice of any defect or condition causing or contributing to said Casualty; (iii) any violation by Tenant of (A) any provision of this Lease (including any representation or warranty), (B) any contract or agreement to which Tenant is a party, (C) any Legal Requirement or (D) any Permitted Encumbrance or any other encumbrance consented to by Tenant; (iv) any default by Landlord of any Loan, to the extent caused by an Event of Default by Tenant under this Lease, or (v) any alleged, threatened or actual Environmental Violation, including (A) liability for response costs and for costs of removal and remedial action incurred by the United States Government, any state or local governmental unit or any other Person, or damages from injury to or destruction or loss of natural resources, including the reasonable costs of assessing such injury, destruction or loss, incurred pursuant to Sections 107 or 113 of CERCLA, or any successor section or act or provision of any similar state or local Law, (B) liability for costs and expenses of abatement, correction or clean-up, fines, damages, response costs or penalties which arise from the provisions of any of the other Environmental Laws and (C) liability for personal injury or property damage arising under any statutory or common-law tort theory, including damages assessed for the maintenance of a public or private nuisance or for carrying on of a dangerous activity; provided that such acts or omissions took place during the term of the Lease; and provided, further, that, notwithstanding the foregoing, Tenant shall have no liability or obligation to any Indemnitee under this Paragraph 15 to the extent of any Loss arising out of any Indemnitee's gross negligence or willful misconduct.

(b) Landlord shall pay, protect, indemnify, defend, save and hold harmless Tenant from and against any and all Losses arising from any default by Landlord under this Lease, the actions of any Site Reviewers at any of the Leased Premises, any Site Assessments, or the gross negligence or willful misconduct of Landlord or any of Landlord's directors, members, officers, general partners, limited partners, shareholders, employees or agents, or any predecessor, successor or affiliate of any of the foregoing.

(c) In case any action or proceeding is brought against any party indemnified under this Paragraph 15, (i) such indemnified party shall notify the indemnitor to resist or defend such action or proceeding, and such indemnified party will cooperate and assist in the defense of such action or proceeding if reasonably requested to do so by the indemnitor and (ii) in the case that Tenant is the indemnitor, Tenant may, except during the continuance of an Event of Default caused by the failure of Tenant to pay to Landlord any amounts due under this Lease (after any applicable notice and cure periods), select and, retain its own counsel and defend such action (it being understood that Landlord may employ counsel of its choice to monitor the defense of any such action, the cost of which shall be paid by Tenant). During the continuance of an Event of Default caused by the failure of Tenant to pay to Landlord any amounts due under this Lease (after any applicable notice and cure periods), Landlord shall have the right to select counsel, and the fees and expenses of such counsel shall be paid by Tenant.

(d) Tenant hereby indemnifies and holds harmless Landlord from and against any claims (including reasonable attorneys' fees) for brokerage fees or commissions arising out of any existing

Subleases at the Leased Premises. Tenant also hereby indemnifies and holds harmless Landlord against any such action brought by any subtenant at the Leased Premises and any claims or damages suffered by Landlord during the Term as a result of any such action brought by any subtenant, unless such claims or damages are the result of Landlord's gross negligence, willful misconduct, breach of this Lease, or breach of any agreement between Landlord and any subtenant.

(e) The obligations of Landlord and Tenant under this Paragraph 15 shall survive any termination, expiration or rejection in bankruptcy of this Lease.

16. Insurance.

(a) Each policy of insurance listed on Schedule 16(a) attached hereto (the "Existing Insurance Policies") is in full force and effect and all premiums due with respect thereto have been paid. There are no claims outstanding or pending under any Existing Insurance Policies.

(b) Tenant shall obtain, pay for and maintain the following insurance on or in connection with each of the Leased Premises:

(i) Insurance against all risk of physical loss or damage to the Improvements and Equipment as provided under "Special Causes of Loss" form coverage, including the perils of hail, windstorm, flood coverage, earthquake and acts of terrorism, in amounts not less than the actual replacement cost of the Improvements and Equipment without deduction for depreciation on agreed amount basis (except at least $5,000,000 limit for earthquake and flood); provided that, if Tenant's insurance company is unable or unwilling to include any or all of such excluded perils, Tenant shall have the option of purchasing coverage against such perils from another insurer on a "Difference in Conditions" form or through a stand-alone policy. Such policies shall contain if Special Causes of Loss form Law and Ordinance – Full Building Value, $10,000,000 Increased Cost of Construction and Demolition and if standalone earthquake policy $1,000,000 Building Law, Increased Cost of Construction and Demolition. Such policies and endorsements shall contain deductibles not more than $100,000 per occurrence except that earthquake coverage may have a deductible not to exceed 5% percent of actual replacement cost of the Improvements and flood coverage may have a deductible not to exceed $100,000. All such deductibles are Tenant's responsibility. Such policies shall name Landlord as a Named Insured, and Lender as mortgagee/loss payee, with respect to such Leased Premises.

(ii) Comprehensive Boiler and Machinery/Equipment Breakdown Insurance on any of the Equipment in such Leased Premises, in an amount not less than the full replacement cost of such Equipment (subject to an aggregate sublimit of $100,000,000) per accident for damage such Equipment (and which may be carried as part of the coverage required under clause (i) above or pursuant to a separate policy or endorsement). If such coverage is provided pursuant to a separate Boiler and Machinery policy or endorsement, Tenant will obtain a Joint Loss Agreement. Either such Boiler and Machinery policy endorsements or the Special Causes of Loss policy required in clause (i) above shall include at least $5,000,000 per incidence for Off-Premises Service Interruption and Expediting Expenses, Ammonia Contamination, and Hazardous Materials Clean-Up Expense and may contain a deductible not to exceed $100,000 (which is Tenant's responsibility). Such policies shall name Landlord and Lender as loss payees, with respect to such Leased Premises.

(iii) Business Income/Extra Expense Insurance at limits sufficient to cover 100% of the period of indemnity not less than eighteen (18) months from time of loss and an extended period of indemnity of not less than one hundred eighty (180) days. Such policies shall name Landlord and Lender as loss payees with respect to any payments under such policies for Rent under the Lease, and shall name Tenant as the loss payee for all other payments thereunder.

(iv) Commercial General Liability Insurance against claims for personal injury, bodily injury, death, accident or property damage occurring on, in or as a result of the use of such Leased Premises, in an amount not less than $1,000,000 per Occurrence/$2,000,000 Annual Aggregate and $2,000,000 Products/Completed Operations Annual Aggregate on a per location basis and on an occurrence basis. Coverage shall also include elevators/escalators (if any), independent contractors, contractual liability and Products/Completed Operations Liability coverage and liability caused by acts of terrorism. Such policies shall name Landlord and Lender as additional insureds with respect to such Leased Premises.

(v) Business Automobile Liability Insurance (including Owned – if any; Non-Owned and Hired Automobile Liability) in an amount of $1,000,000 Combined Single Limit.

(vi) Workers' Compensation insurance in the amount required by applicable Law (or, in lieu of any Workers' Compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate governmental agency).

(vii) Employers' Liability insurance covering all persons employed by Tenant in connection with any work done on or about such Leased Premises in the amount of $1,000,000 per accident, $1,000,000 per illness, per employee, and $1,000,000 per illness, in the aggregate (or, in lieu of any Workers' Compensation insurance (which shall contain Employers' Liability insurance), a program of self-insurance complying with the rules, regulations and requirements of the appropriate governmental agency). Landlord reserves the right to have evidence shown that any self-insurance program has been accepted by the appropriate governmental agency.

(viii) Excess/Umbrella Liability in an amount of not less than $25,000,000 on a per location basis that includes Follow Form coverage for Commercial General Liability, Business Automobile Liability and Employers' Liability coverages (provided, however, that if and to the extent Tenant determines, in its reasonable business judgment, that changes to such coverage are advisable given Tenant's current business and operations, Landlord agrees not to unreasonably withhold, condition or delay its consent to such changes).

(ix) During any period in which any Alterations at any Leased Premises are being undertaken by Tenant, and such Alterations are not insured pursuant to the policies and endorsements required in Paragraph 16(b)(i) above, builder's risk insurance or property insurance (either of which may contain commercially reasonable sublimits) covering the total completed value, including all hard costs with respect to any Improvements being constructed, altered or repaired (on a completed value, non-reporting basis), replacement cost of work performed and equipment, supplies and materials furnished in connection with such construction, alteration or repair of Improvements or Equipment, together with such other endorsements as Landlord may reasonably require, and general liability, worker's compensation and automobile liability insurance with respect to the

Improvements being constructed, altered or repaired, all in form and substance reasonably acceptable to Lender, Landlord and Tenant. Such policies shall name Landlord and Lender as Named Insured, Mortgagee, Additional Insured and/or Loss Payees with respect to such Leased Premises, as applicable.

(x) If Tenant handles, stores or utilizes Hazardous Substances (other than pesticides, cleaning supplies, toner for photocopying machines, and other commercially reasonable amounts of substances directly related to the cleaning, operation and/or maintenance of the Leased Premises or Tenant's office equipment (including, without limitation, diesel fuel contained in the Diesel Tank)) in its business operations, pollution legal liability insurance (with limits to be reasonably determined by Landlord and Tenant on a case by case basis). Such pollution legal liability insurance shall name Landlord and Lender as additional insureds with respect to such Leased Premises.

(xi) Such other insurance of the type and amount that is at the time requested customarily carried by prudent owners or tenants with respect to properties similar in character, location, use and occupancy to the respective Leased Premises (or other terms with respect to any insurance required pursuant to this Paragraph 16, including without limitation amounts of coverage, deductibles, form of mortgagee clause) on or in connection with such Leased Premises, all as may be reasonably agreed upon by Landlord, Lender and Tenant.

(c) The insurance required by Paragraph 16(b) shall be written by companies having a Best's rating of A-X or above and are authorized to write insurance policies by the State Insurance Department (or its equivalent) for the states in which each of the Leased Premises is located. The insurance policies (i) shall be for such terms as Landlord may reasonably approve and (ii) shall be in amounts sufficient at all times to satisfy any coinsurance requirements thereof. If said insurance or any part thereof shall expire, be withdrawn, become void, voidable, unreliable or unsafe for any reason, including a breach of any condition thereof by Tenant or the failure or impairment of the capital of any insurer, or if for any other reason whatsoever said insurance shall become reasonably unsatisfactory to Landlord, Tenant shall promptly obtain new or additional insurance reasonably satisfactory to Landlord.

(d) Each insurance policy referred to in clauses (i), (ii), (iii) and (ix) of Paragraph 16(b) shall contain standard non-contributory mortgagee clauses in favor of and acceptable to Lender. Each policy required by any provision of Paragraph 16(b) shall provide that it may not be cancelled, or allowed to lapse until ten (10) days following nonpayment of any premium therefor. Tenant shall use commercially reasonable efforts to cause each insurer issuing a policy required by any provision of Paragraph 16(b) to agree not to cancel such policy without at least ten (10) days' prior notice to Landlord and Lender.

(e) Tenant shall pay as they become due all premiums for the insurance required by Paragraph 16(b), shall renew or replace each policy and deliver to Landlord evidence of the payment of the full premium therefor or installment then due at least ten (10) days prior to the expiration date of such policy, and shall promptly deliver to Landlord all original certificates of insurance evidencing such coverages or, if requested by Landlord or required by Lender, original or certified policies. All certificates of insurance (including liability coverage) provided to Landlord and Lender

shall be on ACORD Form 28 (2003/10) for Property Coverages or ACORD Form 25 Liability Coverages (or its equivalent in the Landlord's sole discretion).

(f) Anything in this Paragraph 16 to the contrary notwithstanding, any insurance that Tenant is required to obtain pursuant to Paragraph 16(b) may be carried under a "blanket" policy or policies covering other properties of Tenant or under an "umbrella" policy or policies covering other liabilities of Tenant, as applicable; provided that, such blanket or umbrella policy or policies otherwise comply with the provisions of this Paragraph 16, and upon request, Tenant shall provide to Landlord a Statement of Values which may be reviewed annually and shall be amended to the extent determined necessary by Landlord based on revised Replacement Cost Valuations. The original or a certified copy of each such blanket or umbrella policy shall promptly be delivered to Landlord.

(g) Tenant shall not carry separate insurance concurrent in form or contributing in the event of a Casualty with that required in this Paragraph 16 unless (i) Landlord and Lender are included therein as Named Insureds, Additional Insureds, Mortgagee and with Loss Payable as provided herein, and (ii) such separate insurance complies with the other provisions of this Paragraph 16. Tenant shall immediately notify Landlord of such separate insurance and shall deliver to Landlord the original policies or certified copies thereof.

(h) Each policy (other than workers' compensation coverage or any other coverage prohibited by law) shall contain a full waiver of subrogation against the Landlord.

(i) The proceeds of any insurance required under Paragraph 16(b) shall be payable as follows: proceeds payable under clauses (iv), (v), (vi), (vii) and (viii) of Paragraph 16(b) and proceeds attributable to the general liability coverage of construction/alterations insurance under clause (ix) of Paragraph 16(b) shall be payable to the Person entitled to receive such proceeds; and proceeds of insurance required under clauses (i) and (ii) of Paragraph 16(b) and proceeds attributable to construction/alterations insurance (other than its general liability coverage provisions) under clause (ix) of Paragraph 16(b) shall be payable to Landlord or Lender and applied as set forth in Paragraph 17 or, if applicable, Paragraph 18. Proceeds of insurance required under clause (iii) of Paragraph 16(b) for the payment of Rent under the Lease (and proceeds from any other business interruption or similar coverage required hereunder for the payment of Rent under the Lease) shall be payable to Landlord and Lender, and all other proceeds of insurance required under clause (iii) of Paragraph 16(b) (and proceeds from any other business interruption or similar coverage required hereunder other than for the payment of Rent under the Lease) shall be payable to Tenant. Notwithstanding the foregoing in this clause (i), the Parties agree that any proceeds of insurance initially paid by any insurer jointly to Landlord and Tenant shall not be a breach of this Lease; provided, however, that upon any such joint payment, Tenant agrees to take all reasonable steps to deliver any such proceeds (or the full right to such proceeds, if payment is made in the form of a settlement check) to Landlord if and to the extent Landlord is entitled to same under the terms of this Lease. Tenant shall apply the Net Award to restoration of such Leased Premises in accordance with the applicable provisions of this Lease unless a Termination Event shall have occurred and Tenant has given a Termination Notice.

17. Casualty and Condemnation.

(a) Tenant shall give Landlord prompt notice of the occurrence of any Casualty at any of the Leased Premises. Landlord, in its discretion and upon notice to Tenant (except that no notice to Tenant shall be required if an Event of Default has occurred and is continuing), may adjust, collect and compromise all claims under any of the insurance policies required by Paragraph 16(b) (except claims (i) payable from comprehensive general public liability insurance, or (ii) in an amount less than One Million Dollars ($1,000,000) ("Excluded Claims") and to execute and deliver on behalf of Tenant all necessary proofs of loss, receipts, vouchers and releases required by the insurers. Provided that no Event of Default has occurred and is continuing, Tenant shall be entitled to participate with Landlord in any adjustment, collection and compromise of the insurance claim payable in connection with a Casualty. Tenant agrees to sign, upon the request of Landlord, all such proofs of loss, receipts, vouchers and releases. Landlord reserves the right to join Tenant in any claim. If Landlord so requests, Tenant shall adjust, collect and compromise any and all such claims, and Landlord shall have the right to join with Tenant therein. Any adjustment, settlement or compromise of any such claim shall be subject to the prior written approval of Landlord, and Landlord shall have the right to prosecute or contest, or to require Tenant to prosecute or contest, any such claim, adjustment, settlement or compromise. Each insurer is hereby authorized and directed to make payment under said policies, including return of unearned premiums, directly to Landlord instead of to Landlord and Tenant jointly, and Tenant hereby appoints Landlord as Tenant's attorney-in-fact to endorse any draft therefor. The rights of Landlord under this Paragraph 17(a) shall be extended to Lender if and to the extent that any Mortgage so provides. Notwithstanding anything to the contrary contained herein, Tenant shall have the exclusive right to adjust, collect and compromise all Excluded Claims and each insurer is hereby authorized and directed to make payments with respect to Excluded Claims solely to Tenant.

(b) Each Party shall provide the other with immediate written notice of its receipt of a Condemnation Notice relating to any of the Leased Premises. Landlord is authorized to collect, settle and compromise, in its discretion (and, if no Event of Default exists, upon notice to Tenant), the amount of any condemnation award. Provided that no Event of Default has occurred and is continuing, Tenant shall be entitled to participate with Landlord in any Condemnation proceeding or negotiations under threat thereof and to contest the Condemnation or the amount of the condemnation award therefor. No agreement with any condemning authority in settlement or under threat of any Condemnation shall be made by Tenant without the written consent of Landlord. Subject to the provisions of this Paragraph 17(b), Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant is or may be entitled by reason of any Condemnation, whether the same shall be paid or payable for Tenant's leasehold interest hereunder or otherwise; but nothing in this Lease shall impair Tenant's right to any award or payment on account of Tenant's trade fixtures, equipment or other tangible property that is not part of the Equipment, moving expenses, loss of goodwill, or loss of business, if available, to the extent that and so long as (i) Tenant shall have the right to make, and does make, a separate claim therefor against the condemning authority and (ii) such claim does not in any way reduce either the amount of the award otherwise payable to Landlord for the Condemnation of Landlord's interest in such Leased Premises or the amount of the award (if any) otherwise payable for the Condemnation of Tenant's leasehold interest hereunder. The rights of Landlord under this Paragraph 17(b) shall also be extended to Lender if and to the extent that any Mortgage so provides.

(c) If any Partial Casualty (whether or not insured against) shall occur (other than a Requisition) to any of the Leased Premises, this Lease shall continue, notwithstanding such event, and there shall be no abatement or reduction of any Rent. Promptly after such Partial Casualty or Partial Condemnation, Tenant, as required in Paragraphs 12(b) and 13(b), shall commence and diligently continue to restore such Leased Premises as nearly as possible to its value, condition and character immediately prior to such event (assuming such Leased Premises to have been in the condition required by this Lease). Landlord and Lender shall make any Net Award available to Tenant for restoration in accordance with and subject to the provisions of Paragraph 19(a). If a Requisition shall occur, Tenant shall comply with the terms and conditions of Paragraph 17(d). If any Casualty or Condemnation that is not a Partial Casualty or Partial Condemnation or Requisition shall occur, Tenant shall comply with the terms and conditions of Paragraph 18. Upon the expiration of the Term, any portion of the Net Award that shall not have been paid as expressly set forth herein shall be retained by Landlord.

(d) If any Partial Condemnation or Requisition shall occur to any of the Leased Premises, this Lease shall continue, notwithstanding such event, and the Rent due and payable hereunder shall be reduced by a fraction, the numerator of which is the Net Award paid to Landlord or Lender with respect thereto, and the denominator of which is the Acquisition Cost for the applicable Leased Premises set forth on Exhibit E. In the event of a Requisition of any of the Leased Premises, any Net Award payable by reason of such Requisition shall be (i) retained by Landlord, or (ii) paid to Lender to the extent that any Mortgage so provides.

18. Termination Events.

(a) If all or substantially all of any of the Leased Premises shall be taken by a Condemnation, Tenant shall, within thirty (30) days after Tenant receives a Condemnation Notice, give to Landlord written notice of Tenant's election to terminate this Lease with respect to the applicable Leased Premises (a "Termination Notice").

(b) If any portion of either of the Leased Premises shall be subject to a Condemnation that has or will render such Leased Premises inaccessible, unavailable for use, or unsuitable for restoration for continued use and occupancy in Tenant's business, as determined by a certified structural engineer or other suitable third party retained by Tenant and reasonably acceptable to Landlord, or would prevent current use under applicable zoning or use regulations, Tenant shall have the option of (i) restoring such Leased Premises, to the extent practicable, using the Net Award payable in connection with such Condemnation in accordance with the conditions and requirements set forth in this Lease or (ii) delivering to Landlord a Termination Notice with respect to the applicable Leased Premises prior to the earlier of (x) thirty (30) days after Tenant receives the report of such certified structural engineer or other suitable third party, a copy of which report shall be delivered to Landlord with the Termination Notice, and (y) sixty (60) days after Tenant receives the applicable Condemnation Notice. If Tenant elects not to deliver a Termination Notice, then Tenant shall restore such Leased Premises, to the extent practicable, in accordance with Paragraphs 17 and 19.

(c) If a Casualty occurs with respect to any of the Leased Premises which shall be determined by a certified structural engineer retained by Tenant and acceptable to Landlord to be a loss so substantial that restoration or rebuilding for any Permitted Use under Paragraph 4(a) would

either take more than two hundred seventy (270) days or be economically infeasible, Tenant shall have option of (i) restoring, rebuilding or repairing such Leased Premises, using the Net Award payable in connection with such Casualty in accordance with the conditions and requirements of this Lease, or (ii) delivering to Landlord a Termination Notice with respect to the applicable Leased Premises prior to the earlier of (X) thirty (30) days after Tenant receives the report of such certified structural engineer, a copy of which report shall be delivered to Landlord with the Termination Notice, and (Y) sixty (60) days after the date of such Casualty.

(d) A Termination Notice shall contain (i) notice of Tenant's intention to terminate this Lease with respect to the applicable Leased Premises on the Basic Rent Payment Date immediately following the date on which Landlord receives the Net Award (the "Termination Date"), and (ii) a binding and irrevocable commitment of Tenant to pay the Termination Amount on the Termination Date.

(e) If Tenant delivers a Termination Notice to Landlord, this Lease shall terminate on the Termination Date with respect to the applicable Leased Premises. On the Termination Date, (i) Tenant shall pay to Landlord the Termination Amount and all Rent due on or prior to the Termination Date with respect to the applicable Leased Premises (collectively, "Remaining Obligations"), (ii) all other obligations of Tenant under this Lease with respect to the applicable Leased Premises shall terminate except any obligations hereunder that expressly survive termination of the Lease, (iii) Tenant shall immediately vacate and shall have no further right, title or interest in or to such Leased Premises, and (iv) the Net Award shall be retained by Landlord. Notwithstanding anything to the contrary hereinabove contained, if on the Termination Date, Tenant has not satisfied all Remaining Obligations with respect to the applicable Leased Premises, then Landlord may, at its option, extend the Termination Date to a date which is no later than the first Basic Rent Payment Date after the date on which Tenant has satisfied all such Remaining Obligations.

(f) If this Lease terminates with respect to one of the Leased Premises, this Lease shall continue with respect to the other Leased Premises, and Basic Rent shall be reduced proportionately, consistent with the allocations of Basic Rent between the Leased Premises set forth on Exhibit D.

19. Restoration.

(a) If any Net Award with respect to any of the Leased Premises is in excess of One Million Dollars ($1,000,000) (which amount shall be adjusted annually in proportion to increases in the CPI), Landlord (or Lender if required by any Mortgage) shall hold the Net Award in a fund (the "Restoration Fund") and disburse amounts from the Restoration Fund only in accordance with the following conditions:

(i) Tenant shall commence the restoration as soon as reasonably practical and diligently pursue completion of such restoration to completion;

(ii) prior to commencement of restoration, (A) the architects, contracts, contractors, plans and specifications and a detailed budget for the restoration shall have been approved by Landlord, such detailed budget shall reflect that the Restoration Fund is sufficient to cover the costs of restoration, including any additional insurance required as a result of restoration,

and payments of Rent due under this Lease during the period of such restoration (if Landlord reasonably determines that the Restoration Fund is insufficient to cover such costs, Tenant must deposit such required excess amount as directed by Landlord as provided in, and subject to, Paragraph 19(b) below), (B) Landlord and Lender shall be provided by Tenant with mechanics' lien insurance, "owner contractor's protective liability insurance" (if available), builder's risk completed value insurance and acceptable performance and payment bonds which insure satisfactory completion of and payment for the restoration, are in an amount and form and have a surety acceptable to Landlord, and name Landlord and Lender as additional dual obligees, and (C) appropriate notices of commencement of work shall have been filed if required in the appropriate jurisdiction;

(iii) at the time of any disbursement, (A) no Event of Default shall exist, (B) all materials installed and work and labor performed (except to the extent being paid out of the requested disbursement) in connection with the restoration shall have been paid in full, and (C) no mechanics' or materialmen's liens or stop orders or notices of pendency shall have been filed or threatened against such Leased Premises and remain undischarged or, alternatively, the obligations related to the Work shall be fully bonded to the satisfaction of Landlord;

(iv) disbursements shall be made no more frequently than once a month and be in an amount not exceeding the cost of the Work completed since the last disbursement, upon receipt of (A) satisfactory evidence, including architects' certificates, of the stage of completion, the estimated total cost of completion and performance of the Work to date in a good and workmanlike manner in accordance with the contracts, plans and specifications, (B) waivers of liens (any of which may be conditional waivers if and to the extent the Person delivering the waiver has not yet been paid for the applicable work), (C) sworn statements as to completed Work and the cost thereof for which payment is requested from the contractor engaged to complete the Work, (D) a satisfactory bringdown of title insurance, and (E) other evidence of cost and payment so that Landlord and Lender can verify that the amounts disbursed from time to time are represented by Work that is completed, in place and free and clear of mechanics' and materialmen's lien claims;

(v) each request for disbursement shall be accompanied by a certificate of Tenant, signed by a senior executive officer of Tenant, describing the Work for which payment is requested, stating the cost incurred in connection therewith, stating that Tenant has not previously received payment for such Work and, upon completion of the Work, also stating that the Work has been fully completed and complies with the applicable requirements of this Lease and with all Legal Requirements;

(vi) Landlord may retain ten percent (10%) of the Restoration Fund until the Work is fully completed; and

(vii) such other reasonable conditions as Landlord or Lender may impose; including without limitation, if the costs of restoration exceeds One Million Dollars ($1,000,000) for the Long Beach Real Property or Eight Hundred Thousand Dollars ($800,000) for the Columbus Real Property (which amounts shall be adjusted annually in proportion to increases in the CPI) and Landlord so requests, or, if required by Lender, a requirement that Tenant hire a casualty consultant.

(b) Landlord agrees that neither Landlord nor Lender shall commingle any amounts in any Restoration Fund with Landlord's or Lender's other funds, and Tenant acknowledges that such amounts in any Restoration Fund shall not bear interest. Prior to commencement of restoration and at any time during restoration, if the estimated cost of completing the restoration Work free and clear of all liens, as reasonably determined by Landlord or Lender, exceeds the amount of the Net Award available for such restoration, the amount of such excess shall, upon demand by Landlord, be paid by Tenant to Landlord to be added to the Restoration Fund. Any sum so added by Tenant which remains in the Restoration Fund upon completion of restoration shall be refunded to Tenant. For purposes of determining the source of funds with respect to the disposition of funds remaining after the completion of restoration, the Net Award shall be deemed to be disbursed prior to any amount added by Tenant. For the avoidance of doubt, the Parties acknowledge that any obligation of Tenant to perform any Restoration Work hereunder is conditioned on Tenant being entitled to receive, and receiving (or receiving the benefit of), the applicable Net Award to fund the costs of such Restoration Work (subject to the conditions set forth in this Paragraph 19).

(c) If any sum remains in the Restoration Fund after completion of the restoration and any refund to Tenant pursuant to Paragraph 19(b), such sum (the "Remaining Sum") shall be refunded (i) to Tenant, if the applicable Restoration Work was related to a Casualty, and (ii) to Landlord, if the applicable Restoration Work was related to a Condemnation.

(d) Tenant waives and releases all statutory rights and remedies in favor of Tenant in the event of damage or destruction, including without limitation those available under California Civil Code Sections 1932 and 1933(4). Tenant hereby waives any rights and the benefits of Section 1265.130 of the California Code of Civil Procedure or any other statute granting Tenant specific rights in the event of a Condemnation which are inconsistent with the provisions of Paragraphs 17, 18 and 19.

20. Intentionally Omitted.

21. Assignment and Subletting; Prohibition Against Leasehold Financing.

(a) Except as provided in this Paragraph 21, Tenant shall not assign or sublet Tenant's interest in this Lease and any purported assignment or sublease in violation of this Paragraph 21 shall be null and void. Tenant hereby waives and releases its rights under Section 1995.310 of the California Civil Code or under any similar law, statute or ordinance now or hereafter in effect.

(b) Tenant may assign all, but not less than all, of Tenant's interest in this Lease (voluntarily or involuntarily, whether by operation of law or otherwise, including through merger or consolidation) in connection with a Permitted Asset Transfer or a Permitted Change of Control (each, a "Preapproved Assignment"), without the prior written consent of Landlord. Any other assignment of Tenant's interest in this Lease shall be subject to Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant agrees that it shall deliver to Landlord in connection with any request for assignment information regarding the Review Criteria of the proposed assignee.

(c) For purposes of this Paragraph 21, the term "Permitted Asset Transfer" shall mean the sale, conveyance, transfer or other disposition by Tenant, to any Person, of all or substantially all of Tenant's assets whether in a single transaction or series of transactions (an "Asset Transfer"), in which the following conditions are met: (i) the Asset Transfer is to (A) a wholly-owned Subsidiary of Tenant, (B) a Credit Entity (or an entity whose obligations under the Lease are guaranteed by a Credit Entity pursuant to a guaranty in form and substance reasonably acceptable to Landlord), or (C) a Qualified Transferee (or an entity whose obligations under the Lease are guaranteed by a Qualified Transferee pursuant to a guaranty in form and substance reasonably acceptable to Landlord); and (ii) this Lease is assigned to such Person as a part of such Asset Transfer. In the event of a Permitted Asset Transfer, Tenant shall be relieved of its obligations under this Lease upon the complete assignment and assumption of the Tenant's obligations under this Lease to such Person and any existing Guarantor shall be released from its obligations under its Guaranty upon the delivery to Landlord of a replacement Guaranty in form and substance reasonably acceptable to Landlord (a " Replacement Guaranty"). Any Replacement Guarantor will comply with the financial reporting provisions of Paragraph 28.

(d) For purposes of this Paragraph 21, the term "Permitted Change of Control" shall mean the acquisition, directly or indirectly, by any Person or "group" (within the meaning of Section 13(d) or Section 14(d) of the Securities Exchange Act of 1934, as amended) pursuant to a single transaction or series of related transactions of (i) more than 50% of the voting stock, partnership interests, membership interests or other equitable and/or beneficial interests of Tenant or (ii) the power (whether or not exercised) to elect a majority of the directors of Tenant or voting control of any partnership or limited liability company or other entity acting as its general partner or managing member (including through a merger or consolidation of Tenant with or into any other Person) (in either case described in clause (i) and (ii), "Control"), in which the purchaser of such Control (the " Control Person") is (A) a wholly-owned Subsidiary of Tenant, (B) after taking into account the transaction that resulted in the acquisition of such Control, a Credit Entity, or (C) a Qualified Transferee. None of the following shall be deemed to be a prohibited or restricted assignment for purposes of this Paragraph 21: (x) the sale of stock by persons or parties through the "over-the-counter market" or through any recognized stock exchange, other than by those deemed to be a "control-person" within the meaning of the Securities Exchange Act of 1934A, or (y) any sale or other transfer of less than 50% of the voting stock, partnership interests, membership interests or other equitable and/or beneficial interests of Tenant where the acquiring Person or group does not otherwise satisfy the criteria for "Control" described in clause (ii) of the definition thereof. In the event of a Permitted Change of Control in which the purchaser by such Control is a Credit Entity, upon execution of by such Control Person of a Replacement Guaranty, the existing Guarantor will be released from any existing Guaranty, and such Control Person shall become the Replacement Guarantor hereunder and comply with the financial reporting provisions of Paragraph 28.

(e) Tenant may, upon thirty (30) days prior written notice to Landlord, and without any requirement for consent or approval by Landlord, enter into one or more Subleases with the following: (i) any Person (including without limitation any Governmental Entity) so long as the aggregate amount of rentable square footage at either of the Leased Premises subject to Subleases to Persons other than Exempt Persons does not exceed 40% of the total rentable square footage at such Leased Premises (the " Subleasing Threshold"), and (ii) without limiting anything contained

in clause (i) of this sentence, any Exempt Person (any such Sublease referenced in clause (i) or clause (ii) of this sentence, a "Preapproved Sublease"). For the avoidance of doubt, the Parties hereby agree that (1) the total rentable square footage at the Long Beach Leased Premises is 461,263 rentable square feet and the total rentable square footage at the Columbus Leased Premises is 160,000 rentable square feet, (2) in no event shall any Sublease with any Exempt Person be deemed to require consent or approval of Landlord by reason of the Subleasing Threshold (or otherwise, except as provided below with respect to the terms of such Sublease); (3) any Existing Subleases (other than any Existing Subleases that are with Exempt Persons) will be included in any determination of whether the Subleasing Threshold is (or would be) exceeded (if and to the extent such Existing Subleases are Subleases at the time of determination), and (4) in no event shall the fact that the Subleasing Threshold may be exceeded on the Effective Date with respect to Existing Leases at either Leased Premises be deemed a breach by Tenant hereunder or require any additional consent or approval by Landlord.. Other than Preapproved Subleases, at no time during the Term shall Tenant enter into a Sublease with respect to all or any portion of any of the Leased Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, with Landlord agreeing that, without limitation, Landlord shall grant consent to any proposed Sublease with any Person, so long as such Sublease contains the Required Sublease Provisions (if required pursuant to this Paragraph 21), where the Review Criteria for such Person are reasonably determined to meet or exceed the general requirements for such characteristics of tenants or subtenants imposed by landlords of "Class A" office buildings in the market area for the particular Leased Premises that would be subject to such Sublease. Tenant agrees that each Sublease shall provide as follows (collectively, the "Required Sublease Provisions"): (w) the term of the Sublease does not extend beyond the then-current Term minus one day including any extension options of the sublease, (x) the Sublease is subject and subordinate to this Lease and any Mortgage, and the Sublease terminates upon any termination of this Lease, unless Landlord delivers a Sublease SNDA executed by Landlord and Lender (as described in Paragraph 21(f) below) or otherwise agrees not to disturb subtenant upon a termination of the Lease and elects in writing to cause the subtenant to attorn to and recognize Landlord as the lessor under such Sublease, whereupon following any termination of the Lease such Sublease shall continue as a direct lease between the subtenant and Landlord upon all the terms and conditions of such Sublease, (y) the Sublease contains (i) financial reporting requirements materially similar to those described in Paragraph 28 (except for those Subleases demising less than five percent (5%) of the rentable square footage of either Leased Premises, where financial reporting requirements shall be commercially reasonable for the applicable subtenant), (ii) subtenant obligations that are substantially the same (or more favorable to the Tenant as sublandlord) as Tenant's obligations under Paragraph 4(a) (excluding any provisions therein relating to Alterations), and Paragraph 10(a) (excluding (A) any provisions therein relating to Insurance Requirements, and (B) Paragraph 10(a)(iii)), (iii) provisions requiring subtenant to maintain the sublease premises in as good repair, appearance and condition as they are on the effective date of the applicable Sublease, not to commit or permit waste, and to take all precautions reasonably necessary to prevent waste from occurring at the sublease premises, and (iv) other commercially reasonable terms, and (z) the Sublease requires the subtenant to deliver a certification in form substantially similar to that attached to this Lease as Exhibit G; provided, however, that, in no event shall (A) any Required Sublease Provisions be required to be included in any Exempt Sublease, or (B) any Required Sublease Provisions (except as provided in clause (w) of the Required Sublease Provisions) be required in any Sublease with any Governmental Entity; provided, however,

that (1) any Sublease with any Governmental Entity shall provide that such Sublease is subordinate to any Mortgage and the Lease, if such Government Entity's form of lease/sublease so expressly provides, or any applicable regulations so expressly permit, but, without limitation, such Sublease may provide for automatic nondisturbance protection for the subtenant; and (2) if such Sublease is with a state or municipal agency, or any other Governmental Entity that does not have any publicly rated debt, such Sublease shall comply with clause (y)(i) of the Required Sublease Provisions. Without limiting the foregoing, Landlord agrees that it shall not unreasonably withhold, condition or delay its consent to any form of Sublease proposed by Tenant.

(f) If Tenant assigns all of its rights and interest under this Lease, the assignee under such assignment shall expressly assume all the obligations of Tenant hereunder, actual or contingent, arising after the date of such assignment, by a written instrument delivered to Landlord at the time of such assignment. Landlord shall deliver a subordination, non-disturbance and attornment agreement in connection with any Sublease for more than 7,500 rentable square feet, substantially in the form attached hereto as Exhibit L, or, if requested by Tenant, another form reasonably satisfactory to Landlord and Tenant, in each case executed by Landlord and any Lender or other holder of any Mortgage encumbering the applicable Leased Premises (a " Sublease SNDA"), not less than five (5) Business Days after request therefor from Tenant. Except as expressly provided herein, no assignment or Sublease shall affect or reduce any of the obligations of Tenant hereunder or the obligations of any Guarantor under the Guaranty, and all such obligations of Tenant and such Guarantor shall continue in full force and effect as obligations of a principal and not as obligations of a guarantor, as if no assignment or sublease had been made.

(g) Tenant shall, within ten (10) days after the execution and delivery of any assignment or Sublease, deliver a duplicate original copy thereof to Landlord which, in the event of an assignment, shall be in recordable form. With respect to any Preapproved Assignment or any Preapproved Sublease, at least five (5) days prior to the effective date of such assignment or sublease, respectively, Tenant shall provide to Landlord information reasonably required by Landlord to establish that the proposed assignee or subtenant meets the requirements set forth herein regarding a Preapproved Assignment, or Preapproved Sublease, as the case may be.

(h) As security for the performance of its obligations under this Lease, Tenant hereby grants, conveys and assigns to Landlord all right, title and interest of Tenant in and to all Subleases now in existence or hereafter entered into with respect to all or any portion of any of the Leased Premises, any and all extensions, modifications and renewals thereof and all rents, issues and profits therefrom. Landlord hereby grants to Tenant a license to collect and enjoy all rents and other sums of money payable under any Sublease of any of the Leased Premises; provided, however, that during the continuance of an Event of Default Landlord shall have the right at any time upon notice to Tenant and any subtenants to revoke said license and to collect such rents and sums of money and retain the same. Any amounts collected shall be applied to Rent payments next due and owing. Except with respect to Subleases that do not require Landlord's consent hereunder, Tenant shall not consent to, cause, or allow, any modification or amendment of any of the terms, conditions or covenants of any of the Subleases or the termination thereof (other than pursuant to termination rights of subtenants contained therein, or the expiration of any Sublease by its terms), without the prior written consent of Landlord, nor shall Tenant accept any rents more than thirty (30) days in

advance of the due date thereof, nor do anything that constitutes a breach or default under the terms of any Sublease.

(i) Without limiting Landlord's other obligations in this Paragraph 21, following any delivery by Tenant to Landlord of any request for consent to any proposed Sublease or form of Sublease, or any assignment of any of Tenant's interest in this Lease, Landlord agrees that any failure by Landlord to deliver a notice to Tenant, within thirty (30) days after delivery of such request from Tenant to Landlord, either granting Landlord's consent to same, or withholding Landlord's consent to same and stating in reasonable detail the reasons therefor, shall be deemed a consent by Landlord of such proposed Sublease, form of Sublease, or assignment (as the case may be) for all purposes hereunder; provided, however, that such time period shall be extended as reasonably necessary for Landlord to obtain the response from its Lender to such request (if Lender's consent is required with respect thereto under the terms of any applicable loan document) so long as Landlord (i) delivers to such Lender, within five (5) Business Days after Tenant's request, a written request for such Lender's consent, and (ii) uses commercially reasonable efforts to obtain Lender's consent within such thirty (30) day period, and diligently pursues such consent thereafter.

(j) Except as provided in Paragraph 34, Tenant shall not have the power to mortgage, pledge or otherwise encumber its interest under this Lease or any sublease of any of the Leased Premises, and any such mortgage, pledge or encumbrance made in violation of this Paragraph 21(j) and Paragraph 34 shall be void and of no force or effect.

(k) Landlord may sell or transfer any of the Leased Premises at any time without Tenant's consent to any third party (each a "Third Party Purchaser"); provided, however, that as part of, and prior to the closing of, such sale or transfer the Third Party Purchaser expressly agrees in writing to assume all of the right, duties and obligations of Landlord under this Lease. Landlord and Third Party Purchaser shall reasonably cooperate with Tenant in connection with any such sale or transfer, including, without limitation, coordinating with Tenant for the return of any then outstanding Letters of Credit so that same may be reissued in favor of the Third Party Purchaser. In the event of any such sale or transfer, Tenant shall attorn to such Third Party Purchaser as Landlord so long as both Third Party Purchaser and Landlord provide Tenant with (i) prior written notice of such transfer, (ii) the address or wiring instructions for where Rent is to be delivered by Tenant and (iii) a revised notice address for Third Party Purchaser (as the successor Landlord) in accordance with Paragraph 24. At the request and cost of Landlord, Tenant will execute such documents confirming the agreement referred to above and such other agreements as Landlord may reasonably request; provided, however, that all such agreements do not increase the liabilities and obligations of Tenant hereunder. In no event shall any of the foregoing limit any rights of Tenant under Paragraph 31.

(a) Notwithstanding anything to the contrary contained in this Paragraph 21, Tenant shall not have the right to assign this Lease (voluntarily or involuntarily, whether by operation of law or otherwise, including through merger or consolidation) or sublet all or any part of any of the Leased Premises to any Person at any time that an Event of Default exists or would exist after giving effect to such assignment or sublet.

(b) Any Letter of Credit delivered to Landlord by a Qualified Transferee shall be held by Landlord as a Security Deposit in accordance with Paragraph 33. If, during any period in which

such a Letter of Credit is held by Landlord, the Basic Rent increases hereunder, Tenant shall, within thirty (30) days after such increase (but subject to Paragraph 2(b) of Exhibit D), increase the amount of such Letter of Credit in proportion to such increase in Basic Rent.

(c) Nothing in this Paragraph 21 or otherwise in this Lease shall prohibit or restrict (i) sub-subleases to Tenant or its Affiliates, or assignments by subtenants under Existing Subleases, if and to the extent permitted under the express terms thereof, or (ii) Tenant from entering into commercially reasonable license agreements and access agreements (and modifications thereof) directly related to operations or occupant services at any Leased Premises, including without limitation car wash and detailing, parking operations, telecommunications equipment, and antenna facilities.

22. Events of Default.

(a) The occurrence of any one or more of the following (after expiration of any applicable cure period) shall, at the sole option of Landlord, constitute an "Event of Default" under this Lease:

(i) a failure by Tenant to pay (x) when due any Basic Rent, regardless of the reason, if any, for such failure (provided that (A) the foregoing shall be subject to Paragraph 2(b) of Exhibit D attached hereto, and (B) Tenant shall be entitled to one (1) five (5) day grace period in any twelve (12) month period for failure to pay Basic Rent (in addition to any additional time provided by Paragraph 2(b) of Exhibit D attached hereto)), and (y) within ten (10) Business Days after the date when due any Additional Rent;

(ii) a failure by Tenant duly to perform and observe, or a violation or breach of, any other provision of this Lease not otherwise specifically mentioned in this Paragraph 22(a), which default continues beyond the date that is thirty (30) days from the date on which Tenant receives notice of such default or, if such default cannot be cured within such thirty (30) day period and delay in the exercise of a remedy would not (in Landlord's reasonable judgment) cause a material adverse harm to Landlord or any of the Leased Premises, the cure period shall be extended for the period required to cure the default (but such cure period, including any extension, shall not in the aggregate exceed two hundred seventy (270) days); provided that Tenant shall commence to cure the default within said thirty (30) day period and shall actively and diligently and in good faith proceed with and continue the curing of the default until it shall be fully cured;

(iii) any representation or warranty made by Tenant herein or in any certificate, demand or request made pursuant hereto, including the Purchase and Sale Agreement, proves to have been fraudulent, when made in any material respect.

(iv) Tenant shall fail to maintain insurance coverage specified in Paragraphs 16(b), 16(c), and 16(d), or timely pay insurance premiums in accordance with Paragraph 16(e);

(v) Tenant shall enter into a transaction or series of transactions in violation of Paragraph 21, where such transaction or series of transactions are not rescinded within ten (10) days following such violation;

(vi) Subject to Tenant's right to enter into Subleases pursuant to Paragraph 21 (provided that Tenant is in compliance with the provisions thereof), (A) Tenant shall fail to occupy and use substantially all of any of the Leased Premises for a use permitted in accordance with Paragraph 4, or (B) Tenant shall have ceased operations at and/or abandoned any of the Leased Premises, except in each of (A) and (B) for temporary failures, cessations and/or abandonments due to business realignment (not to exceed one hundred twenty (120) days), or Casualty, Condemnation, or Alterations (without limiting the requirements set forth in this Lease regarding Casualty, Condemnation and Alterations).

(vii) Tenant shall fail to deliver the estoppel certificate described in Paragraph 25 within the time period specified therein;

(viii) if all of the following occur: (a) Tenant or any Guarantor defaults, after any applicable notice or cure periods, under any provision of its Senior Credit Facility (if any), and (b) the lender under such Senior Credit Facility accelerates the maturity of all indebtedness evidenced thereby as a result of such default pursuant to the terms of such Senior Credit Facility;

(ix) a final, non-appealable judgment for the payment of money in excess of Two Hundred Fifty Thousand Dollars ($250,000) shall be rendered against Tenant or any Guarantor and the same shall remain undischarged for a period of sixty (60) consecutive days following receipt of written notice regarding such final, non-appealable judgment by either (a) a licensed attorney at law who is employed in the in-house legal department of such Tenant or Guarantor, or (b) the chief executive officer, chief financial officer, or chief operations officer of such Tenant or Guarantor;

(x) Tenant or any Guarantor shall (A) voluntarily be adjudicated as bankrupt or insolvent, (B) seek or consent to the appointment of a receiver or trustee for itself or for any of the Leased Premises, (C) file a petition seeking relief under the bankruptcy or other similar laws of the United States, any state or any jurisdiction, (D) make a general assignment for the benefit of creditors, or (E) be unable to pay its debts as they mature; provided, however, that none of the foregoing events with respect to any Guarantor shall be an Event of Default if Tenant delivers to Landlord within thirty (30) days thereafter a Replacement Guaranty;

(xi) a court shall enter an order, judgment or decree appointing, without the consent of Tenant or any Guarantor, a receiver or trustee for it or for any of the Leased Premises or approving a petition filed against Tenant or any Guarantor which seeks relief under the bankruptcy or other similar laws of the United States, any state or any jurisdiction, and such order, judgment or decree shall remain undischarged or unstayed ninety (90) days after it is entered; provided, however, that none of the foregoing events with respect to any Guarantor shall be an Event of Default if Tenant delivers to Landlord within thirty (30) days thereafter a Replacement Guaranty;

(xii) Tenant or any Guarantor shall be liquidated or dissolved or shall intentionally begin proceedings towards its liquidation or dissolution; provided, however, that none of the foregoing events with respect to any Guarantor shall be an Event of Default if Tenant delivers to Landlord within thirty (30) days thereafter a Replacement Guaranty

(xiii) the estate or interest of Tenant in any of the Leased Premises shall be levied upon or attached in any proceeding and such estate or interest is about to be sold or transferred and such process shall not be vacated or discharged within ninety (90) days after it is made;

(xiv) any Guarantor shall (A) fail to perform its obligations under the Guaranty, subject to any applicable notice, cure and grace periods set forth herein or in any Guaranty or (B) take any action that causes the Guaranty to terminate or be unenforceable for any reason (other than (1) as expressly permitted pursuant to Paragraph 21, and (2) as described in clauses (x), (xi) or (xii) of this Paragraph 22); or

(xv) the failure of any Qualified Transferee to maintain and replenish, if required under the terms of this Lease, any Letter of Credit delivered by such Qualified Transferee; provided, however, that the foregoing shall be subject to Paragraph 2(b) of Exhibit D and shall not be an Event of Default if Qualified Transferee posts cash collateral in favor of Landlord so that the amount of such cash collateral plus the amount of any Letter of Credit equals the amount otherwise required under the Letter of Credit.

23. Remedies and Damages Upon Default.

(a) If an Event of Default shall have occurred and is continuing, Landlord shall have the right, at its sole option, then or at any time thereafter, to exercise its remedies and to collect damages from Tenant in accordance with this Paragraph 23, without demand upon or notice to Tenant except as otherwise provided in this Paragraph 23 or under any applicable Legal Requirements.

(b) If an Event of Default shall have occurred and is continuing, Landlord may give Tenant notice of Landlord's intention to terminate this Lease on a date specified in such notice. Upon such date, this Lease, the estate hereby granted and all rights of Tenant hereunder shall expire and terminate. Upon such termination, Tenant shall immediately surrender and deliver possession of all of the Leased Premises to Landlord. If Tenant does not so surrender and deliver possession of all of the Leased Premises, Landlord may re-enter and repossess all or any of the Leased Premises not surrendered. Notwithstanding such termination of this Lease, Tenant's liability under this Lease shall continue unaffected.

(c) If an Event of Default shall have occurred and is continuing, Landlord may terminate Tenant's right of possession (but not this Lease) and may repossess all or any of the Leased Premises without terminating this Lease. After repossession of such Leased Premises pursuant hereto, Landlord shall have the right to re-let such Leased Premises to such tenant or tenants, for such term or terms, for such rent, on such conditions and for such uses as Landlord in its sole discretion may determine, and collect and receive any rents payable by reason of such re-letting. Landlord may make such repairs or alterations in connection with such re-letting as it may deem advisable in its sole discretion. If Tenant shall, during the continuance of an Event of Default, voluntarily give up possession of such Leased Premises to Landlord, deliver to Landlord or its agents the keys to such Leased Premises, or both, such actions shall not in any respect diminish Landlord's rights hereunder and the acceptance thereof by Landlord or its agents shall not be deemed to constitute a termination of this Lease. Landlord reserves the right following any reentry and/or re-letting to exercise its

right to terminate this Lease by giving Tenant written notice thereof, in which event this Lease will terminate as specified in said notice; provided, however, that no notice from Landlord hereunder or under a forcible entry and detainer statute or similar law shall constitute an election by Landlord to terminate this Lease unless such notice specifically so states.

(d) If Landlord terminates this Lease pursuant to Paragraph 23(b), Landlord may accelerate Rent due hereunder by electing to require Tenant to pay to Landlord, upon written demand by Landlord, as liquidated and agreed final damages for Tenant's default and in lieu of all current damages beyond the date of such demand (it being agreed that it would be impracticable or extremely difficult to fix the actual damages), an amount equal to the Present Value of the excess, if any, of (A) the sum of all Basic Rent, Additional Rent and other sums which would be payable under this Lease by Tenant from the date of such demand to the date on which the Term is scheduled to expire hereunder in the absence of any earlier termination, re-entry or repossession over (B) the then aggregate fair market rent for the Leased Premises for the same period. Tenant shall also pay to Landlord all accrued Rent then due and unpaid, all other amounts payable by Tenant under this Lease which are then due and unpaid, all amounts which arise or become due by reason of Tenant's default hereunder, including any costs of Landlord in connection with the repossession of such Leased Premises, the removal of all personal property therefrom, and any attempted re-letting or sale thereof, including all brokerage commissions, legal expenses, reasonable attorneys' fees, employees' expenses, reasonable costs of repairs and alterations and reasonable expenses and reasonable preparation for re-letting or sale together with interest thereon at the Default Rate.

(e) If Landlord terminates this Lease pursuant to Paragraph 23(b) and elects not to pursue the remedy available to Landlord under in Paragraph 23(d), or terminates Tenant's right to possession of all or any of the Leased Premises pursuant to Paragraph 23(c), Tenant shall, until the end of what would have been the Term in the absence of any termination of this Lease, and whether or not any of such Leased Premises shall have been re-let, be liable to Landlord for, and shall pay to Landlord, as liquidated and agreed current damages all Basic Rent, Additional Rent and other sums which would be payable under this Lease by Tenant in the absence of such termination as the same would have been due, less the net proceeds, if any, of any re-letting

pursuant to Paragraph 23(c), after deducting from such proceeds all accrued Rent then due and unpaid, all other amounts payable by Tenant which are then due and unpaid, all obligations of Tenant which arise or become due by reason of such Event of Default, including any costs of Landlord incurred in connection with such repossessing and re-letting, including the cost of removal of all personal property from such Leased Premises, all brokerage commissions, reasonable attorneys' fees, expenses and preparation for re-letting together with interest thereon at the Default Rate if not paid within five (5) Business Days after demand therefor.

Tenant's Initials: _____ Landlord's Initials: _____

(f) Landlord may recover from Tenant all costs and expenses, including attorneys' fees, court costs, expert witness fees, costs of tests and analyses, travel and accommodation expenses, deposition and trial transcripts, copies and other similar costs and fees, paid or incurred by Landlord as a result of an Event of Default, regardless of whether or not legal proceedings are actually commenced.

(g) During the continuance of any Event of Default, Landlord may, and with or without notice, except as required herein, set off any money of Tenant or Guarantor, if any, held by Landlord under this Lease or the Guaranty, if any, against any sum owing by Tenant or Guarantor, if any, hereunder.

(h) During the continuance of an Event of Default, Landlord shall have the remedy described in California Civil Code Section 1951.4 (Landlord may continue the Lease in effect after Tenant breach and abandonment and recover rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any Event of Default, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

(i) Notwithstanding anything to the contrary herein contained, in lieu of or in addition to any of the foregoing remedies and damages, Landlord may exercise any remedies and collect any damages available to it at law or in equity during the continuance of an Event of Default. During the continuance of an Event of Default, if Landlord is unable to obtain full satisfaction pursuant to the exercise of any remedy, it may pursue any other remedy which it has hereunder or at law or in equity, including, without limitation, specific performance.

(j) Landlord shall not be required to mitigate any of its damages hereunder unless required to by any applicable Legal Requirement. If any applicable Legal Requirement shall validly limit the amount of any damages provided for herein to an amount which is less than the amount agreed to herein, Landlord shall be entitled to the maximum amount available under such Legal Requirement.

(k) No termination of this Lease, repossession or re-letting of any of the Leased Premises, exercise of any remedy or collection of any damages pursuant to this Paragraph 23 shall relieve Tenant of any obligations of Tenant which survive such expiration or termination by their own terms.

(l) WITH RESPECT TO ANY REMEDY OR PROCEEDING OF LANDLORD OR TENANT HEREUNDER, LANDLORD AND TENANT EACH HEREBY WAIVES THE SERVICE OF NOTICE WHICH MAY BE REQUIRED BY AN APPLICABLE LAW AND WAIVES ANY RIGHT TO A TRIAL BY JURY TO THE FULLEST EXTENT NOW OR HEREAFTER PERMITTED BY APPLICABLE LAW.

(m) During the continuance of any Event of Default, Landlord shall have the right (but no obligation) to perform any act required of Tenant hereunder and charge to Tenant all costs and expenses incurred in connection therewith, together with interest at the Default Rate, which amount shall be deemed Additional Rent and shall be immediately due and payable to Landlord. If performance of such act requires that Landlord enter any of the Leased Premises, Landlord may enter such Leased Premises for such purpose.

(n) During the continuance of any Event of Default, Tenant hereby waives and surrenders, for itself and all those claiming under it, including creditors of all kinds: (i) any right and privilege which it or any of them may have under any present or future Legal Requirement to redeem any of the Leased Premises or to have a continuance of this Lease after termination of this Lease or of Tenant's right of occupancy or possession pursuant to any court order or any provision hereof; and (ii) the benefits of any present or future Legal Requirement which exempts property from liability for debt or for distress for rent.

(o) During the continuance of any Event of Default, Tenant shall be and remain liable for all sums aforesaid, and Landlord may recover such damages from Tenant and institute and maintain successive actions or legal proceedings against Tenant for the recovery of such damages. Nothing herein contained shall be deemed to require Landlord to wait to begin such action or other legal proceedings until the date when the Term would have expired by its own terms had there been no such Event of Default.

(p) Except as otherwise provided herein, all remedies are cumulative and concurrent and no remedy is exclusive of any other remedy. Each remedy may be exercised at any time an Event of Default has occurred and is continuing and may be exercised from time to time. No remedy shall be exhausted by any exercise thereof.

(q) Except as otherwise expressly set forth in this Lease, in the event Tenant remains in possession of any of the Leased Premises after the expiration of this Lease, and without the written consent of Landlord, Tenant, at the option of Landlord, shall be deemed to be occupying such Leased Premises as a tenant from month to month, subject to all the conditions, provisions and obligations of this Lease, at one hundred fifty percent (150%) of the Basic Rent. Except as otherwise expressly set forth in this Lease, Tenant shall also pay and perform, during the period of any such holdover, all other costs and obligations imposed upon Tenant by this Lease, including, without limitation, payment of all real estate taxes, maintenance of all required insurance coverages and all other maintenance and repair obligations hereunder. In the event that Landlord does not consent to Tenant's holding over after the expiration of this Lease, Tenant shall defend, indemnify, protect and hold harmless Landlord and its directors, officers, employees, agents and lenders from and against any and all losses, costs and expenses resulting from Tenant's failure to surrender possession of such Leased Premises upon the expiration of the Term, including, without limitation, any claims

made by any succeeding tenant due to its inability to take possession of such Leased Premises in a timely manner.

(r) No failure by either Landlord or Tenant to insist upon the strict performance by the other of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial payment of Rent or other monetary obligation during the continuance of any such breach shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No consent or waiver, express or implied, by either Landlord or Tenant to or of any breach by the other of any covenant, condition or duty under this Lease shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty, unless in writing signed by the Party waiving same.

(s) Notwithstanding anything to the contrary contained in this Lease, in no event shall Landlord or Tenant have the right to seek or receive special, punitive or other similar measures of damages against the other nor shall Landlord or Tenant be entitled to receive any consequential, indirect or speculative damages, and each Party hereby irrevocably waives, for itself and its successors and assigns, its right to seek or receive any such measure of damages or remedy.

24. Notices.

All notices, demands, requests, consents, approvals, offers, statements and other instruments or communications required or permitted to be given pursuant to the provisions of this Lease shall be in writing and shall be deemed to have been given and received for all purposes when delivered in person or by Federal Express or other reliable 24-hour delivery service or five (5) Business Days after being deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, addressed to the other Party at the address set forth below or when delivery is refused, and such notices shall be addressed as follows:

To Landlord:
AGNL Clinic, L.P.
c/o Angelo, Gordon & Co., L.P.
245 Park Avenue, 26th Floor
New York, NY 10167-0094
Phone No.: (212) 883-4157
Fax No.: (212) 883-4141
Attn: Gordon J. Whiting

With a copy to:
AGNL Manager II, Inc.
c/o Angelo, Gordon & Co., L.P.
245 Park Avenue, 26th Floor
New York, NY 10167-0094
Phone No.: (212) 692-2296
Fax No.: (212) 867-6448
Attn: Joseph R. Wekselblatt

With a copy to: Sheppard, Mullin, Richter & Hampton LLP
1300 I Street, N.W.
Washington, D.C. 20005-3314
Phone No.: (202) 469-4943
Fax No.: (202) 312-9411
Attn: Michele E. Williams, Esquire

To Tenant: Director of Facilities
Molina Healthcare, Inc.
200 Oceangate, Suite 100
Long Beach, CA 90802-4317
Phone No.: (562) 435-3666
Fax No.: (562) 901-1086

With a copy to: Sidley Austin LLP
555 West 5th Street, Suite 4000
Los Angeles, CA 90013
Phone No.: (213) 896-6048
Fax No.: (213) 896-6600
Attn: Edward Prokop, Esq.

For the purposes of this Paragraph, any Party may substitute another address stated above (or substituted by a previous notice) for its address by giving ten (10) days' notice of the new address to the other Party, in the manner provided above. Any notices to be provided by Landlord under this Paragraph 24 shall be in lieu of, and not in addition to, any notice required under Section 1161 *et seq.* of the California Code of Civil Procedure.

25. Estoppel Certificate.

At any time upon not less than ten (10) Business Days' prior written request by either Landlord or Tenant (the " Requesting Party") to the other Party (the "Responding Party"), the Responding Party shall deliver to the Requesting Party a statement in writing, executed by an authorized officer of the Responding Party, certifying (a) that, except as otherwise specified, this Lease is unmodified and in full force and effect, (b) the dates to which Rent has been paid, (c) that, to the knowledge of the signer of such certificate and except as otherwise specified, no default by either Landlord or Tenant exists hereunder, (d) such other matters as the Requesting Party may reasonably request, and (e) if Tenant is the Responding Party that, except as otherwise specified, there are no proceedings pending or, to the knowledge of the signer, threatened, against Tenant before or by a court or administrative agency which, if adversely decided, would materially and adversely affect the financial condition and operations of Tenant. Any such statements by the Responding Party may be relied upon by the Requesting Party, any Person whom the Requesting Party notifies the Responding Party in its request for the certificate is an intended recipient or beneficiary of the certificate, any Lender or their assignees and by any prospective purchaser or mortgagee of any of the Leased Premises. Any certificate required under this Paragraph 25 and delivered by Tenant shall state that, in the opinion of each person signing the same, he or she has

made such examination or investigation as is necessary to enable him or her to express an informed opinion as to the subject matter of such certificate.

26. Surrender.

On the date of the expiration or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Leased Premises to Landlord in the same condition in which the Leased Premises were at the commencement of this Lease, except as repaired, rebuilt, restored, altered, replaced or added to as permitted or required by any provision of this Lease, and ordinary wear and tear excepted. Upon such surrender, Tenant shall (a) remove from the Leased Premises all property which is owned by Tenant or third parties (not including any property owned by Landlord or any Alterations) and (b) repair any damage caused by such removal. Property not so removed shall become the property of Landlord, and Landlord may thereafter cause such property to be removed from any of the Leased Premises. The costs of removing and disposing of such property and repairing any damage to any of the Leased Premises caused by such removal shall be paid by Tenant to Landlord upon demand. Landlord shall not in any manner or to any extent be obligated to reimburse Tenant for any such property which becomes the property of Landlord pursuant to this Paragraph 26. The obligations, duties and rights of the parties set forth in this Paragraph 26 shall survive the expiration or termination of this Lease.

27. No Merger of Title.

There shall be no merger of the leasehold estate created by this Lease with the fee estate in any of the Leased Premises by reason of the fact that the same Person may acquire or hold or own, directly or indirectly, (a) the leasehold estate created hereby or any part thereof or interest therein and (b) the fee estate in any of the Leased Premises or any part thereof or interest therein, unless and until all Persons having any interest in the interests described in (a) and (b) above which are sought to be merged shall join in a written instrument effecting such merger and shall duly record the same.

28. Books and Records.

(a) Tenant shall keep adequate records and books of account with respect to the finances and business of Tenant generally and with respect to each of the Leased Premises, in accordance with generally accepted accounting principles consistently applied (" GAAP") (with the exception that quarterly statements do not need to include footnotes), and shall permit Landlord and Lender by their respective agents, accountants and attorneys, upon reasonable notice to Tenant, to visit and inspect any of the Leased Premises and examine (and make copies of) the records and books of account and to discuss the finances and business with the officers of Tenant and Sponsor, if any, at such reasonable times as may be requested by Landlord. Upon the request of Lender or Landlord (either telephonically or in writing), Tenant shall provide the requesting party with copies of any information to which such party would be entitled in the course of a personal visit.

(b) Subject to subparagraph (c) below, Tenant shall deliver to Landlord within ninety (90) days of the close of each fiscal year, annual audited consolidated financial statements of Tenant or, if Tenant is a wholly-owned Subsidiary of a Guarantor, if any, annual audited consolidated

financial statements of such Guarantor, prepared by nationally recognized independent certified public accountants. Tenant shall also furnish to Landlord within forty-five (45) days after the end of each of the three remaining quarters unaudited financial statements and all other quarterly reports of Tenant or Guarantor, as applicable, certified by such reporting party's chief financial officer. All financial statements delivered to Landlord pursuant to this Paragraph 28(b) shall be prepared in accordance with GAAP. All annual financial statements shall be accompanied (i) by an opinion of said accounting firm stating that (A) there are no qualifications as to the scope of the audit and (B) the audit was performed in accordance with GAAP and (ii) by the affidavit of the president, chief financial officer or vice president of finance of the reporting party dated within five (5) days of the delivery of such statement, stating that (A) the affiant knows of no Event of Default, or event which, upon notice or the passage of time or both, would become an Event of Default which has occurred and is continuing hereunder or, if any such event has occurred and is continuing, specifying the nature and period of existence thereof and what action Tenant or any Guarantor, as the case may be, has taken or proposes to take with respect thereto, (B) except as otherwise specified in such affidavit, that Tenant has fulfilled all of its obligations under this Lease which are required to be fulfilled on or prior to the date of such affidavit and (C) unless Tenant is a public recording company, Tenant shall promptly deliver to Landlord copies of (i) any additional reporting information provided to Tenant's lenders and (ii) such credit agreements and other loan documents entered into by Tenant as Landlord may reasonably request.

(c) If Tenant or any Guarantor is a public reporting company, the annual and quarterly financial reporting delivery requirements set forth in Paragraph 28(b) shall be waived by Landlord so long as Tenant, or Guarantor, as the case may be, timely files with the Securities and Exchange Commission, for the applicable reporting periods, its Form 10-K, Form 10-Q and other required filings pursuant to the provisions of the Securities Exchange Act of 1934, as amended and any other applicable Law.

29. Non-Recourse as to Landlord.

Anything contained herein to the contrary notwithstanding, any claim based on or in respect of any liability of Landlord under this Lease shall be limited to actual damages and shall be enforced only against the Leased Premises and not against any other assets, properties or funds of (a) Landlord, (b) any director, member, officer, general partner, limited partner, employee or agent of Landlord (or any legal representative, heir, estate, successor or assign of any thereof), (c) any predecessor or successor partnership, corporation, limited liability company (or other entity) of Landlord, or any of its general partners, members or shareholders, or (d) any other affiliate of Landlord.

30. Financing.

(a) Tenant agrees to pay, within three (3) Business Days after written demand therefor, any Cost imposed upon Landlord by Lender pursuant to the Note, the Mortgage or the Assignment which is caused by an Event of Default by Tenant under this Lease and which is not otherwise reimbursed by Tenant to Landlord pursuant to any other provision of this Lease.

(b) If Landlord desires to obtain or refinance any Loan, Tenant shall agree, upon request of Landlord, to supply any such Lender with such notices and information as Tenant is required to

give to Landlord hereunder, and to execute a commercially reasonable modification to this Lease so long as such modification does not materially and adversely affect any right, benefit or privilege of Tenant under this Lease or materially increase Tenant's obligations under this Lease. Tenant shall also provide, upon the written request of such Lender, an SNDA, so long as such SNDA does not materially and adversely affect any right, benefit or privilege of Tenant under this Lease or materially increase Tenant's obligations under this Lease.

31. Subordination, Non-Disturbance and Attornment.

(a) This Lease shall be subject and subordinate to the lien of any Mortgage now or hereafter in force against either of the Leased Premises, and Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any Mortgage to which this Lease is subordinate, to attorn, to the purchaser upon any such foreclosure sale, if so requested to do so by such purchaser, and to recognize such purchaser as the case may be, as the lessor under this Lease; provided, however, that the foregoing subordination to the lien of any future Mortgage in force against the Leased Premises, and attornment to the purchaser upon any such foreclosure sale, shall each be conditioned upon Landlord providing Tenant with a subordination, non disturbance and attornment agreement in favor of Tenant in the form attached hereto as Exhibit J, or other commercially reasonable form (either, an "SNDA") requested by Landlord that provides, without limitation, that this Lease and the rights of Tenant hereunder shall survive any foreclosure proceeding brought under such Mortgage. Without limiting the foregoing, as of the Effective Date, each of Landlord, Lender, and Tenant shall execute and deliver to each other an SNDA in the form attached hereto as Exhibit J.

(b) In addition to Tenant's rights under Paragraph 34, if requested by a lender ("Secured Lender") holding or obtaining a security interest in any personal property of Tenant ("Secured Property") that is located at the Leased Premises, Landlord shall enter into such reasonable and customary documentation as the Secured Lender shall reasonably request, including a subordination of any statutory lien that Landlord may have in such Secured Property and permitting such Secured Lender reasonable access to the Leased Premises for the purpose of enforcing such Secured Lender's lien with respect to such Secured Property.

32. Tax Treatment; Reporting.

Landlord and Tenant each acknowledges that each shall treat this transaction as a true lease for state law purposes and shall report this transaction as a lease for federal income tax purposes. For federal income tax purposes each Party shall report this Lease as a true lease with Landlord as the owner of all of the Leased Premises and Tenant as the lessee of such Leased Premises including: (i) treating Landlord as the owner of any of the Improvements and Equipment eligible to claim depreciation deductions under Section 167 or 168 of the Internal Revenue Code of 1986 (the "Code") with respect to such Improvements and Equipment, (ii) Tenant reporting its Rent payments as rent expense under Sections 162 and Section 467 of the Code, as applicable, and (iii) Landlord reporting the Rent payments as rental income. Notwithstanding the foregoing, nothing contained herein shall (a) require Landlord or Tenant to take any action that would be inconsistent with the requirements of GAAP or violate any state or federal law, or (b) be deemed to constitute a guaranty, warranty or representation by either Landlord or Tenant as to the actual treatment of this transaction for state

or federal tax purposes of for purposes of accounting or financial reporting, including but not limited to the determination as to whether this Lease shall qualify for sale-leaseback accounting treatment or whether this Lease shall be properly classified as an operating lease or finance lease in accordance with GAAP.

33. Security Deposit.

(a) On the Commencement Date, Tenant shall not be required to deliver to Landlord any Letter of Credit or security deposit. If in the future, a Letter of Credit is delivered to Landlord pursuant to the provisions of Paragraph 14 or Paragraph 21, such Letter of Credit shall be held by Landlord as a security deposit (the "Security Deposit") and the terms of this Paragraph 33 shall apply. Thereafter, the Security Deposit shall remain in full force and effect during the Term as security for the payment by Tenant of the Rent and all other charges or payments to be paid hereunder and the performance of the covenants and obligations contained herein. In the event Landlord holds any cash Security Deposit hereunder, Landlord shall hold it in trust in a separate, interest-bearing account, and any interest earned thereon shall be added to the Security Deposit.

(b) Upon any adjustment of Basic Rent pursuant to Exhibit D, Tenant shall not later than thirty (30) days after Landlord delivers written notice of such adjustment, adjust the amount of the Letter of Credit, if any, to maintain the Security Deposit in an amount equal to the amount of eighteen (18) months of Basic Rent (or twelve (12) months of Basic Rent, if the original amount of the Letter of Credit required hereunder was twelve (12) months of Basic Rent). The Letter of Credit shall be renewed at least sixty (60) days prior to any expiration thereof. If Tenant fails to renew the Letter of Credit by such date, Landlord shall have the right at any time after the thirtieth (30^{th}) day before such expiration date, and after providing Tenant with five (5) days' prior written notice, to draw on the Letter of Credit and to deposit the proceeds of the Letter of Credit as a cash Security Deposit.

(c) If at any time (except any time during which Landlord is already holding a Cash Security Deposit) the Security Deposit does not meet the requirements of the definition of Letter of Credit, as set forth herein, or if the financial condition of the issuer of such Letter of Credit changes in any other materially adverse way, as determined by Landlord in its reasonable discretion, then Tenant within thirty (30) days after written notice from Landlord shall deliver to Landlord a Replacement Letter of Credit. Tenant's failure to deliver any such Replacement Letter of Credit shall entitle Landlord to immediately draw under the Letter of Credit and hold the proceeds thereof as a cash Security Deposit.

(d) In the event that the issuer of any Letter of Credit is insolvent or is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation, or any successor or similar entity, of if a trustee, receiver or liquidator is appointed for the issuer, then, effective as of the date of such occurrence, such Letter of Credit shall be deemed not to meet the requirements of the definition of Letter of Credit, as set forth herein, and Tenant shall within thirty (30) days after written notice from Landlord deliver to Landlord a Replacement Letter of Credit. Tenant's failure to deliver any such Replacement Security Deposit shall entitle Landlord to immediately draw under the Letter of Credit and hold the proceeds thereof as a cash Security Deposit.

(e) If at any time an Event of Default shall have occurred and be continuing, Landlord shall be entitled, at its sole and absolute discretion, to draw on the Letter of Credit or to withdraw the cash Security Deposit, as the case may be, and apply the proceeds in payment of any Rent that is then due and payable (but in no event shall Landlord apply any Security Deposit funds to prepay any Rent). Tenant further acknowledges and agrees that (1) Landlord's application of the proceeds of the Letter of Credit or cash Security Deposit towards the payment of Rent that is then due and payable constitutes a fair and reasonable use of such proceeds and (2) the application of such proceeds by Landlord towards the payment of Rent that is then due and payable shall not constitute a cure by Tenant of the applicable default (except any default in the payment of such Rent); provided, however, that an Event of Default shall not exist if Tenant restores the Security Deposit to its full amount within five (5) Business Days and in accordance with the requirements of this Paragraph 33, so that the original amount of the Security Deposit shall be again on deposit with Landlord.

(f) So long as no Event of Default then exists, the Letter of Credit or the cash Security Deposit, as the case may be, shall be returned to Tenant within thirty (30) days after the expiration of the Term.

(g) Tenant waives all provisions of Laws, now or hereinafter in force, that restrict the amount or types of claim that a landlord may make upon a security deposit or imposes upon a landlord (or its successors) any obligation with respect to the handling or return of security deposits, including, without limitation, California Civil Code Section 1950.7 (including waiving the return of the security deposit until such time as the amount of such landlord's damages, including those under California Civil Code Section 1951.2, has been determined).

34. Permitted Leasehold Mortgages.

Notwithstanding Paragraph 21 above, but subject to the terms of this Paragraph 34, Landlord agrees that Tenant shall have the right to encumber, pledge or hypothecate Tenant's interest in the leasehold estate created by this Lease (a "Leasehold Mortgage", and the holder of any such Leasehold Mortgage, a "Leasehold Mortgagee"). All proceeds from any Leasehold Mortgage shall remain the property of Tenant. Landlord shall not be obligated to subordinate any or all of Landlord's right, title or interest in and to the Leased Premises and this Lease to the lien of any Leasehold Mortgage. A Leasehold Mortgage shall encumber only Tenant's leasehold interest in the Leased Premises, and shall not encumber Landlord's right, title or interest in the Leased Premises. Landlord shall have no liability whatsoever for the payment of any obligation secured by any Leasehold Mortgage or related obligations. No Leasehold Mortgage shall be for a term longer than the Term of this Lease. Either prior to or concurrently with the recordation of any Leasehold Mortgage, Tenant shall cause a fully conformed copy thereof and of the financing agreement secured thereby to be delivered to Landlord and its Lender, together with a written notice containing the name and post office address of Leasehold Mortgagee. Upon written request from Tenant, Landlord agrees to deliver an estoppel certificate in favor of Leasehold Mortgagee regarding this Lease, in form and substance reasonably acceptable to Leasehold Mortgagee. If Landlord delivers to Tenant a notice of a default or an Event of Default under this Lease, Landlord shall concurrently notify any Leasehold Mortgagee that has delivered to Landlord a prior written request for such notice, and Landlord shall recognize and accept the performance of any obligation of Tenant hereunder by Leasehold Mortgagee; provided, however that nothing contained herein shall obligate Leasehold Mortgagee to take any such actions.

Landlord also hereby agrees, upon request by Tenant or any Leasehold Mortgagee, to enter into a commercially reasonable agreement with such Leasehold Mortgagee that may provide, without limitation (a) Landlord's waiver of any Landlord's lien or other claim against any property of Tenant, (b) that Landlord shall not terminate or amend the Lease without the prior written consent of the Leasehold Mortgagee, (c) that Leasehold Mortgagee shall have the right, but not the obligation, to pay and perform all obligations of Tenant under this Lease, and all obligations of any Guarantor under any Guaranty, (d) that upon any termination of the Lease, Leasehold Mortgagee shall have the right to a new lease with Landlord, for the remainder of the Term of the Lease, and otherwise with the same covenants, conditions and agreements as are contained in the Lease, and (e) that Leasehold Mortgagee shall have rights to enter upon the Leased Premises to remove Tenant's personal property following any default under the Leasehold Mortgage, provided, however that Leasehold Mortgager shall maintain adequate insurance and satisfy Tenant's obligation to pay Basic Rent during such period of possession, not to exceed ninety (90) days, which ninety (90)-day period will be tolled in the event of an applicable bankruptcy proceeding. This Paragraph shall survive termination of this Lease.

35. Tenant Bankruptcy.

(a) As a material inducement to Landlord executing this Lease, Tenant acknowledges and agrees that Landlord is relying upon (i) the financial condition and specific operating experience of Tenant and Tenant's obligation to use each of the Leased Premises specifically for the Permitted Use, (ii) Tenant's timely performance of all of its obligations under this Lease notwithstanding the entry of an order for relief under the Bankruptcy Code for Tenant and (iii) all defaults under this Lease being cured promptly and this Lease being assumed within sixty (60) days of any order for relief entered under the Bankruptcy Code for Tenant, or this Lease being rejected within such sixty (60) day period and the entire Leased Premises surrendered to Landlord.

(b) Accordingly, in consideration of the mutual covenants contained in this Lease and for other good and valuable consideration, Tenant hereby agrees that:

(i) All obligations that accrue or become due under this Lease (including the obligation to pay Rent), from and after the date that a petition is filed under the Bankruptcy Code, a proceeding under any similar law or statute relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts is initiated (collectively, an "Action") shall be timely performed exactly as provided in this Lease and any failure to so perform shall be harmful and prejudicial to Landlord;

(ii) Any and all obligations under this Lease that accrue or become due from and after the date that an Action is commenced and that are not paid as required by this Lease shall, in the amount of such rents, constitute administrative expense claims allowable under the Bankruptcy Code with priority of payment at least equal to that of any other actual and necessary expenses incurred after the commencement of the Action;

(iii) Any extension of the time period beyond one-hundred twenty (120) day period, subject to an additional ninety (90) day period for good cause shown, within which Tenant may assume or reject this Lease without an obligation to cause all obligations accruing or coming

due under this Lease from and after the date that an Action is commenced to be performed as and when required under this Lease shall be harmful and prejudicial to Landlord;

(iv) Any time period designated as the period within which Tenant must cure all defaults and compensate Landlord for all pecuniary losses which extends beyond the date of assumption of this Lease shall be harmful and prejudicial to Landlord;

(v) Any assignment of this Lease must result in all terms and conditions of this Lease being assumed by the assignee without alteration or amendment, and any assignment which results in an amendment or alteration of the terms and conditions of this Lease without the express written consent of Landlord shall be harmful and prejudicial to Landlord;

(vi) Any proposed assignment of this Lease to an assignee: (a) that will not use any of the Leased Premises specifically for the Permitted Use, (b) that does not possess financial condition, operating performance and experience characteristics equal to or better than the financial condition, operating performance and experience of the Tenant as of the Commencement Date, or (c) that does not provide guarantors of the Tenant's obligations hereunder with financial condition equal to or better than the financial condition of the original guarantors of this Lease as of the Commencement Date, shall be harmful and prejudicial to Landlord;

(vii) The rejection (or deemed rejection) of this Lease for any reason whatsoever shall constitute cause for immediate relief from the automatic stay provisions of the Code, and Tenant stipulates that such automatic stay shall be lifted immediately and possession of the entire Leased Premises will be delivered to Landlord within a commercially reasonable time (as the court shall determine) without the necessity of any further action by Landlord;

(viii) No provision of this Lease shall be deemed a waiver of Landlord's rights or remedies under the Bankruptcy Code or applicable Law to oppose any assumption and/or assignment of this Lease, to require timely performance of Tenant's obligations under this Lease, or to regain possession of any or all of the Leased Premises as a result of the failure of Tenant to comply with the terms and conditions of this Lease or the Bankruptcy Code;

(ix) Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated as such, shall constitute "rent" for the purposes of the Bankruptcy Code; and

(x) For purposes of this Paragraph 35 addressing the rights and obligations of Landlord and Tenant in the event that an Action is commenced, the term "Tenant" shall include Tenant's successor in bankruptcy, whether a trustee, Tenant as debtor in possession or other responsible person.

36. Miscellaneous.

(a) The Paragraph headings in this Lease are used only for convenience in finding the subject matters and are not part of this Lease or to be used in determining the intent of the Parties or otherwise interpreting this Lease.

(b) As used in this Lease, the singular shall include the plural and any gender shall include all genders as the context requires and the following words and phrases shall have the following meanings: (i) "including" means "including without limitation" (except where "including" is already followed by "without limitation" or words of similar effect); (ii) "provisions" means "provisions, terms, agreements, covenants and/or conditions"; (iii) "lien" means "lien, charge, encumbrance, title retention agreement, pledge, security interest, mortgage and/or deed of trust"; (iv) "obligation" means "obligation, duty, agreement, liability, covenant and/or condition"; (v) "the Leased Premises" means "the Leased Premises or any part thereof or interest therein"; (vi) " the Real Property" means "the Columbus Real Property and the Long Beach Real Property or any part thereof or interest therein"; (vii) " the Improvements" means "the Improvements or any part thereof or interest therein"; (viii) " the Equipment" means "the Equipment or any part thereof or interest therein"; and (ix) "the adjoining property" means "the adjoining property or any part thereof or interest therein".

(c) Any act which Landlord is permitted to perform under this Lease may be performed at any time and from time to time by Landlord or any person or entity designated by Landlord. Each appointment of Landlord as attorney-in-fact for Tenant hereunder is irrevocable and coupled with an interest, but shall only apply during the continuance of an Event of Default.

(d) Except as otherwise expressly provided in this Lease, Landlord shall not unreasonably withhold, condition, or delay its consent or approval whenever such consent or approval is required under this Lease.

(e) Time is of the essence with respect to the performance by Tenant of its obligations under this Lease.

(f) Landlord shall in no event be construed for any purpose to be a partner, joint venturer or associate of Tenant or of any subtenant, operator, concessionaire or licensee of Tenant with respect to any of the Leased Premises or otherwise in the conduct of their respective businesses.

(g) This Lease and any documents which may be executed by Tenant on or about the Effective Date hereof at Landlord's request, including, without limitation, the Purchase and Sale Agreement, constitute the entire agreement between the parties and supersede all prior understandings and agreements, whether written or oral, between the parties hereto relating to any of the Leased Premises and the transactions provided for herein. Landlord and Tenant are business entities having substantial experience with the subject matter of this Lease and have each fully participated in the negotiation and drafting of this Lease. Accordingly, this Lease shall be construed without regard to the rule that ambiguities in a document are to be construed against the drafter.

(h) This Lease may be modified, amended, discharged or waived only by an agreement in writing signed by the Party against whom enforcement of any such modification, amendment, discharge or waiver is sought.

(i) The covenants of this Lease shall run with the land and bind Tenant, its successors and assigns and all present and subsequent encumbrances and subtenants of any of the Leased

Premises, and shall inure to the benefit of Landlord, its successors and assigns. If there is more than one Tenant, the obligations of each shall be joint and several.

(j) If any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(k) All exhibits and schedules attached hereto are incorporated herein as if fully set forth.

(l) Each of Landlord and Tenant hereby agree that the State of New York has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects (including, without limiting the generality of the foregoing, matters of construction, validity and performance) this Lease and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed therein and all applicable Law of the United States of America; except that, at all times, the provisions for the creation of the leasehold estate, enforcement of Landlord's rights and remedies with respect to right of re-entry and repossession, surrender, delivery, ejectment, dispossession, eviction or other in-rem proceeding or action regarding any of the Leased Premises pursuant to Paragraph 23 hereof shall be governed by and construed according to the Laws of the State where such Leased Premises is located, it being understood that, to the fullest extent permitted by law of such State, the law of the State of New York shall govern the validity and the enforceability of this Lease, and the obligations arising hereunder. To the fullest extent permitted by law, Tenant hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Lease. Except for any legal suit, action or proceeding that pursuant to applicable Law must be brought in the County and State where a Leased Premises is located, any legal suit, action or proceeding against Tenant arising out of or relating to this Lease may be instituted in any federal or state court sitting in the County of New York, State of New York, and Tenant waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding in such County and State, and Tenant hereby expressly and irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Notwithstanding the foregoing, nothing herein shall prevent or prohibit Landlord or Tenant from instituting any suit, action or proceeding in any other proper venue or jurisdiction in which any of the Leased Premises is located or where service of process can be effectuated.

(m) To Tenant's knowledge, neither Tenant nor any of its officers or directors is a Specially Designated National or Blocked Person. As used herein, the term "Specially Designated National or Blocked Person" shall mean a Person (i) designated by the Office of Foreign Assets Control at the U.S. Department of the Treasury, or other U.S. governmental entity, and appearing on the List of Specially Designated Nationals and Blocked Persons (http://www.ustreas.gov/offices/enforcement/ofac/sdn/ index.shtml), which List may be updated from time to time; or (ii) with whom Landlord or its affiliates are prohibited from engaging in transactions by any trade embargo, economic sanction or other prohibition of United States law, regulation, or Executive Order of the President of the United States. Tenant agrees to confirm the statement in the preceding sentence in writing on an annual basis if requested by Landlord to do so.

(n) Subject to the terms of this Paragraph 36(n), Tenant and Landlord shall each maintain as confidential (a) any and all information, data and documents obtained about Landlord or Tenant ("Information") prior to and following the execution of this Lease (including without limitation, any financial or operating information of, or related to, the Landlord or the Tenant), and (b) the terms and conditions of this Lease (as originally circulated or as negotiated) and all other documents related to the execution of this Lease. Each Party agrees that it will not retain any item of Information after the use thereof is no longer required, and that it will either destroy or return to the other Party all written materials constituting Information, except to the extent that such destruction is prohibited by law, rule or regulation. Notwithstanding the foregoing, neither Party will be required to destroy or return any Information that may be stored electronically in such Party's information technology system, whether in the form of an e-mail, saved file or otherwise. Notwithstanding anything to the contrary contained herein, each Party shall be permitted to disclose any or all of the Information: (i) to those principals, employees, representatives, lenders, consultants, counsel, accountants and other professional advisors of such Party who have a legitimate need to review or know such Information and who have, prior to disclosure, agreed to be bound by the terms of confidentiality set forth herein, (ii) any government or self-regulatory agency whose supervision or oversight such Party or any of its affiliates may be subject to the extent required by applicable Law, any governmental authority or a court of competent jurisdiction, in each case to the extent reasonably necessary to comply with any legal or regulatory requirements to which such Party or its affiliates may be subject, and (iii) without limiting the generality of the immediately foregoing subsection, in any filings made by Tenant or its affiliates with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the " Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and/or as may be made available to any investors or prospective investors in Tenant or any of its affiliates in conformance with the Securities Act, Exchange Act, and/or the rules, regulations, and orders issued with respect thereto. Except for publicly available filings referenced in clause (iii) of the immediately preceding sentence, upon disclosing Information to any Person to the extent permitted hereunder, Landlord or Tenant, as applicable, shall advise such Person of the confidential nature thereof, and shall take all reasonable precautions to prevent the unauthorized disclosure of such information by such Person. In addition, Landlord and Tenant shall each be permitted to make such disclosures regarding the Lease and the Leased Premises (which may include the use of Tenant's or Landlord's name and corporate logo) as are similar or consistent with Landlord's and Tenant's respective general public disclosure policy, including disclosures made by Landlord and its affiliates to their investors, lenders and analysts. Landlord agrees that any Lender shall abide by the restrictions applicable to Landlord in this Paragraph 36(n). This provision shall survive the termination of this Lease. Landlord and Tenant shall be required to execute, deliver, record and furnish such documents as may be necessary to correct any errors of a typographical nature that may be contained in this Lease, or in any memorandum thereof, whether such memorandum be recorded or unrecorded.

(o) This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same document.

(p) If either Party shall be prevented or delayed from punctually performing any obligation or satisfying any condition under this Lease by any condition beyond the control of such Party, exclusive of financial inability of a Party (but including without limitation any of the following

beyond the control of (and not caused) by such Party (collectively, "Force Majeure"): strike, lockout, labor dispute, civil unrest, inability to obtain labor, materials or reasonable substitutes thereof, acts of God, present or future governmental restrictions, regulations or control, insurrection, and sabotage), then the time to perform such obligation or satisfy such condition shall be extended by the delay caused by such event, but only for a reasonable period of time not to exceed, in any event, three hundred sixty-five (365) days.

(q) Notwithstanding Paragraph 7 or any other provision of this Lease, in the event an arbitration, suit or action is brought by any Party under this Lease to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing Party shall be entitled to reimbursement of reasonable attorneys' fees, as determined by the arbitrator, trial court and/or appellate court.

(r) In the event of any reduction of Rent pursuant to the terms hereof (including without limitation pursuant to Paragraph 17 or Paragraph 18), the related terms hereof (including without limitation in Exhibit D and Exhibit F) shall be deemed modified as appropriate reflect such reduction. Without limiting the foregoing, upon any such reduction of Rent, the Parties agree that upon the request of either Party, both Parties will enter into a written amendment to this Lease further evidencing such reduction of Rent and related appropriate modifications.

(s) *[Signature Pages To Follow]*

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed under seal as of the day and year first above written.

LANDLORD:

AGNL CLINIC, L.P.,
a Delaware limited partnership

By: AGNL Clinic GP, L.L.C.,
Delaware limited liability company,
its general partner

By: AGNL Manager II, Inc.,
a Delaware corporation, its Manager

By: _____

Gordon J. Whiting
President

STATE OF NEW YORK)

) SS.

COUNTY OF NEW YORK)

I, _____, a Notary Public in and for said County in the State aforesaid, do hereby certify that President, the President of AGNL Manager II, Inc., as Manager of AGNL CLINIC, L.P., a Delaware limited partnership, and AGNL Clinic GP, L.L.C., a Delaware limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered such instrument as her own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this __ day of _____, 2013.

_____

Notary Public

My Commission expires:_____ _____
Printed Name

My County of Residence:_____

TENANT:

MOLINA HEALTHCARE, INC.,
a Delaware corporation

By: _____
Name:_____
Title:_____

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2013, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

SCHEDULE 10(h)

ENVIRONMENTAL VIOLATIONS

Environmental Violations or suspected Environmental Violations, if any, disclosed to Landlord in any of the following:

1. Long Beach Leased Premises
    a. Phase 1 Site Assessment undertaken by ESIS Inc. Dated January 4, 2011
    b. Phase 1 Update undertaken by ESIS Inc. dated October 19, 2011
    c. NPDES Permit No. CAG994004

2. Columbus Leased Premises
    a. Phase 1 Environmental Assessment Dated October 12, 2012

SCHEDULE 12(a)

IMMEDIATE REPAIRS

- **Long Beach Property**

Description	Immediate Repairs
Epoxy injection of parking garage concrete deck	$ 5,500
Renewal of sealants	$ 4,850
Plaza elastomeric deck coating	$ 156,344
Comprehensive façade inspection & report	$ 18,000
Repair/repaint cracked stucco surfaces on inside of perimeter roof level parapet walls	$ 13,000
Built up roof replacement section 01a	$ 62,230
Replace elastomeric surface/restripe & PM 01b	$ 5,900
Built up roof replacement section 02	$ 128,366
Built up roof replacement section 03a	$ 62,230
Replace elastomeric surface/restripe & PM 03b	$ 5,900
Built up roof replacement section 04	$ 128,366
Replace elastomeric surface/restripe & PM 05	$ 2,700
Perform IR survey	$ 4,800
Annual inspection & testing FLS system	$ 5,400
Inspect & certify elevators	$ 13,650
Install new slab edge fire-safing (200 locations)	$ 115,000
Perform repairs recommended in façade inspection report	$ 60,375
	$ 792,611

- **Columbus Property**

Description	Immediate Repairs
Regrade along west side of building	$ 2,500
Full depth asphalt repairs and overlay	$ 168,458
Repair curbs	$ 36,000
Repair asphalt paths	$ 1,000
Replace missing landscape material	$ 22,500
Repair and level concrete benches	$ 1,000
Clean fabric pavilion	$ 500
Repair retaining wall	$ 15,000
Remove wiring to former plyon signs	$ 500
Sealant and control joint renewal	$ 20,400
Roof	$ 7,330
ADA add handicap parking spaces	$ 600
ADA add van-access parking spaces	$ 250
ADA sign for van-access parking	$ 150
ADA access path of travel route	$ 350
	$ 276,538

SCHEDULE 13(a)

PENDING ALTERATIONS AND IMPROVEMENTS

Long Beach Property Pending Alterations

Project	Cost	
New central plant	$	3,787,496
Plaza waterproofing	$	371,486
Carbon monoxide monit system	$	34,912
Bldg stairwell lighting retrofit	$	34,989
Bldg window tint both towers	$	250,000
Parking struct lighting retrofit	$	264,229
VAV DDC conversion both towers	$	841,824
Fire alarm control panel & devices	$	340,000
Fire safing survey & installation	$	134,220
Atrium cooling system retrofit	$	114,272
Bldg lighting retrofit	$	676,234
Phase 2 plaza waterproofing	$	3,000,000
Roof replacement both towers	$	394,192
	$	10,243,854

Long Beach Property Tenant Improvements

- **200 Tower**

Suite No.	Sq. Ft.	New Tenant	Occupancy Date	TI's PSF	TI Cost
800	3,784	Molina	6/1/2013	$ 35.00	$ 132,440
1550	8,150	Molina*	10/1/2013	$ 350.00	$ 2,852,500
	11,934				$ 2,984,940
* This cost is based on Event Hall with specialized kitchen for Molina corp g					

- **300 Tower**

Suite No.	Sq. Ft.	New Tenant	Occupancy Date	TI's PSF	TI Cost**	
150	6,456	Molina**	7/1/2013	$ 150.00	$ 968,400	
500	16,575	Molina*	8/1/2013	$ 35.00	$ 580,125	
600	16,575	Molina*	7/1/2013	$ 35.00	$ 580,125	
910	6,516	Molina*	12/1/2013	$ 35.00	$ 228,060	
1400	16,580	Molina	7/1/2013	$ 35.00	$ 580,300	
	62,702				$ 2,937,010	
*These costs are estimated based upon average build-out costs for Molina @$35 psf.						
** This cost is based on fitness center for Molina employees @$150 psf						

Columbus Property Pending Alterations

Project	Cost
Security console desk	$ 20,000
Asphalt repair & slurry seal	$ 168,458
Repair curbs	$ 36,000
Landscape material	$ 22,500
Repair retaining wall	$ 15,000
Sealant & control joint renewal	$ 20,400
Generator	$ 300,000
	$ 582,358

Columbus Property Tenant Improvements

Suite No.	Sq. Ft.	New Tenant	Occupancy Date	TI's PSF	Total TI Cost
100	11326	Molina*	11/1/2013	$ 35.00	$ 396,410
130	3726	Molina **	11/1/2013	$ 200.00	$ 745,200
	1500	Molina***	11/1/2013	$ 150.00	$ 225,000
160	4362	Molina*	11/1/2013	$ 35.00	$ 152,670
200	27775	Molina*	11/1/2013	$ 35.00	$ 972,125
320	21932	Molina*	11/1/2013	$ 35.00	$ 767,620
400	16050	Molina*	8/1/2013	$ 35.00	$ 561,750
401	4123	Molina*	8/1/2013	$ 35.00	$ 144,305
402	2335	Molina*	8/1/2013	$ 35.00	$ 81,725
403	5456	Molina*	8/1/2013	$ 35.00	$ 190,960
500	27204	Molina*	11/1/2013	$ 35.00	$ 952,140
610	13947	Molina*	7/1/2013	$ 35.00	$ 488,145
	139736				$ 5,678,050

* These dates are estimates only and may change if iQor fails to vacate in a timely _____ experienced with space plan finalization or permitting.

**This cost is based on fitness center for Molina employees @$200 psf

*** This cost is based on café for the building as an amenity @$150 psf

SCHEDULE 16(a)

EXISTING INSURANCE POLICIES

	Carrier	Coverage	Policy #
1.	Lexington Insurance Co.	Property	13113039
2.	Philadelphia Indemnity Insurance Co.	Commercial General Liability	PHPK987040
3.	Philadelphia Indemnity Insurance Co.	Automobile	PHPK987040
4.	Liberty Insurance Underwriters Inc.	Umbrella Liability	1000037294-02
5.	TBD	Flood	TBD
6.	TBD	Earthquake	TBD

EXHIBIT A-1

COLUMBUS REAL PROPERTY

PARCEL 1:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 13.727 acre tract, and all of the 0.875 acre tract conveyed to 17 Land Realty Corp. by deeds of record in O.R. 14066 B11 and O.R. 25716 J11, respectively, records of the Recorder's Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning at a railroad spike set at the intersection of the Southerly right-of-way line of Interstate 270 (FRA-270-18.32N) and centerline of Cooper Road (60 feet in width). Said railroad spike being the Northeasterly corner of said 0.875 acre tract;

Thence South 26 deg. 55' 00" East, a distance of 241.79 feet, along said centerline of Cooper Road and Easterly line of said 0.875 acre tract, to a railroad spike set at the Southeasterly corner of said 0.875 acre tract;

Thence North 78 deg. 47' 04" West, a distance of 38.14 feet, along the Southerly line of said 0.875 acre tract, to an iron pin set in the Westerly right-of-way line of said Cooper Road;

Thence South 26 deg. 55' 00" East, a distance of 295.14 feet, along said Westerly right-of-way line of Cooper Road and along the Easterly line of said 13.727 acre tract, to an iron pin set at the point of curvature in the Northerly right-of-way line of Corporate Exchange Drive (60 feet in width) of record in Plat Book 60, Page 22 and 23;

Thence the following four (4) courses and distances along said Northerly right-of-way line of Corporate Exchange Drive and Southerly line of said 13.727 acre tract;

1. Thence along arc of said curve to the right having a radius of 35.00 feet, a central angle of 90 deg. 00' 00", and a chord bearing South 18 deg. 05' 00" West, a chord distance of 49.50 feet to the point of tangency;

2. Thence South 63 deg. 05' 00" West, a distance of 35.00 feet, to an iron pin found at the point of curvature;

3. Thence along arc of said curve to the right having a radius of 270.00 feet, a central angle of 28 deg. 56' 27", and a chord bearing South 77 deg. 33' 14" West, a chord distance of 134.94 feet, to an iron pin set at the point of tangency;

4. Thence North 87 deg. 58' 33" West, a distance of 788.06 feet, to an railroad spike set;

Thence North 02 deg. 01' 27" East, a distance of 318.00 feet across said 13.727 acre tract to a railroad spike set in a Southerly line of the 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence South 87 deg. 58’ 33” East, a distance of 15.00 feet along said Southerly line of the 5.103 acre tract to a railroad spike set at a Southeasterly corner of said 5.103 acre tract;

Thence the following three (3) courses and distances along the Easterly lines to said 5.103 acre tract;

1. Thence North 02 deg. 01’ 27” East, a distance of 185.00 feet, to a P.K. nail found;

2. Thence South 87 deg. 58’ 33” East, a distance of 57.50 feet, to a railroad spike set;

3. Thence North 02 deg. 01’ 27” East, a distance of 167.21 feet, to an iron pin set in aforesaid Southerly right-of-way line of Interstate 270 at a Northeasterly corner of said 5.103 acre tract;

Thence South 78 deg. 46’ 49” East, a distance of 677.06 feet, along said Southerly right-of-way line of Interstate 270 and partly along the Northerly line of said 13.727 acre tract and partly along the Northerly line aforesaid 0.875 acre tract, to the point of beginning.

Containing 11.814 acres, more or less, of which 0.167 acres lies within the Cooper Road right -of-way.

The bearings in the above description are based on the bearing of South 87 deg. 58’ 33” East, for the centerline of Corporate Exchange Drive, as shown on the dedication Plat for Corporate Exchange Drive, of record in Deed Book 60, Page 22 and 23, records of the Recorder’s Office, Franklin County, Ohio.

PARCEL 2:

Situated in the City of Columbus, County of Franklin and State of Ohio, lying in Quarter Township 2, Township 2, Range 17, United States Military Lands:

And known as being a part of the 4.500 and 13.727 acre tracts conveyed to 17 Land Realty Corp. by deed of record in O.R. 14066 B11, Records of the Recorder’s Office, Franklin County, Ohio, and being more particularly described as follows:

Beginning for reference at a PK nail found at the centerline intersection of Presidential Gateway (60 feet in width) as established by the Plat of record in Plat Book 83, Page 80 and Corporate Exchange Drive (60 feet in width) as established by the Plat of record in Plat Book 60, Page 22;

Thence North 87 deg. 58’ 33” West, a distance of 329.18 feet along the centerline of Corporate Exchange Drive to a point;

Thence North 02 deg. 01’ 27” East, a distance of 30.00 feet, to a railroad spike set on the Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 acre tract and being the point of true beginning;

Thence the following three (3) courses and distances along the said Northerly right-of-way line of Corporate Exchange Drive and the Southerly line of said 13.727 and 4.500 acre tracts;

1. Thence North 87 deg. 58’ 33” West, a distance of 94.38 feet to an iron pin set at a point of curvature;

2. Thence along the arc of said curve to the right, having a radius of 420.00 feet, a central angle of 27 deg. 22’ 54”, a chord bearing North 74 deg. 17’ 06” West, and a chord distance of 198.81 feet to an iron pin found at the point of tangency;

3. Thence North 60 deg. 35’ 39” West, a distance of 28.10 feet to an iron pin set at a Southeasterly corner of a 5.103 acre tract conveyed to Corporate Exchange Buildings IV and V Limited Partnership by deed of record in O.R. 24554 B04;

Thence the following two (2) courses and distance along the Easterly and Southerly lines of said 5.103 acre tracts;

1. Thence North 02 deg. 01’ 27” East, a distance of 258.02 feet to a railroad spike set;

2. Thence South 87 deg. 58’ 33” East, a distance of 312.50 feet to a railroad spike set;

Thence South 02 deg. 01’ 27” West, a distance of 318.00 feet across said 13.727 acre tract to the point of true beginning, containing 2.183 acres, more or less, subject to all easements, restrictions and rights-of-way of record.

EXHIBIT A-2

LONG BEACH REAL PROPERTY

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 7278-003-036

EXHIBIT B-1

Columbus Other Assets

The term "Columbus Property Other Assets" means (a) all "fixtures", as defined by Section 9-102(a)(41) of the Uniform Commercial Code as adopted by the State of New York, owned by Landlord and that are now or hereafter affixed or attached to or installed in the Columbus Real Property or the Columbus Improvements (the "Columbus Fixtures"), (b) all of the following, if and to the extent affixed to the Columbus Real Property or the Columbus Improvements and owned by Landlord (even if not constituting Fixtures) (collectively, the "Columbus Property Equipment"): built-in fittings and built-in major appliances, including all electrical, anti-pollution, heating, lighting (including hanging fluorescent lighting), incinerating, power, air cooling, air conditioning, humidification, sprinkling, plumbing, lifting, fire prevention, fire extinguishing and ventilating systems, devices and machinery and all engines, pipes, pumps, tanks (including exchange tanks and fuel storage tanks), motors, conduits, ducts, steam circulation coils, blowers, steam lines, compressors, oil burners, boilers, doors, windows, loading platforms, lavatory facilities, stairwells, fencing (including cyclone fencing), passenger and freight elevators, overhead cranes and garage units, and (c) all Columbus Intangible Property; provided, however, notwithstanding the foregoing, Columbus Property Other Assets expressly excludes each and all of the following items (collectively, the "Columbus Property Excluded Items"):

1. all personal property located at the Columbus Real Property or the Columbus Improvements including, without limitation, all computers and other information technology devices, but excluding all items described in clause (b) of the definition of Columbus Property Other Assets; and

2. those other items (regardless of whether such items constitute Fixtures) described on Exhibit B-1-A hereof.

EXHIBIT B-1-A

Columbus Other Assets Excluded Items

Qty	Mfg	Description	Model#	Location
1	Aircycle	Bulb eater	55VRSU	Shop
1	Westward	Toolbox		Shop
1	CLC	Toolbag		Shop
2	Maha	Battery Chargers		Shop
1	Dayton	Leaf Blower		Fire pump room
1	Briggs	Generator 5500 watts		Fire pump room
1	Ariens	Snow blower		Fire pump room
1	Snow Ex	Salt Spreader		Switch Gear Cage
1	Rubbermaid	Light bulb cart		Shop
1	Ridgid	Drain snake		Shop
1	Dewalt	Air compressor		Shop
1	Dewalt	18v Drill		Shop
1	Dewalt	18v Impact drill		Shop
1	Dewalt	18v Circular saw		Shop
1	Dewalt	18v Reciprocating saw		Shop
1	Dewalt	Bench grinder		Shop
1	Dewalt	Masonary bit set		Shop
1	Dewalt	Drill bit set		Shop
1	Westward	Bench grinder		Shop
1	Stanley	25ft Tape measure		Shop
1	Irwin	Paddle bit set		Shop
1	Fluke	Multimeter		Shop
1	Fluke	Infrared thermometer		Shop
1	Ideal	Amp clamp		Shop
1	Streamlight	Flashlight		Shop
1	Klein	10 in 1 screw driver		Shop
4	Vise Grip	Pliers		Shop
3	Westward	Adjustable wrenches		Shop
1	Westward	Wrench set		Shop
1	Westward	Socket Set		Shop
1	Stanley	Utility knife		Shop
1	Stanley	Tripod light		Shop
3	Westward	Pliers		Shop
1	Elkind	Allen wrench set		Shop
1	Megapro	15 in 1 screw driver		Shop
1	Brother	Printer	MCF845CW	Shop
1	Dell	Computer		Shop
1	Rigid	Hand snake		Shop

1 Zicron	Stud Finder	Shop
1	Scafold 4ft	Shop
1	5 gallon gas can	Fire pump room
1	2 gallon gas can	Fire pump room
1 Ridgid	Power washer 3300psi	Fire pump room
1 Shop Vac	Sweeper	Switch Gear cage

EXHIBIT B-2

Long Beach Other Assets

The term "Long Beach Property Other Assets" means (a) all "fixtures", as defined by Section 9-102(a)(41) of the Uniform Commercial Code as adopted by the State of New York, owned by Landlord and that are now or hereafter affixed or attached to or installed in the Long Beach Real Property or the Long Beach Improvements (the " Long Beach Fixtures"), (b) all of the following, if and to the extent affixed to the Long Beach Real Property or the Long Beach Improvements and owned by Landlord (even if not constituting Fixtures) (collectively, the "Long Beach Property Equipment"): built-in fittings and built-in major appliances, including all electrical, anti-pollution, heating, lighting (including hanging fluorescent lighting), incinerating, power, air cooling, air conditioning, humidification, sprinkling, plumbing, lifting, fire prevention, fire extinguishing and ventilating systems, devices and machinery and all engines, pipes, pumps, tanks (including exchange tanks and fuel storage tanks), motors, conduits, ducts, steam circulation coils, blowers, steam lines, compressors, oil burners, boilers, doors, windows, loading platforms, lavatory facilities, stairwells, fencing (including cyclone fencing), passenger and freight elevators, overhead cranes and garage units, and (c) all Long Beach Intangible Property; provided, however, notwithstanding the foregoing, Long Beach Property Other Assets expressly excludes each and all of the following items (collectively, the "Long Beach Property Excluded Items"):

1. all personal property located at the Long Beach Real Property or the Long Beach Improvements including, without limitation, all computers and other information technology devices, but excluding all items described in clause (b) of the definition of Long Beach Property Other Assets; and

2. those other items (regardless of whether such items constitute Fixtures) described on Exhibit B-2-A hereof.

EXHIBIT B-2-A

Long Beach Other Assets Excluded Items

See attached.

ABM Engineering Services

TOOL INVENTORY

Qty	***Mfg***	***Description***	***Model #*** (If Applicable)	***Location*** (If Applicable)
1	Ridged	24” bolt cutter		
1	Fluke	Multimeter	73 III	
1	Yellow Jacket	Super EVAC LCD Vacuum Gauge	69070	
1	Lisle	Ring Compressor Wrinkle band	21700	
1	Zim	Piston Ring Expander		
1	DeWalt	Cordless Drill 12v	1PZ14	
1	Makita	Cordless Drill 9.c Volts (Angle)	DA391DW	
1		One Way Screw Remover tool	PH-17061	
1	Ritchie	Manifold Charging Set	41212	
1	Ritchie	Valve Stem Wrench ¼” 3/16” 5/16” ⅜”	60613	
1	Ritchie	Big Mini tubing cutter 1⅛” max.	60142	
1	Fluke	Clamp meter Amps/volts/Ohms	322	
1	Rigio	Tubing Cutter	154	
1	Shopvac	Dry/wet vacuum		
2	Vaughn	Ball Peen Hammers 12 oz.		
1	Armstrong	½” Drive Adapter ¾” male	12-952	
1	Armstrong	½” Drive Adapter ⅜” male	12-951	
1	Allen	½” Drive Quick Release Ratchet	12800	
1	Proto	½” Drive Flex Head Handle Breaker bar 18⅝”	5468	
1		U-Shaped Claw and Offset Chisel Bar 24”	No I.D. Markings	
2	Supco	HVAC/R Current Probe with Micro Amps	CPH 100	
1	Motorola	UHF Portable Hand held Radio	HT 750	
1	Motorola	UHF Portable Hand held Radio	HT 750	
1	Motorola	UHF Portable Hand held Radio	HT 750	
1	Motorola	UHF Portable Hand held Radio	HT 750	
1	Harris	TS30 Test set portable handset	TS30	
1 set	C.S. Osborne	Hole punch set (6)		
4		Misc. Hole punch tools		
1		Combination TEE		
1	Proto	Snap Ring Pliers	391	

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Qty	***Mfg***	***Description***	***Model #*** (If Applicable)	***Location*** (If Applicable)
	Proto	Ignition set wrenches	3200c	
1 set	Milwaukee	Flat boring bit kit	49-22-0071	
1	Stanley	Side Cutters	84-133	
22		Misc. Files		
1	Lenox	File brush		
1	Zim	Piston Ring Expander	204	
1		Piston Ring compression tool		
1	Imperial Eastman	Tubing Bender	368-FH	
1		Heavy Duty Puller		
1	UT	⅜" Air Ratchet & Sockets		
1	Vise Grip	9" Locking Welding Clamp		
1	Proto	Small Puller		
1 set	Allen	15 pc. Metric Long Arm Hex Key Set		
2		Star Wrenches Lug Nut Removal tool		
2	Flex-hone	Cylinder Wall deglazer hones		
1	Proto	¾" Drive Ratchet		
1	Proto	¾" Drive Breaker Bar		
1	Turbo Cat III	Floor Dryer	4390-00	
1		Oxy-Ace Welding set Lg.		
1		Oxy-AC Welding set Sm.		
1		Hex L-Key set 12 pc.		
1		Metric Hex L-Key set 9 pc.		
18	Proto	Assorted open end wrenches		
1 set	Proto	Ratchet box end wrench		
7	Proto	⅜" Swivel head socket		
1	Unibit	Step drill ⅛" to ½"		
1	Proto	Torque wrench ½" drive		
1	Utica	⅜" inch pound torque wrench		
1	Proto	½" Speed handle		
1	Proto	⅜" Speed handle		
1 set	Proto	⅜" and ½" drive Hex		
12	Proto	Metric open-box wrenches		
1 set	Taiwan	Torx head Drivers		
30		Assorted Allen Wrenches		
11		Assorted Screw Drivers		
9		Nut Drivers		
1	Imperial	Tubing cutter		
1	Proto	Snap Ring Pliers		

Qty	***Mfg***	***Description***	***Model #*** (If Applicable)	***Location*** (If Applicable)
4		Vise Grips Pliers		
7		Assorted Masonry Drill bits		
1	Proto	Small Gear Puller	4205-B	
1 set	Jawco	Hex Dies		
1 set	Buck bros.	Wood chisels (6)		
1	Irwin	Expansive Wood Bit		
1	Greenlee	Knockout Punch set		
1	Marson	Rivit Gun	HP-2	
1	Desmond	Stone dresser		
1		Slag Remover chipping hammer		
1	Raytek	Noncontact thermometer	ST2	
1	Amprobe	Test master		
1	PASAR	Current tracer		
1	Sensit RFC	Refrigerant Gas Leak Detector	RFC-1	
1	Check-it	Digital Psychrometer set	622	
1	General Electric	Foot Candle meter		
1	Electro-Therm	Digital Thermometer	SH66	
1	Robertshaw	Receiver controller and transmitter calibration kit	900-012	
1	Starrett	Dial indicator	25-144	
1	DeWalt	Cordless Drill 12v	DW972	
1	Makita	Cordless Drill 12v	6311D	
1	Makita	Cordless Drill 9.6v	6095D	
1	Makita	Cordless Drill 9.6v	6093D	
1	Makita	Cordless Drill 7.2v	DA3000D	
1	Proto	Roll Away Tool Box		
1	ilco Unican	Key Duplicator Machine	17	
1	Ridgid	Vise		
1	Vaco	T-Handle Hex Keys (set)	90153	
1	K-D	T-Handle Hex Keys (set)		
1 set	Proto	Ratchet, Extensions, sockets ⅜”		
1 set	Proto	Ratchet, Extensions, sockets ½”		
1 set	Proto	Ratchet, Extensions, sockets ¾”		
1 set		Pipe thread taps (6)		
14	Proto	Assorted End-Open End Wrench		
1				
1		50w 12v Drop Light		
1	Magnehelic	2” of water capacity		
1	Magnehelic	1” of water capacity		
1	Weller	Soldering gun	TC-202	
2	Powr-Grip	Vacuum-Attaching handtool	LJ6VH	

Qty	***Mfg***	***Description***	***Model #*** (If Applicable)	***Location*** (If Applicable)
1 set	Armstrong	Quick Release Ratchet set		
2	Sellstrom	Gas welding goggles		
1	Ridgid	Lever Bender	408	
1	Magnehlic	3” of water capacity		
3	Bacharach	Tempscribe		
1	Dickson	Tempscribe		
1				
1	Schlage	Boring Jig	40-012	
1	Amprobe	AMP, Volt, OHM Meter	ACD-11	
1	Simpson	Volt, OHM Meter	260	
1	Solomat	IAQ monitoring system		
1	Starrett	Dial Caliper	120A-6	
1	Simpson	Therm O Meter	389	
1	Leviton	Splice Pro Tool	49550	
1	Yellow Jacket	Schrader Valve Removal Tool		
1	TIF	Automatic Halogen Leak Detector	6000	
1		Digital Light Meter	DLM2	
1	TIF	Capacitor tester	660	
1	UE1	Digital multimeter	DM383	
1	Amprobe	Fastemp		
2	Lenox	Hole Saw Kits		PI Shop
1	Dayton	8 Piece Silver and Deming Drill Set	1A050	
1	Milwaukee	Heavy Duty Electric Impact Wrench		
1	Kett	Power Shear	K-100	
1		Nut Driver Power Drill		
1	Lenox	Hacksaw	4012	
1	Christie	Portable Car-Start	CS-2	
1	Wilmar	2¼ Ton Floor Jack	W-1634	
1	Kodiak	Shovel	72830	
1	Dayton	Ratchet puller	2Z449-B	
1	Ramset	Powder Actuated tool	4170	
1	Hilti	Power Actuated tool	DX451	
1	DeWalt	7” Angle Grinder	DW474	
1	Milwaukee	7¼” Circular Saw	6365	
1	Milwaukee	Rotary Hammer		
1	Milwaukee	⅜” Drill		
1	Black & Decker	⅜” Drill		
1	Black & Decker	Rotary Hammer		
1	Master	Heat Gun	HG-751B	
1	Wen	Electric Pencil Engraver	21	

Qty	***Mfg***	***Description***	***Model #*** (If Applicable)	***Location*** (If Applicable)
1	Vibro-Graver	Electric Engraver	74	
1	Black & Decker	Butane gas soldering gun		
1	Master	Butane gas soldering gun	UT-100si	
1	Arrow Fastener	Staple gun	T-50m	
1	Dwyer	Visi-Float Flowmeter	VFB-55-BV	
1	Allpax	Gasket cutter		
2	Proto	Crescent wrench 16”		One in each mech. Rm.
1	Proto	Crescent wrench 12”		One in each mech. Rm.
1	Mayes	Level 24”		One in each mech. Rm.
2	Pony	‘C’ clamps	245	One in each mech. Rm.
2	Pony	‘C’ clamps	246	One in each mech. Rm.
1	Uniweld	Manifold Gauge Set	FL 33312	One in each mech. Rm.
1		Manifold Gauge Set	4 port	One in each mech. Rm.
1		12v Drop Light		
1	Empire	Level 48”		
3		‘T’ Squares 24”		
1		‘T’ Squares 48”	Wood	
1	Johnson	48” Straight edge	TS48M	
1	Ridgid	36” Bolt cutters		
1	Millers Falls	Sledge hammer		
1		5’ Pry Bar		
1	DeWalt	Heavy Duty 4½” Small Angle Grinder	DW818	
1	Makita	Finishing Sander	BO4530	
1	SKIL	Soldering gun	2410	
1	Milwaukee	Jig saw		
1	Dremel	Dremel variable speed grinder		
2 sets	ACE	Tap & Die Set	614	
1	Desco	Tap & Die Set #4 thru 1”	44348	
1	Milwaukee	⅜” Hammer Drill		
1	Milwaukee	Sawzall		
1	Weller	Soldering Gun	8200N	
1	Milwaukee	Heavy Duty ½” Drill		
1	Craftsman	Drill Press 17” 16sp ¾hp		PI Shop
1	Speedaire	Air compressor		PI Shop

Qty	***Mfg***	***Description***	***Model #*** (If Applicable)	***Location*** (If Applicable)
1	Graymills	Parts Cleaner/Washer	DM136	PI Shop
1	Milwaukee	Bench Grinder 7”		PI Shop
2	Ridgid	Aluminum Pipe Wrench	836 36”	PI Shop
1	Ridgid	Aluminum Pipe Wrench	824 24”	PI Shop
1	Ridgid	Pipe Cutter ⅛”-2”	No. 202	PI Shop
1	Chicago Specialty	Pipe Cutter 1”-3⅛”	No. 3720	PI Shop
1 set	Ridgid	Thread Cut set ⅛”-2” pipe		PI Shop
1	Ridgid	115v Power Threader	700	PI Shop
1	Ridgid	Spiral Reamer	No. 2-S	PI Shop
2	Jorgensen	“C” Clamps 6”	176	PI Shop
2	Jorgensen	“C” Clamps 4”	174	PI Shop
1	Proto	“C” Clamp 2”	402	PI Shop
1	Armstrong	“C” Clamp 8”	78-408	PI Shop
1	Ridgid	Flare	No. 459 45°	PI Shop
1	Proto	Flaring Tool	No. 351 45°	PI Shop
1	Ridgid	Basin wrench	No. 1017	PI Shop
1	Ridgid	Hex wrench	No. 11	PI Shop
1	Ridgid	Offset hex wrench	No. E-110	PI Shop
1 set	Proto	Open end box wrench	⅜” to 1¼”	PI Shop
2	Proto	Brass Hammer		PI Shop
1		Plastic mallet		PI Shop
2	Proto	Rubber mallets		PI Shop
1		Ball Peen Hammer 32 oz.		PI Shop
1	Stanley	Claw Hammer		PI Shop
1	Vaughan	Ball Peen hammer 16 oz.		PI Shop
3	Wiss	Tin snips		PI Shop
1	Ridgid	Spud wrench	No.342	PI Shop
2	Sloan Valve	Universal wrench		PI Shop
4	Rachex	Ratchet Action Wrench	10-17mm box wrench	PI Shop
1	Lincoln	Wire Feed Welder SP175 T	Link 2302-1	
1	Pro Star	Welding Helmet Auto Darkening	FIB HPD1-F10	
1	J/B	Deep Vacuum Pump 10cfm ½hp	DV-285N	
1	Makita	Portable Cut-off (chop saw)	2414NB	
1	BernzOmatic	High Temperature Torch	TS4000T	
1	LSI	Cordless Spotlight	RC-1100N	
1	Channellock	21” Channel Lock Pliers		
1	SKIL	7¼ Circular Saw	5400	
1	Honda	Portable Generator	EM5000SX	
1	Schumacher	Battery Charger	SE4022	

Qty	***Mfg***	***Description***	***Model #*** (If Applicable)	***Location*** (If Applicable)
1	Pinnacle	Refrigerant Recovery Unit		
1	Fluke	Volt-OHM Tester	T+PRO	
1	AEMC	Megohm Tester	1026	
3	DeWalt	14.4v Cordless Drill		
1	Armstrong	10 pc. Claw Foot (open end)		
1	Empire	4' Level Aluminum		
1	Armstrong	⅜" Socket Set MM 13 pcs.		
1	Armstrong	⅜" Socket Set MM (Long) 12 pcs.		
1	Proto	¼" Socket set		
1	Proto	⅜" Socket set		
4	Wood's	Powr-Grip 8"	N4950	
1	Milwaukee	Portable Band Saw		
1	Milwaukee	Roto Hammer	5318-21	
1	CPS	Thermo-Psychrometer	TM360	
1	Ridgid	Handheld Drain Cleaning Machine	K45	
1	Milwaukee	18v Sawzall + Charger		
2	Dayton	Pumpout wet vac	6AKY1	
1	Fluke	Clamp on Meter AMP Probe	324	
1	Milwaukee	120v Sawzall		
1	Ridgid	Pipe Breaker	276	
1	Dayton	8" Bench Grinder ¾ hp	2LKR9	
1	Weller	120v Solding Gun	SP23L	
1	Master	Gas Solding Gun Ultratorch	UT-40si	
1	Milwaukee	Electric ½" Drill 5320010330067		
1	Genie	1 Person Lift		
1	Genie	Material Lift		
1	Eureka	Hepa Vacuum Cleaner		
1		Fence Post Installer		
1		Cherry Picker		
1	Husky	5 Piece Reversible Ratching Wrench's	SKU630699	
1	Greenlee	Circuit Seeker	CS 8000	
1	Arrow Crane Hoist	Iron 1 Ton capacity Hoist	B-9620	
1	SPANCO Inc.	Aluminum 1 ton Capacity Hoist	1ALU1212B	
1	Coffing	1 Ton Chainfall		
1	CM	Electric 1 Ton Hoist	WL 480v	
1	Tomcat	Walk Behind Floor Scrubber		

MOLINA CENTER, LLC - OFFICE EQUIPMENT BY DEPARTMENT

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
1999	Desk Top Multiplex - Security	Pelco Multiplexer MX4016 CS	Console	Plaza Level	6644 9F	Sentry Control Systems
2009	Security Camera System Monitor	Samsung SMT-1922 19 **1-yr Wty: 4/1/09 to 4/1/2010**	Console	Lobby Level	Serial # Y3OC3VUQ900002	CDW Computer Centers, Inc.
2009	Security Camera System Monitor	Planar PL1520M 15 SPK Part Number 997-3266-00 **1-yr Wty: 3/27/09 to 3/27/2011**	Console	Lobby Level	Serial # P96886JA25192	CDW Computer Centers, Inc.
2009	Security IdentiPass system CPU	Dell Optiplex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/2012**	Console	Lobby Level	Service Tag # H8MDGJ1	Dell.com
2013	Desk Top Keyboard - Security Console	Pelco KBD300A Keyboard Vari-speed Pan, Tilt & Zoom Joystick; Model #KBD300A. Installed 1/8/2013	Console	Lobby Level	SN ACW-VP J8	Vision Communications
2013	Security DVR	Pelco Hybrid Video Recorder 16 channel (DVR); Model DX4816-2000; installed 1/8/2013	Console	Lobby Level	SN ACV-2002	Vision Communications
2000	Desk Top Printer - Engineer	HP DeskJet 842C	Engineer	P-1 Level	CN01M1P0W8	KDC
2005	Desk Top Monitor - Engineer	1704FPTt-HVAC Monitor	Engineer	P-1 Level	CNOY42997161856AANJH	Dell Computer Corporation
2010	Desk Top Printer - Chief Engr's Office	HP LaserJet P2035n Purchased: May 13, 2010 **1-yr Wty: 5/13/2010 to 5/12/2011**	Engineer	P-1 Level	Serial # CNB9D27365; Mfg#: H-P-CE462A#ABA	CDW Computer Centers, Inc.
2010	Desk Top Computer - Chief Engr	Dell Opti Plex 380 MiniTower Base **3-yr Wty: 5/6/2010 to 5/5/2013**	Engineer	P-1 Level	Service Tag $ 21QTRL1; Express Code: 4459089637; Mfg Date: 5/5/2010	Dell.com
2010	Desk Top Monitor - Chief Engr	Dell 22 inch Flat Panel Display; E2210H**: 3-yr Wty: 5/2/2010 to 5/2/2013**	Engineer	P-1 Level	DP/N OH265R; CN-OH265R-64180-047-1USL	Dell.com
2010	Desk Top Computer - Engineer - Chief Engineer's Andover HVAC System	Dell OptiPlex380 – Intel Core 2 Duo 2.93 Ghz, 4 GB, 160 GB 7200 RPM SATA HD, 16X DVD-ROM; Service Tag: BCG1PN1; Express Service Code: 24697153549	Engineer	P-1 Level	Windows 7 Pro/OA; Product key: TMXCJ-2VBY4-WV43H-R4TH4-HRDTVX16-96076; 00186-77-094-237; OKXGVD	CGB Enterprises

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Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2012	Printer - Engineers' Lunch Room	HP DeskJet 5650	Engineer	P-2 Level	SN MY7CL1R1JP	Dell
2012	Desk Top Monitor - Engineers' Lunch Rm	Model # E1911C; 22 inch Monitor	Engineer	P-2 Level	SN CN-ONO1VP-64180-219-1C9B	Dell
2012	Desk Top Computer - Engineers' Lunch Rm	Model # Core i5; Windows 7; Product Key# 328HW-M472H-GDMW7-4JK 32-2H8M9	Engineer	P-2 Level	Service Tag # 1KMMJS1; Express Service Code: 342109473	Dell
2013	Desk Top Computer - New HVAC System	Dell OptiPlex 990; Intel Core i5; Windows 7; Product Key: 7Q2F2-7WTHG-W8TWR-YH4XP-TKC2W	Engineer	P-1 Level	Service Tag # CVVPYV1; Express Service Code: 28049119165	Emcor
2013	Desk Top Monitor-New HVAC System	LG 32 inch Monitor LS-34; 32LS3410	Engineer	P-1 Level	SN 209MXLS7Q352	Emcor
2013	Potable Radio	Hytera PD702 U(2)	Engineer	Craig Aydelott	SN 12816A0500; Radio ID# 2001	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Esteban Diaz	SN 12816A0496; Radio ID# 2002	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Alfonso Oregel	SN 12816A0497; Radio ID# 2003	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Richard Marshall	SN 12816A0499; Radio ID# 2004	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Engineer	Jeremiah Lees	SN 12918A0200; Radio ID#2020	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Claudia Motte-Alvarez, J1	SN 12816A0495; Radio ID# 2007	Vision Communications

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Nancy Hernandez, J2	SN 12816A0494; Radio ID# 2008	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Alex Passarelli, J3	SN 12816A0493; Radio ID# 2009	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Janitorial	Hector Nunez	SN 12918A0199; Radio ID# 2019	Vision Communications
2013	Lobby Level Directory Monitor	Panasonic 42 inch	Lobby	Lobby Level	SN MB21580709; 200 Twr	Jet Communications
2013	Lobby Level Directory Monitor	Panasonic 42 inch	Lobby	Lobby Level	SN MD22360382; 300 Twr	Jet Communications
2013	Desk Top Printer - Guest Room	HP Photosmart 7550 (Color)	OOB	Guest Desk	CN2BS4214N	World Trade Office Supplies
2013	Desk Top Monitor - Guest Room	1704FPTt	OOB	Guest Desk	CNOY42997161856AANM5	Dell Computer Corporation
2005	Desk Top Monitor - Server Room	E153FP	OOB	Server Room	CNOC53696418053UOL5H	Dell Computer Corporation
2005	Desk Top Computer - Guest Room	DHS Mfg Date: 07 20 05	OOB	Guest Desk	6XWKY71	Dell Computer Corporation
2005	Desk Top Printer - Guest Room	HP Photosmart D7260 (Color)	OOB	Guest Desk	MY789U2NH	HP.com
2009	Desk Top Monitor - Asst. Bldg Mgr	Dell 22” LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Mary’s Desk	CN-0F532H-74445-93Q-AM6S	Dell.com

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2009	Desk Top Monitor - Asst. Bldg Mgr	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Mary's Desk	CN-0F532H-74445-93Q-ANDS	Dell.com
2009	Desk Top Monitor - Property Asst	Dell 22" LCD DP/N 0F532H 2208 WFP **3-yr Wty: 5/7/09 to 5/7/2012**	OOB	Pearl's Desk	CN-0F532H-74445-93Q-AN9S	Dell.com
2009	Security IdentiPass System CPU	Dell OptiPlex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/2012**	OOB	Access Card Desk-OOB	Service Tag # BJFDGJ1	Dell.com
2009	Desk Top Scanner - Print Area	HP ScanJet 7650n; Model: (1P): L1943A; Option (30P); B1H **1-yr Wty: 5/18/09 to 5/17/2010**	OOB	Print Area	CN87KT1129	CDW Computer Centers, Inc.
2009	Conference Room TV Monitor	Sharp LC-42SB45UT: **1-yr Wty: 9/4/09 to 9/8/10**	OOB	Confce Rm	905817411	Kelty Co.
2009	Lobby Level CPU for Directory	Dell Optiplex 740 **3-yr Wty: 9/30/09 to 9/30/2012.**	OOB	Lobby Level	200 Tower: Service Tag # FZ67ZK1; Express Code: 34778501569	Dell.com
2009	Lobby Level CPU for Directory	Dell Optiplex 740 **3-yr Wty: 9/30/09 to 9/30/2012**	OOB	Lobby Level	300 Tower: Service Tag # DZ67ZK1; Express Code: 30424936897	Dell.com
2010	Desk Top Printer – GM's Office	HP LaserJet P3015dn Purchased: May 13, 2010 **1-yr Wty: 5/13/2010 to 5/12/2011**	OOB	Ivette's Desk	Serial # VNBCB406WP; Mfg#: H-P-CE528A#ABA	CDW Computer Centers, Inc.
2010	Desk Top Computer – Property Asst	Dell Opti Plex 380 Minitower Base **3-yr Wty: 6/7/2010 to 6/6/2013. Placed in Service 6/25/2010.**	OOB	Pearl's Desk	B574KM1	Dell.com

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2010	Desk Top Computer – Asst. Bldg Mgr	Dell Opti Plex 380 Minitower Base **3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010.**	OOB	Mary's Desk	B582KM1	Dell.com
2012	Desk Top Computer – Server Room	PowerEdge Dell T310 System	OOB	Server Room	Service Tag: 2VL9JS1; Express Service Code: 6263733601	Carapace Inc.
2012	LapTop Computer – G Mgr	**Dell Laptop 13 inch.**	OOB	Ivette's Desk	Service Tag (S/N): CKMYFS1; Express Service Code: 27369269857	Dell purchased by Lori McKinney
2012	HP OfficeJet Pro 8600	Model#: SNPRC-1101-01; Product #: CM749A **1-yr Wty: 1/19/2012 to 1/19/2013**	OOB	Print Area	Serial # CN1C31T1C6	Lori McKinney
2012	Desk Top Monitor – GMgr	Dell 22 inch Flat Panel Display	OOB	Ivette's Desk	S/N# CN-0174R7-72872-24B-A2VU	Dell from Lori McKinney
2012	Desk Top Monitor – GMgr	Dell 22 inch Flat Panel Display	OOB	Ivette's Desk	S/N# CN-0174R7-72872-24B-A69U	Dell from Lori McKinney
2012	Copy Machine – Server Room	Ricoh Aficio MPC2551	OOB	Server Room	Equipment ID: V9825200222	Leased from Ricoh Business Solutions
2013	OOB WIFI Unit	Ruckus ZoneFlex 7300 Series (7363)	OOB	Telco Rm	SN 543D37054B00	Allcovered
2013	Security Radio Repeater	Hytera Professional Digital Radio Repeater; Model RD982; Installed 1/8/2013	OOB	A5 LRR ElecRm	SN12529A0096; 3 antennas located in A11, A5 and P2 by Stair #1.	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	OOB	Pearl Tan	SN 12816A0492; Radio ID# 2010	Vision Communications

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2013	Portable Radio	Hytera PD702 U(2)	OOB	Mary Ramsey	SN 12723D0125; Radio ID# 2011	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	OOB	Ivette Walker	SN 12723D0127; Radio ID# 2015	Vision Communications
2013	Portable Radio	Motorola SL7550	Owner's Rep	Salvador Gutierrez	SN 682TNB2423; Radio ID# 2016	Vision Communications
2008	Desk Top Monitor – Parking	Parking Access Monitor	Parking	P-1 Parking	S/N #CN-ORY979-74261-848-6D5U	Dell
2009	Desk Top Monitor – Parking	Dell 19" Widescreen LCD SE 198 WFP **1-yr Wty: 1/1/09 to 1/1/2010**	Parking	P-1 Parking	CN-OC558H-72872-89Q-OMAM	Best Buy
2009	Security IdentiPass System CPU	Dell Optiplex 740 MiniTower Athlon 1640B **3-yr Wty: 3/3/09 to 3/3/2012.**	Parking	P-1 Parking	Service Tag # F8MDGJ1	Dell.com
2010	Desk Top Computer – Parking Mgr	Dell Opti Plex 380 Minitower Base **3-yr Wty: 6/7/2010 to 6/6/2013. Placed in service 6/25/2010**	Parking	P-1 Parking	B583KM1	Dell.com
2011	Desk Top Printer – Parking Mgr	HP Laser Jet 2420d	Parking	P-1 Parking	S/N: CNDJF05457	
2012	Brother AIO Printer – Parking Mgr	Brother Model # MFC-7460 DN; **1-yr Wty: 4/5/2012 to 4/5/2013**	Parking	P-1 Parking	Serial #: U62701K1N199757	World Trade Office Supplies
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P1	SN 12723D0126; Radio ID# 2012	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P2	SN 12723D0120; Radio ID# 2013	Vision Communications

Year	Type of Equipment	Model/Make	Dept	Location	Serial Number	Vendor
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P3	SN 12816A0257; Radio ID# 2014	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Parking	Rosana Brickey; P4	SN 12817A0326; Radio ID# 2018	Vision Communications
2007	Desk Top Printer – Security	HP LaserJet 1018; Placed in service on May 19, 2012 by Chip at Allcovered	Security	Kevin's Desk-OOB	CNB1004493	HP.com
2009	Desk Top Monitor – Access Card	Dell Prof 1909, Wide Flat Panel DP/N OW160G: **3-yr Ltd Wty: 9/9/2009 to 9/9/2012**	Security	Access Card Desk-OOB	CN-OW160G-72872-97Q-387S	Dell.com
2010	Desk Top Computer – Dir of Security	Dell Opti Plex 380 MiniTower Base **3-yr Wty: 5/6/2010 to 5/5/2013.**	Security	Kevin's Desk-OOB	Service Tag # 21QYRL1; Express Code: 4459322917; Mfg Date: 5/5/2010	Dell.com
2010	Desk Top Monitor – Dir of Security	Dell 22 inch Flat Panel Display; E2210H; **3-yr Wty: 5/3/2010 to 5/2/2013.**	Security	Kevin's Desk-OOB	DP/N OH265R; S/N: CN-OH265R-64180-047-1TGL	Dell.com
2010	Security Camera at Load Dock on P-1 Level (Camera #2)	Pelco ES3012 20X PTZ Camera at Load Dock; Ship Date: April 6, 2010. **1-yr Wty: 4/6/2010 to 4/5/2011**	Security	P-1 Level	Serial Number: ABA-AP99	Universal Protection Systems
2010	Security Camera at West Monument. Camera #3 at the Plaza Level	Pelco ES3012 – 2 CLZ20PN; Ship Date: May 21, 2010. **1-yr Wty: 5/21/2010 to May 20, 2011.**	Security	Plaza Level	Serial Number: ABC-CYQ8	Vision Communications
2011	Camera 4 on top of East Monument Sign	Pelco Esprit ES3012 Series – Camera (Integrated Positioning System); Installed 3/24/2011.	Security	Plaza Level	SN ABVHVW2; Pelco Esprit ES3012-2CLZ20PN	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Security	Console	SN 12816A0498; Radio ID# 2005	Vision Communications
2013	Portable Radio	Hytera PD702 U(2)	Security	Patrol	SN 12816A0491; Radio ID# 2006	Vision Communications
2013	Portable Radio	Motorola SL7550	Security	Kevin Stapleton	SN 682TND2817; Radio ID# 2017	Vision Communications

EXHIBIT C

PERMITTED ENCUMBRANCES

The items listed on Schedule B in that certain Proforma Owner's Policy of Title Insurance issued by Fidelity National Title Insurance Company ("Title Company") under Order No. 4257983 (Reference No. 508130029), with respect to the Columbus Leased Premises, and the items listed on Schedule B in that certain Proforma Owner's Policy of Title Insurance issued by Title Company under Order No. 23021588-977-MAT, with respect to the Long Beach Leased Premises.

EXHIBIT D

BASIC RENT PAYMENTS

1. Basic Rent.

Subject to the adjustments provided for in Paragraph 2 below, Basic Rent payable in respect of the Term shall be $9,221,851 per annum for the Long Beach Property and $1,680,000 per annum for the Columbus Property, payable monthly in advance on the first (1st) Business Day of each calendar month during the Term (each a "Basic Rent Payment Date"), in equal installments of $768,487.58 each month with respect to the Long Beach Property and $140,000 each month with respect to the Columbus Property. Pro rata Basic Rent for the period from the date hereof through the last day of June, 2013 shall be paid on the Effective Date, and pro rata Basic Rent for the period from the final Basic Rent Payment Date of the Term through the last day of the Term shall be paid as the final installment of Basic Rent for the Term.

2. Adjustments to Basic Rent. (a) Basic Rent shall not be adjusted until the first (1st) anniversary of the Basic Rent Payment Date on which the first full monthly installment of Basic Rent shall be due and payable (the " First Full Basic Rent Payment Date"). As of the first (1st) anniversary of the First Full Basic Rent Payment Date and thereafter on each anniversary of the First Full Basic Rent Payment Date (the "Basic Rent Adjustment Date"), Basic Rent shall be increased by three percent (3%) per annum; provided that Basic Rent for the first (1st) year of each Renewal Term shall be the greater of (i) one hundred three percent (103%) of the Basic Rent for the immediately preceding Lease Year, and (ii) Fair Market Basic Rent (as determined pursuant to Exhibit D-1).

(b) Notice of the new annual Basic Rent shall be delivered to Tenant on or before the tenth (10th) day preceding each Basic Rent Adjustment Date, but any failure to do so by Landlord shall not be or be deemed to be a waiver by Landlord of Landlord's rights to collect such sums. Tenant shall pay to Landlord, within ten (10) days after a notice of the new annual Basic Rent is delivered to Tenant, all amounts due from Tenant, but unpaid, because the stated amount as set forth above was not delivered to Tenant at least ten (10) days preceding the Basic Rent Adjustment Date in question (and, for the avoidance of doubt, any failure by Tenant to pay the amount of any increase in Basic Rent, or increase the amount of any Letter of Credit in connection with any increase in Basic Rent, shall not be a default or Event of Default under the Lease, or result in any Late Charge or interest, unless and until (i) with respect to the payment of Basic Rent, Tenant has failed to pay such amount within ten (10) days after notice of the new annual Basic Rent is delivered to Tenant by Landlord, and (ii) with respect to any increase of the amount of any Letter of Credit, Tenant has failed to increase the Letter of Credit within thirty (30) days after notice of the new annual Basic Rent is delivered to Tenant by Landlord).

EXHIBIT D-1

DETERMINATION OF FAIR MARKET BASIC RENT

For purposes of this Lease, Fair Market Basic Rent shall be determined in accordance with the following procedure:

Within ten (10) days after Landlord receives Tenant's notice that it has elected to extend this Lease pursuant to Paragraph 5(a), Landlord shall deliver to Tenant Landlord's calculation of the Fair Market Basic Rent for the first year of the applicable Renewal Term. As used herein, "Fair Market Basic Rent" means the sum of (A) amount of Basic Rent that Landlord could reasonably be expected to obtain upon a re-letting of the Long Beach Leased Premises on then current market terms (the " Long Beach FMBR"), plus (B) the amount of Basic Rent that Landlord could reasonably be expected to obtain upon a re-letting of the Columbus Leased Premises on then current market terms (the "Columbus FMBR"), as any of (A) and (B) are appropriately adjusted to reflect the fact that the Leased Premises constitute a portfolio that will be leased as a whole to a single tenant (any such adjustment, a " Portfolio Rent Adjustment Factor").

If Tenant disagrees with Landlord's calculation of Fair Market Basic Rent, Tenant shall notify Landlord of such disagreement within five (5) Business Days after Tenant's receipt of Landlord's calculation, and Landlord and Tenant shall within five (5) Business Days after the date of Tenant's notice each appoint one appraiser for each Leased Premises and notify the other in writing of the name, address and qualifications of such appraisers. The appraiser appointed by Landlord with respect to the Long Beach Leased Premises and the appraiser appointed by Tenant with respect to the Long Beach Leased Premises are referred to herein collectively as the " Long Beach Appraisers". The appraiser appointed by Landlord with respect to the Columbus Leased Premises and the appraiser appointed by Tenant with respect to the Columbus Leased Premises are referred to herein collectively as the " Columbus Appraisers".

The Long Beach Appraisers shall endeavor to agree upon the Long Beach FMBR based on a written appraisal made by each of them within thirty (30) days after the later of the two appraisers' appointments. The Columbus Appraisers shall endeavor to agree upon Columbus FMBR based on a written appraisal made by each of them within thirty (30) days after the later of the two appraisers' appointments. In determining the Long Beach FMBR or Columbus FMBR, as applicable, the appointed appraisers shall determine the amount that a willing tenant would pay, and a willing landlord of a comparable building located in a radius of ten (10) miles of the applicable Leased Premises would accept, at arm's length, to rent a building of comparable size and quality as the applicable Improvements, taking into account: (i) the age, quality, condition (as required by this Lease) of the Improvements; (ii) that the applicable Leased Premises will be leased as a whole or substantially as a whole to a single user; (iii) a lease term equal to the applicable Renewal Term; (iv) a lease with terms substantially similar to this Lease; and (v) such other items that professional real estate appraisers customarily consider; provided, however, that such appraisers shall not take into account any Portfolio Rent Adjustment Factor. If the Long Beach Appraisers agree upon the Long Beach FMBR, then such determination shall be binding and conclusive upon Landlord and Tenant. If the Columbus Appraisers agree upon the Columbus FMBR, then such determination shall be binding and conclusive upon Landlord and Tenant.

If the Long Beach Appraisers are unable to agree upon the Long Beach FMBR within forty‑five (45) days after the later of the applicable two appraisers' appointments, then such appraisers shall advise Landlord and Tenant of their respective determinations and shall select a third appraiser within fifteen (15) days thereafter to make the determination of the Long Beach FMBR. If the Columbus Appraisers are unable to agree upon the Columbus FMBR within forty‑five (45) days after the later of the applicable two appraisers' appointments, then such appraisers shall advise Landlord and Tenant of their respective determinations and shall select a third appraiser within fifteen (15) days thereafter to make the determination of the Columbus FMBR. The selection of any third appraiser pursuant to this paragraph shall be binding and conclusive upon Landlord and Tenant. If a third appraiser is not selected within either such fifteen (15) day period, then either Landlord or Tenant may petition the American Arbitration Association or any successor thereto ("AAA") (with a copy to the other Party) to so determine such third appraiser and the Parties shall cooperate reasonably with each other and the AAA (including by responding promptly to any requests for information made by the AAA) in connection with such determination. The decision of the AAA shall be final and conclusive as to the identity of any third appraiser. The determination of the Long Beach FMBR or Columbus FMBR, as applicable, made by the applicable third appraiser appointed or determined pursuant hereto shall be made within thirty (30) days after such appointment. The Long Beach FMBR or Columbus FMBR, as applicable, shall be the average of the determination made by the applicable third appraiser and the determination made by the appraiser appointed by Landlord or Tenant whose determination is nearer to that of such third appraiser. Such average shall be binding and conclusive upon Landlord and Tenant.

Once the Long Beach FMBR and Columbus FMBR have been determined pursuant to the foregoing, the Parties will submit all relevant calculations to an appraiser at Jones Lang LaSalle, CB Richard Ellis, Cushman & Wakefield, Eastdil Secured, or another national real estate brokerage firm or accounting firm reasonably acceptable to both Landlord and Tenant for determination of any Portfolio Rent Adjustment Factor within thirty (30) days following such submission.

Each appraiser appointed or selected pursuant to the provisions of this Exhibit D-1 (1) shall be an independent qualified MAI appraiser with at least ten (10) years of experience in the county where the applicable the Leased Premises is located, (2) shall have no right, power or authority to alter or modify the provisions of this Lease, (3) shall utilize the definition of Fair Market Basic Rent hereinabove set forth, and (4) shall be registered in the State where the applicable Leased Premises is located. The fees and costs of the foregoing appraisal process shall be shared equally by Landlord and Tenant (including without limitation any fees associated with the engagement of the AAA).

Exhibit D shall be deemed amended to reflect the Basic Rent for each Leased Premises as determined pursuant to this Exhibit D-1. Notwithstanding the foregoing, at either Party's request, both Parties shall enter into an amendment of this Lease reflecting the Basic Rent for each Leased Premises as determined pursuant to this Exhibit D-1.

EXHIBIT E

ACQUISITION COSTS

$134,625,566 for the Long Beach Leased Premises

$24,000,000 for the Columbus Leased Premises

EXHIBIT F

PERCENTAGE ALLOCATION OF BASIC RENT PER LEASED PREMISES

Long Beach Leased Premises – 84.59 %

Columbus Leased Premises – 15.41 %

EXHIBIT G

CERTIFICATION RELATED TO THE USA PATRIOT ACT

On behalf of [Insert name of subtenant/assignee] **("[Subtenant/Assignee]")**, I hereby certify to the following:

1. [**Subtenant/Assignee**] maintains a place of business that is located at a fixed address (other than an electronic address or post office box) known as [_____].

2. [**Subtenant/Assignee**] is subject to the laws of the United States and has no knowledge that it is not in full compliance with laws relating to bribery, corruption, fraud, money laundering and the Foreign Corrupt Practices Act.

3. The names and addresses of [**Subtenant/Assignee**]'s Owners, officers and directors are accurately reflected on Annex A to this certification. "Owner" means any individual who owns, controls, or has the power to vote more than 50% of any class of [**Subtenant/Assignee**]'s stock, or otherwise controls or has the power to control [**Subtenant/Assignee**].

4. None of said Owners, officers or directors is a Specially Designated National or Blocked Person. As used herein, the term "Specially Designated National or Blocked Person" shall mean a Person (i) designated by the Office of Foreign Assets Control at the U.S. Department of the Treasury, or other U.S. governmental entity, and appearing on the List of Specially Designated Nationals and Blocked Persons (http://www.ustreas.gov/offices/enforcement/ofac/sdn/ index.shtml), which List may be updated from time to time; or (ii) with whom Landlord or its affiliates are prohibited from engaging in transactions by any trade embargo, economic sanction or other prohibition of United States law, regulation, or Executive Order of the President of the United States. [**Subtenant/Assignee**] agrees to confirm this representation and warranty in writing on an annual basis if requested by Landlord to do so.

5. [**Subtenant/Assignee**] does not transact business on behalf of, or for the direct or indirect benefit of, any individual or entity that is a Specially Designated National or Blocked Person. [**Subtenant/Assignee**] agrees to confirm this representation and warranty in writing on an annual basis if requested by Landlord to do so.

I, [_____], certify that I have read and understand this Certification and that the statements made in this certification and the attached Annexes are true and correct.

[Signature Page Immediately Follows]

This Certification is made on behalf of [**Subtenant/Assignee**].

(Signature)

(Title)

Executed on this _____ day of _____, 20__.

ANNEX A – OWNERS, OFFICERS AND DIRECTORS

NAME	TITLE/POSITION

EXHIBIT H

FORM OF ACH AUTHORIZATION AGREEMENT

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Company Name _____ Company ID Number _____

I (we) hereby authorize _____, hereinafter called COMPANY, to initiate debit entries to my (our) ☐ Checking Account/ ☐ Savings Account (select one) indicated below at the depository financial institution named below, hereafter call DEPOSITORY, and to debit the same to such account. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law.

Depository Name _____ Branch _____

City _____ State _____ Zip _____

Routing Number _____ Account Number _____

This authorization is to remain in full force and effect until COMPANY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name(s) _____ ID Number _____
(Please Print)

Date _____ Signature _____

EXHIBIT I

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("Subordination Agreement") dated as of _____, 20___, is made by _____, a _____ (" Tenant") and _____, a _____ ("Manager") in favor of AGNL _____, L.L.C., a Delaware limited liability company, (" Landlord").

WITNESSETH:

WHEREAS, pursuant to a Lease Agreement dated as of the date hereof (the " Lease") between Landlord and Tenant, Landlord has agreed to lease to Tenant, and Tenant has agreed to lease from Landlord, certain real property and improvements more particularly described therein (the "Property");

WHEREAS, pursuant to a Management Agreement dated _____, 20___ (the " Management Agreement") between Manager and Tenant, Manager is responsible for the management of the business affairs of Tenant, in return for which Tenant is obligated to pay to Manager [_____] fees (the " Management Fees"); and

WHEREAS, it is a condition precedent to Landlord's obligation to lease the Property to Tenant under the Lease, that Manager shall have executed and delivered this Subordination Agreement to Landlord;

NOW, THEREFORE, in consideration of the premises and for the purpose of inducing Landlord to enter into the Lease and perform its obligations thereunder, Tenant and Manager hereby covenant and agree as follows:

AGREEMENTS

1. **Incorporation of Recitals**. The recitals are incorporated herein by reference.

2. **Capitalized Terms**. Capitalized terms not defined herein shall have the meaning ascribed to them in the Lease.

3. **Subordination of Management Fees**. The Management Fees are subordinated in right of payment, to the extent and in the manner provided in this Subordination Agreement, to the prior payment in full of all Rent and other Monetary Obligations under the Lease.

4. **Payments to Landlord**.

(a) In the event of any insolvency or bankruptcy proceedings, or any receivership, reorganization or other similar proceedings in connection therewith, relative to Tenant or its property, and in the event of any proceedings for liquidation, dissolution or other winding up of Tenant, whether or not involving insolvency or bankruptcy (any such proceedings hereinafter referred to as "Bankruptcy or Insolvency Proceedings"), Landlord shall be entitled to receive

payment in full of all Rent and other Monetary Obligations under the Lease before Manager shall be entitled to receive any payment or distribution on account of the Management Fees. Pursuant to the foregoing, Landlord shall be entitled to receive any payment or distribution on account of the Management Fees which may be payable or deliverable in any such Bankruptcy or Insolvency Proceedings.

(b) Upon the occurrence of an Event of Default under Paragraph **[22(a)(i) of the Lease]** (a "Payment Default"), no payment or distribution on account of the Management Fees shall be made until such Payment Default shall have been cured or waived or shall otherwise have ceased to exist.

5. **Default, Termination and Modification of Management Agreement**. Manager will notify Landlord promptly of any default by Tenant under the Management Agreement or termination by Tenant of the Management Agreement. Upon any termination of the Management Agreement, Manager may, if allowed in the Management Agreement, seek recourse against Tenant, subject to the subordination provisions contained herein. Manager and Tenant shall not modify or assign the Management Agreement or enter into a new management agreement without the prior written consent of Landlord which shall not be unreasonably withheld, conditioned or delayed, provided that such modification, assignment or new agreement is subject to all provisions hereof relating to the Management Agreement.

6. **Estoppel**. Manager shall, within twenty (20) days after the written request of Landlord, execute an estoppel letter confirming, to the extent such matters are true at such time, that (a) the Management Agreement is in full force and effect and has not been modified, amended or assigned, (b) neither Manager nor, to Manager's knowledge, Tenant is in default under any of the terms, covenants or provisions of the Management Agreement, (c) neither Manager nor Tenant has commenced any action or given or received any written notice for the purpose of terminating the Management Agreement, and (d) all Management Fees have been paid in full.

7. **Further Assurances**. Manager and Tenant agree to execute such further agreements of subordination as may be determined by Landlord to be reasonably necessary to establish the priority of Tenant's obligations under the Lease over its obligations under the Management Agreement, which agreements shall be in substantially the same form as this Agreement and contain such matters of estoppel with respect to Manager's obligation to perform under the Management Agreement as may be true as of the date of such execution and as may be reasonably required by Landlord.

8. **Indemnification**. Manager and Tenant hereby jointly and severally agree to indemnify, defend and hold harmless Landlord; any director, member, officer, general partner, limited partner, employee or agent of Landlord (or any legal representative, heir, estate, successor or assign of any thereof); any predecessor or successor partnership, corporation, limited liability company (or other entity) of Landlord, or any of its general partners, members or shareholders; or any affiliate of Landlord from and against all liabilities, losses, damages, costs, expenses (including, without limitation, reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature imposed upon or incurred by or asserted against Landlord by reason of, or in any way related to, this Subordination Agreement.

9. **Term**. This Subordination Agreement shall be effective continuously from the date hereof until payment in full of all Rent and other Monetary Obligations under the Lease.

10. **Legal Fees**. Each of Manager and Tenant agrees that it shall be jointly and severally liable for all fees and expenses incurred by Landlord in connection with the enforcement of this Agreement, including, without limitation reasonable attorneys' fees and expenses.

11. **Assignment of Rights and Responsibilities**. This Subordination Agreement shall inure to the benefit of and may be enforced by Landlord and its successors and assigns under the Lease, and shall be binding upon and enforceable against Tenant and Manager and each of their respective successors and assigns.

12. **Choice of Law**. This Subordination Agreement will be governed by and construed pursuant to the laws of the State of New York (the "State"). Each of Tenant and Manager specifically consents that any action brought under this Subordination Agreement may be brought in the State in any court of competent jurisdiction and venue therein and consents to the service of process issued from said court. Each of Tenant and Manager hereby waives trial by jury in and in respect of any and every action, proceeding, claim (whether or not denominated, a claim, counterclaim, cross-claim, off-set or the like) brought or asserted by Landlord with respect to any matter arising out of, under or connected with this Subordination Agreement.

13. **Amendments**. This Subordination Agreement may be modified, amended, discharged or waived only by an agreement in writing signed by each of the parties hereto.

14. **Severability**. If any one or more of the provisions contained in this Subordination Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Subordination Agreement, but this Subordination Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(*Signature page follows.*)

IN WITNESS WHEREOF, the parties hereto have caused this Subordination Agreement to be executed under seal as of the day and year first written above.

MANAGER:

,
a __
By: __
Name:__
Title: __

TENANT:

,
a __
By: __
Name:__
Title: __

EXHIBIT J

FORM OF SNDA

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("***Agreement***") is entered into as of _____ ___, 201_ (the "***Effective Date***") by and between _____ (together with any other holder of the Loan (defined below) and their respective successors and assigns, the "***Mortgagee***"), **MOLINA HEALTHCARE, INC.**, a Delaware corporation (hereinafter, the "***Tenant***") and **AGNL CLINIC, L.P.**, a Delaware limited partnership (the "***Landlord***"), with reference to the following facts:

A. Landlord owns fee simple title in the real property described in Exhibit "A" attached hereto (the " ***Property***").

B. Mortgagee has made or intends to make a loan to Landlord (the " ***Loan***").

C. To secure the Loan, Landlord has or will encumber the Property by entering into a mortgage or deed of trust in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "***Mortgage***") to be recorded in land records.

D. Pursuant to the Lease dated [April _____], 2013, (the " ***Lease***") between Landlord and Tenant, Landlord leased to Tenant a portion of the Property, as said portion is more particularly described in the Lease (the " ***Leased Premises***").

E. Tenant and Mortgagee desire to agree upon the relative priorities of their interests in the Property and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, Tenant and Mortgagee agree:

1. *Definitions*. The following terms shall have the following meanings for purposes of this Agreement.

2. *Foreclosure Event*. A "***Foreclosure Event***" means: (i) foreclosure under the Mortgage; (ii) any other exercise by Mortgagee of rights and remedies (whether under the Mortgage or under applicable law, including bankruptcy law) as holder of the Loan and/or the Mortgage, as a result of which Mortgagee becomes owner of the Property; or (iii) delivery by Landlord to Mortgagee (or its designee or nominee) of a deed or other conveyance of Landlord's interest in the Property in lieu of any of the foregoing.

3. *Former Landlord*. A "***Former Landlord***" means Landlord and any other party that was landlord under the Lease at any time before the occurrence of any attornment under this Agreement.

4. *Offset Right*. An "***Offset Right***" means any right or alleged right of Tenant to any offset, defense (other than one arising from actual payment and performance, which payment and performance would bind a Successor Landlord pursuant to this Agreement), claim, counterclaim, reduction, deduction, or abatement against Tenant's payment of Rent or performance of Tenant's other obligations under the Lease, arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

5. *Rent*. The "***Rent***" means any fixed rent, base rent or additional rent under the Lease.

6. *Successor Landlord*. A "***Successor Landlord***" means any party that becomes owner of the Property as the result of a Foreclosure Event.

7. *Termination Right*. A "***Termination Right***" means any right of Tenant to cancel or terminate the Lease or to claim a partial or total eviction arising (whether under the Lease or under applicable law) from Landlord's breach or default under the Lease.

8. *Other Capitalized Terms*. If any capitalized term is used in this Agreement and no separate definition is contained in this Agreement, then such term shall have the same respective definition as set forth in the Lease.

9. *Subordination*. The Lease, as the same may hereafter be modified, amended or extended, shall be, and shall at all times remain, subject and subordinate to the Mortgage (but not to the terms thereof), the lien imposed by the Mortgage, and all advances made under the Mortgage. Notwithstanding the foregoing, Mortgagee may elect, in its sole and absolute discretion, to subordinate the lien of the Mortgage to the Lease.

10. *Nondisturbance, Recognition and Attornment*.

11. *No Exercise of Mortgage Remedies Against Tenant*. So long as the Tenant is not in default under the Lease beyond any applicable grace or cure periods (an "***Event of Default***"), Mortgagee (i) shall not terminate or disturb Tenant's possession of the Leased Premises under the Lease, except in accordance with the terms of the Lease and (ii) shall not name or join Tenant as a defendant in any exercise of Mortgagee's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or prosecuting such rights and remedies. In the latter case, Mortgagee may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

12. *Recognition and Attornment*. Upon Successor Landlord taking title to the Property (i) Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease (except as provided in this Agreement); (ii) Tenant shall recognize and attorn to Successor Landlord as Tenant's direct landlord under the Lease as affected by this Agreement; and (iii) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor

Landlord and Tenant. Tenant hereby acknowledges that pursuant to the Mortgage and assignment of rents, leases and profits, Landlord has granted to the Mortgagee an absolute, present assignment of the Lease and Rents which provides that Tenant continue making payments of Rents and other amounts owed by Tenant under the Lease to the Landlord and to recognize the rights of Landlord under the Lease until notified otherwise in writing by the Mortgagee. After receipt of such notice from Mortgagee, the Tenant shall thereafter make all such payments directly to the Mortgagee or as the Mortgagee may otherwise direct, without any further inquiry on the part of the Tenant. Landlord specifically agrees that Tenant may conclusively rely upon any written notice Tenant receives from Mortgagee notwithstanding any claim by Landlord contesting the validity of any term or condition of such notice, including, but not limited to, any default claimed by Mortgagee, and that Landlord shall not make any claim of any kind whatsoever against Tenant or Tenant's leasehold interest with respect to any amounts paid to Mortgagee by Tenant or any acts performed by Tenant pursuant to such written notice.

13. *Further Documentation*. The provisions of this Article 3 shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of this Article 3 in writing upon request by either of them within ten (10) days of such request.

14. *Protection of Successor Landlord*. Notwithstanding anything to the contrary in the Lease or the Mortgage, Successor Landlord shall not be liable for or bound by any of the following matters:

15. *Claims Against Former Landlord*. Any Offset Right that Tenant may have against any Former Landlord, unless (i) such Offset Right arises after the date Mortgagee encumbers the Property with the Mortgage and (ii) Tenant shall have given written notice to Mortgagee of such Offset Right prior to commencement of a Foreclosure Event. The foregoing shall not limit either (x) Tenant's right to exercise against Successor Landlord any Offset Right otherwise available to Tenant because of events occurring after the date of attornment or (y) Successor Landlord's obligation to correct any conditions that existed as of the date of attornment and violate Successor Landlord's obligations as landlord under the Lease.

16. *Prepayments*. Any payment of Rent that Tenant may have made to Former Landlord more than thirty (30) days before the date such Rent was first due and payable under the Lease with respect to any period after the date of attornment other than, and only to the extent that, the Lease expressly required such a prepayment or such payment was delivered to Mortgagee or Successor Landlord.

17. *Security Deposit*. Any obligation with respect to any security deposited with Former Landlord, unless such security was actually delivered to Mortgagee or Successor Landlord.

18. *Modification, Amendment or Waiver*. Any modification or amendment of the Lease, or any waiver of the terms of the Lease, made without Mortgagee's written consent,

excepting, however, commercially reasonable amendments or modifications of the Lease which are the result of good faith, arm's length negotiations between Landlord and Tenant.

19. *Surrender, Etc*. Any consensual or negotiated surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, unless effected unilaterally by Tenant pursuant to the express terms of the Lease.

20. *Casualty and Condemnation*. Mortgagee agrees that, notwithstanding any provision of the Mortgage or any instrument secured by the Mortgage, any insurance proceeds and any condemnation awards which may be received by any party hereto and which relate to the Property shall be used or disbursed in accordance with the terms of the Lease.

21. *Mortgagee's Right to Cure*. Notwithstanding anything to the contrary in the Lease or this Agreement, before exercising any Offset Right or Termination Right:

22. *Notice to Mortgagee*. Tenant shall provide Mortgagee with notice of the breach or default by Landlord giving rise to same (the "***Default Notice***") and, thereafter, the opportunity to cure such breach or default as provided for below.

23. *Mortgagee's Cure Period*. After Mortgagee receives a Default Notice, Mortgagee shall have a period of thirty (30) days under the Lease in which to cure the breach or default by Landlord. Mortgagee shall have no obligation to cure (and, without limiting anything contained in Section 4.a. above, shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Mortgagee agrees or undertakes otherwise in writing. In addition, as to any breach or default by Landlord the cure of which requires possession and control of the Property, if Mortgagee undertakes such cure or causes such cure to be commenced by a receiver within the period permitted by this paragraph, and so long as Mortgagee continues to or causes a receiver to diligently and in good faith cure such breach or default, Mortgagee's cure period shall continue for such additional time as Mortgagee may reasonably require.

24. *Miscellaneous*.

25. *Notices*. Any notice or request given or demand made under this Agreement by one party to the other shall be in writing, and may be given or be served by hand delivered personal service, or by depositing the same with a reliable overnight courier service or by deposit in the United States mail, postpaid, registered or certified mail, and addressed to the party to be notified, with return receipt requested or by telefax transmission, with the original machine - generated transmit confirmation report as evidence of transmission. Notice deposited in the mail in the manner hereinabove described shall be effective from and after the expiration of three (3) days after it is so deposited; however, delivery by overnight courier service shall be deemed effective on the next succeeding business day after it is so deposited and notice by personal service or telefax transmission shall be deemed effective when delivered to its addressee or within two (2) hours after its transmission unless given after 3:00 p.m. on a business day, in which case it shall be deemed effective at 9:00 a.m. on the

next business day. For purposes of notice, the addresses and telefax number of the parties shall, until changed as herein provided, be as follows:

26. If to the Mortgagee, at:

and

27. If to the Tenant, at:

Molina Healthcare, Inc.
200 Oceangate, Suite 100
Long Beach, CA 90802
Attn: _____

Telecopy No.: (___) _____

28. *Successors and Assigns*. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. If Mortgagee assigns the Mortgage, then upon delivery to Tenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement, all liability of the assignor shall terminate.

29. *Entire Agreement*. This Agreement constitutes the entire agreement between Mortgagee and Tenant regarding the subordination of the Lease to the Mortgage and the rights and obligations of Tenant and Mortgagee as to the subject matter of this Agreement.

30. *Interaction with Lease and with Mortgage*. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the holder of, the Mortgage.

31. *Mortgagee's Rights and Obligations*. Except as expressly provided for in this Agreement, Mortgagee shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Mortgagee under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement or under the Lease.

32. *Interpretation; Governing Law*. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State in which the Leased Premises are located, excluding such State's principles of conflict of laws.

33. *Amendments*. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

34. *Due Authorization*. Tenant represents to Mortgagee that it has full authority to enter into this Agreement, which has been duly authorized by all necessary actions. Mortgagee represents to Tenant that it has full authority to enter into this Agreement, which has been duly authorized by all necessary actions.

35. *Execution*. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Mortgagee, Tenant and Landlord have caused this Agreement to be executed as of the date first above written.

MORTGAGEE:

[Signature Pages Continue on Following Page]

TENANT:
MOLINA HEALTHCARE, INC.
a Delaware corporation
By:__
Name:
Title:

LANDLORD:
AGNL Clinic, L.P.,
a Delaware limited partnership

By: AGNL Clinic GP, L.L.C.,
Its general partner

By: AGNL Manager II,
Its manager

By:
Name: Gordon J. Whiting
Title: President

MORTGAGEE'S ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said state, personally, appeared _____, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature of Notary Public

TENANT'S ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said state, personally, appeared _____, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature of Notary Public

LANDLORD'S ACKNOWLEDGMENT

STATE OF _____)
) ss.
COUNTY OF _____)

On the ____ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said state, personally, appeared _____, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature of Notary Public

LIST OF EXHIBITS

If any exhibit is not attached hereto at the time of execution of this Agreement, it may thereafter be attached by written agreement of the parties, evidenced by initialing said exhibit.

Exhibit “A” - Legal Description of the Land

EXHIBIT K

List of Leases, Access Agreements and License Agreements

LEASE AGREEMENTS, ACCESS AGREEMENTS AND LICENSE AGREEMENTS ASSOCIATED WITH 200 & 300 OCEANGATE, LONG BEACH, CALIFORNIA, WITH MOLINA AS LANDLORD:

- 3-Dee International
- Arthritis National Research Foundation
- Lisa Brandon, CFLS
- California Coastal Commission
- Crowell, Weedon & Co.
- Department of Industrial Relations
- High Rise Goodies Restaurant Group, Inc.
- J. Perez Associates, Inc.
- Long Beach Publishing Company, Inc. (aka Press Telegram)
- Lynn E. Moyer
- D. Michael Trainotti
- Michael W. Binning
- Molina Healthcare, Inc.
- MVP Energy, LLC
- Pacific Maritime Association
- Pacific Merchant Shipping
- Bruce A. Dybens, AP
- California State Lands Commission
- US Department of Veterans Affairs
- Perona, Langer, Beck Serbin & Mendoza
- Rose, Klein & Marias, LLP
- United Parcel Services, Inc.
- APB Car Wash & Detailing Specialist – License
- Steel Coil
- Mikko Myong Pivonka, an individual
- TCG Los Angeles, Inc. (aka AT&T) – ACCESS AND LICENSE
- XO Communications Services, LLC – LICENSE
- Molina Healthcare of California (undocumented license agreement)

LEASE AGREEMENTS, ACCESS AGREEMENTS AND LICENSE AGREEMENTS ASSOCIATED WITH 3000 CORPORATE EXCHANGE DRIVE, COLUMBUS, OHIO, WITH MOLINA AS LANDLORD:

- Bresco Solutions, LLC – LICENSE
- iQor, Inc.
- Prime Engineering & Architecture, Inc.
- U.S. Congressman Patrick Tiberi
- XO Communications Services, Inc. – ACCESS AGREEMENT

Exhibit L

Form of Sublease SNDA

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Sheppard Mullin Richter & Hampton LLP
1300 I Street NW, Washington, DC 20005
Attention: Michele E. Williams

THIS SPACE ABOVE FOR RECORDER'S USE

SUBORDINATION AGREEMENT; ATTORNMENT AND NON-DISTURBANCE AGREEMENT, AND CONSENT TO SUBLEASE DATED AS OF _____ __, 2013, EXECUTED BY AGNL CLINIC, L.P., A DELAWARE LIMITED PARTNERSHIP, AS "AGNL", MOLINA HEALTHCARE, INC., A DELAWARE CORPORATION, AS "MOLINA", _____, COLLECTIVELY, AS "LENDER" AND _____, A _____, AS "SUB-TENANT".

NOTICE: SUBJECT TO THE NON-DISTURBANCE PROVISIONS CONTAINED HEREIN, THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASE BECOMING SUBORDINATE TO, SUBJECT TO AND OF LOWER PRIORITY THAN THE GROUND LEASE (DEFINED BELOW)

THIS SUBORDINATION AGREEMENT, ATTORNMENT AND NON-DISTURBANCE AGREEMENT AND CONSENT TO SUBLEASE (this "Agreement") is made _____ __, 2013 (the "Effective Date"), by and among AGNL Clinic, L.P., a Delaware limited partnership ("AGNL"), Molina Healthcare, Inc., a Delaware corporation ("Molina"), _____ (collectively, "Lender") and _____, a _____ ("Sub-Tenant").

RECITALS:

1. Molina Center LLC, a Delaware limited liability company ("Center"), as landlord, and Sub-Tenant, as tenant (or their respective predecessors in interest), entered into a Lease made and entered into as of _____ (the "Lease"). Pursuant to the Lease, Sub-Tenant leases from Center that certain portion of the Property (defined below) as more particularly described on Exhibit B attached hereto and incorporated herein by this reference (the " Premises"). A copy of the Lease is attached hereto as Exhibit C and incorporated herein by this reference.

2. On the Effective Date, Center, sold and conveyed to AGNL the fee simple interest in that certain real property with an address of 200 and 300 Oceangate Blvd., Long Beach, California 90802, and described on Exhibit A attached hereto and incorporated herein by this reference (which

property, together with all improvements now or hereafter located on the property, is defined as the " Property") and Center assigned the Lease to Molina.

3. On the Effective Date, AGNL, as landlord, and Molina, as tenant, entered into a Lease Agreement dated as of the Effective Date (together with any amendments, modifications, replacements or extensions, the " Ground Lease") pursuant to which AGNL leased to Molina all of the Property and improvements located thereon as more fully described in the Ground Lease and Lender made a loan (the "Loan") to AGNL secured by, among other things, that certain _____ (the "Security Instrument") encumbering AGNL's interest in the Property.

4. As a condition to completing the sale and purchase of the Property and entering into the Ground Lease, AGNL and Lender have required that Molina and Sub-Tenant acknowledge and agree that (notwithstanding the fact that the Lease was entered into prior to the Ground Lease) unconditionally and at all times the Ground Lease shall be prior and superior in title to the Lease and that Molina and Sub-Tenant specifically and unconditionally subordinate their respective interests in the Lease to the priority in title of the Ground Lease, subject to certain "non-disturbance" protections for Sub-Tenant described herein.

5. Subject to certain "non-disturbance" protections for Sub-Tenant described herein, the effect of the foregoing subordination shall be that the Ground Lease shall be deemed a master lease or superior lease and that the Lease shall be deemed a sublease under the Ground Lease.

6. The parties have agreed to the foregoing and to all of the other agreements and understandings set forth in this Agreement.

NOW, THEREFORE, for valuable consideration and to induce AGNL to enter into the transaction described in the recitals, AGNL, Molina, Lender and Sub-Tenant hereby agree as follows:

1. Subordination; Consent to Sublease. AGNL, Molina, Lender and Sub-Tenant hereby agree that:

1.1 Recitals. The foregoing recitals are incorporated herein by reference as if fully set forth in this Agreement.

1.2 Prior Title. Subject to Section 4 of this Agreement, the Ground Lease, and any modifications, renewals or extensions thereof, is and shall unconditionally be and at all times remain prior and superior in title to the Lease. Molina shall be the direct landlord under the Lease and shall continue to be liable and obligated to Sub-Tenant for all of landlord's liabilities and obligations thereunder.

2. Additional Agreements. It is covenanted and agreed that so long as the Ground Lease is in effect:

2.1 No Advance Rents. Sub-Tenant will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease except as may be expressly required of Sub-Tenant under the Lease.

2.2 Assignment of Rents. Upon receipt by Sub-Tenant of written notice from AGNL that AGNL has elected to terminate the Ground Lease or that an Event of Default (as defined in the Ground Lease) has occurred, Sub-Tenant will pay directly to AGNL all rents due and payable under the Lease. Sub-Tenant shall comply with such direction to pay and shall not be required to determine whether the Ground Lease has been terminated or whether Molina is in default under the Ground Lease; Molina and AGNL hereby agreeing with Sub-Tenant that Sub-Tenant shall be given credit under the Lease for any such payments as though such payments had been made to Molina.

2.3 Assignment and Subletting. Sub-Tenant shall not exercise any of its rights to assign, sublet, license, lease, sublease or otherwise transfer any right of use or occupancy for the Premises which requires the prior consent of Molina under the Lease without obtaining the prior written consent of AGNL in accordance with Section 2.6 hereof (the foregoing requirement for AGNL's consent shall exist independent of and regardless of whether Molina has granted its consent to such assignment, subletting, license, lease, sublease or other transfer).

2.4 Alterations and Repairs. Tenant shall not make any alteration (as defined in the Lease) at the Premises which requires the prior consent of Molina under the Lease without obtaining the prior written consent of AGNL in accordance with Section 2.6 hereof.

2.5 AGNL Agreement. So long as Molina (or any successor landlord) does not have the right to terminate the Lease by reason of default (after any applicable notice and cure periods) on the part of Sub-Tenant, then, in such event, (a) unless any applicable law requires same, Sub-Tenant shall not be joined as a party defendant in any action or proceeding which may be instituted or taken by AGNL for the purpose of terminating the Ground Lease by reason of any default thereunder, (b) Sub-Tenant shall not be evicted from the Premises nor shall any of Sub-Tenant's rights under the Lease be affected in any way by reason of any default under the Ground

Lease, and (c) Sub-Tenant's estate under the Lease shall not be terminated or disturbed by reason of any default on the part of Molina under the Ground Lease.

2.6 Consents. AGNL covenants and agrees that any consents by AGNL provided for hereunder generally shall be given, deemed given or withheld under the same standard as would be the case for Molina under the Lease provided that Tenant also delivers to AGNL any notices related to such matters at the same time as delivered to Molina in accordance with the terms of the Lease. Tenant agrees that, if Tenant contends that AGNL improperly withheld its consent to any action or occurrence which requires AGNL's consent hereunder, then Tenant may seek an action for declaratory judgment against AGNL seeking to reverse such decision, or otherwise avail itself of any other remedies against AGNL to the extent available against the landlord under the Lease. The foregoing shall not limit any and all remedies or claims that Tenant may have against Molina under or pursuant to the Lease.

3. Attornment. Sub-Tenant agrees for the benefit of AGNL and any transferee, successor or assign of AGNL or lender of AGNL, including, without limitation, Lender, which succeeds to the rights of AGNL, as landlord, pursuant to a foreclosure, deed-in-lieu of foreclosure or other exercise of remedies (hereafter referred to, collectively, as "Prime Landlord") following a termination of the Ground Lease, but subject in each case to Section 4 of this Agreement, as follows:

3.1 *Payment of Rent. Sub-Tenant shall pay to Prime Landlord all rental payments required to be made by Sub-Tenant pursuant to the terms of the Lease for the duration of the term of the Lease.*

3.2 *Continuation of Performance. Sub-Tenant shall be bound to Prime Landlord in accordance with all of the provisions of the Lease for the balance of the term thereof, and Sub-Tenant hereby attorns to Prime Landlord as its landlord following a termination of the Ground Lease, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Prime Landlord's termination of the Ground Lease and delivery of written notice thereof to Sub-Tenant.*

3.3 *No Offset. Prime Landlord shall not be liable for, nor subject to, any offsets, credits or defenses which Sub-Tenant may have by reason of any act or omission of Molina under the Lease (except to the extent specifically provided in the Lease as of the Effective Date and solely for such offsets, credits or defenses accruing or continuing after Prime Landlord becomes the landlord under the Lease), nor for the return of any sums which Sub -Tenant may have paid to Molina under the Lease as and for security deposits, advance rentals or otherwise, except to the extent that such sums are actually delivered by Molina to Prime Landlord (and provided that the foregoing provisions shall not exempt Prime Landlord, if Prime Landlord succeeds to the interest of Molina under the Lease, from the performance of the obligations of the "Landlord" under the Lease accruing during and applicable to Prime Landlord's period of ownership).*

3.4 *Subsequent Transfer. If Prime Landlord, by succeeding to the interest of Molina under the Lease, should become obligated to perform the covenants of Molina thereunder, then, upon any further transfer of Prime Landlord's interest by Prime Landlord and assumption*

thereof by the transferee, all of such obligations (except those assumed by Prime Landlord during and applicable to Prime Landlord's period of ownership) shall terminate as to Prime Landlord.

4. Non-Disturbance. In the event of a termination of the Ground Lease, or other action to enforce AGNL's remedies under the Ground Lease or any other termination or surrender thereof, including, without limitation, pursuant to Section 365(h) of the U.S. Bankruptcy Code or Lender's exercise of remedies under the Security Instrument, so long as there shall then exist no right of the landlord to exercise remedies pursuant to the Lease by reason of default (beyond any applicable notice and cure period) by Sub-Tenant such that there is a right to terminate the Lease, AGNL and Lender each agree for itself and each of its successors and assigns that the leasehold interest of Sub-Tenant under the Lease shall not be extinguished or terminated by reason of such termination or exercise of remedies by AGNL or Lender, but rather the Lease shall continue in full force and effect and AGNL or Lender (and any party that shall become a transferee of the Property by reason thereof), as applicable, shall recognize and accept Sub-Tenant as tenant under the Lease subject to and upon the terms and provisions of the Lease except as modified by this Agreement; If a default (beyond any applicable notice and cure period) exists under the Lease such that there is a right to terminate the Lease at the time of the termination of the Ground Lease or the exercise of any of AGNL's remedies thereunder, then both AGNL and Lender may elect to continue the Lease as provided for in this Agreement or terminate the Lease upon written notice from AGNL and/or Lender to Sub-Tenant.

5. Miscellaneous.

5.1 Heirs, Successors, Assigns and Transferees. The covenants herein shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the parties hereto including, without limitation, Lender or any other lender of AGNL that becomes landlord under the Ground Lease or the Lease.

5.2 Notices. All notices or other communications required or permitted to be given pursuant to the provisions hereof shall be deemed served upon delivery or, if mailed, upon the first to occur of receipt or the expiration of three (3) days after deposit in United States Postal Service, certified mail, postage prepaid and addressed to the address of AGNL, Molina or Sub‑Tenant appearing below:

"AGNL" AGNL Clinic, L.P.
c/o Angelo, Gordon & Co., L.P.
245 Park Avenue, 26th Floor
New York, NY 10167-0094
Phone No.: (212) 883-4157
Fax No.: (212) 883-4141
Attn: Gordon J. Whiting

With a copy to: AGNL Manager II, Inc.
c/o Angelo, Gordon & Co., L.P.
245 Park Avenue, 26th Floor
New York, NY 10167-0094

Phone No.: (212) 692-2296
Fax No.: (212) 867-6448
Attn: Joseph R. Wekselblatt

With a copy to: Sheppard, Mullin, Richter & Hampton LLP
1300 I Street, N.W., Suite 1100
Washington, D.C. 20005
Phone No.: (202) 469-4943
Fax No.: (202) 312-9411
Attn: Michele E. Williams, Esquire

"Molina" Director of Facilities
Molina Healthcare, Inc.
200 Oceangate, Suite 100
Long Beach, CA 90802-4317
Phone No.: (562) 435-3666
Fax No.: (562) 901-1086

with a copy to: Sidley Austin LLP
555 West 5th Street
40th Floor
Los Angeles, CA 90013
Phone No.: (213) 896-6018
Fax No.: (213) 896-6600
Attn.: Marc I. Hayutin, Esquire

and to: Sidley Austin LLP
555 West 5th Street
40th Floor
Los Angeles, CA 90013
Phone No.: (213) 896-6048
Fax No.: (213) 896-6600
Attn.: Edward C. Prokop, Esquire

"Lender" [insert lender's contact information]

"Sub-Tenant" [insert tenant's contact information]

provided, however, that any party shall have the right to change its address for notice hereunder by the giving of written notice thereof to the other parties in the manner set forth in this Agreement.

5.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

5.4 Remedies Cumulative. All rights of AGNL herein to collect rents on behalf of Molina under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between AGNL and Molina or others.

5.5 Paragraph Headings. Paragraph headings in this Agreement are for convenience only and are not to be construed as part of this Agreement or in any way limiting or applying the provisions hereof.

5.6 Representations. Each of AGNL, Molina, Lender and Sub-Tenant represents to the other respective parties that it has the power and authority to enter into this Agreement.

5.7 Intentionally Omitted.

5.8 Governing Law. It is the intention of the parties hereto that this Agreement (and the terms and provisions hereof) shall be construed and enforced in accordance with the laws of the State of California, without regard to any conflict of law principles.

5.9 Recordation. At AGNL's option, this Agreement may be recorded in the land records where the Property is located. Any recordation of this Agreement or any memorandum thereof, whether at the request of AGNL, Lender or otherwise, shall not be at SubTenant's expense.

5.10 Fee Lender Subordination. AGNL, Molina, Lender and Sub-Tenant agree that the Lease shall be subordinate to the Loan and the Security Instrument and any mortgage or other security instrument hereafter placed upon the Property (which includes the Premises) by AGNL, and to any and all advances made or to be made thereunder, to the interest thereon, and all renewals, replacements and extensions thereof; provided, however, that the foregoing shall not limit Lender's agreements contained herein, including, without limitation, as described in Section 5.4 hereof.

INCORPORATION. Exhibit A, Exhibit B and Exhibit C are attached hereto and incorporated herein by this reference.

(SIGNATURES FOLLOW)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above-written.

NOTICE: IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

"MOLINA"

MOLINA HEALTHCARE, INC.,
a Delaware corporation

By: _____
Name: _____
Its: _____

Date: _____

"AGNL"

AGNL CLINIC, L.P.,
a Delaware limited partnership

By: AGNL CLINIC GP, L.L.C.,
its general partner

By: AGNL Manager II, Inc.,
its manager

Date: _____ By: _____
Gordon J. Whiting, President

"LENDER"

Date: _____

By: _____
Name: _____
Its: _____

Date: _____

By: _____
Name: _____
Its: _____

"SUB-TENANT"

[_____]

Date: _____

By: _____
Name: _____
Its: _____

ACKNOWLEDGEMENT

(For Molina)

STATE OF CALIFORNIA)

) ss:

COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

ACKNOWLEDGEMENT
(For AGNL)

STATE OF _____
COUNTY OF _____

On [May] __, 2013 before me, _____, a Notary Public in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

_____
Notary Public in and for said State

ACKNOWLEDGEMENT
(For Lender)

STATE OF _____
COUNTY OF _____

On [May] __, 2013 before me, _____, a Notary Public in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

_____
Notary Public in and for said State

ACKNOWLEDGEMENT
(For Lender)

STATE OF _____
COUNTY OF _____

On [May] __, 2013 before me, _____, a Notary Public in and for said state, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

_____
Notary Public in and for said State

ACKNOWLEDGEMENT

(For Sub-Tenant)

[STATE OF CALIFORNIA)

) ss:

COUNTY OF_____)

On _____, before me, _____, a Notary Public personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature _____ (Seal)]

EXHIBIT A

PROPERTY

LEGAL DESCRIPTION

PARCELS 2 AND 3, AS SHOWN ON PARCEL MAP NO. 5196, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, FILED IN BOOK 71 PAGE 14 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM, ALL OIL, GAS, HYDROCARBON SUBSTANCES AND MINERALS OF EVERY KIND AND CHARACTER LYING MORE THAN 500 FEET BELOW THE SURFACE OF SAID LAND, TOGETHER WITH THE RIGHT TO DRILL INTO, THROUGH AND TO USE AND OCCUPY ALL PARTS OF SAID LAND LYING MORE THAN 500 FEET BELOW THE SURFACE THEREOF FOR ANY ALL PURPOSES INCIDENTAL TO THE EXPLORATION FOR AND PRODUCTION OF OIL, GAS, HYDROCARBON SUBSTANCES OR MINERALS FROM SAID OR OTHER LANDS, BUT WITHOUT, HOWEVER, ANY RIGHT TO USE EITHER THE SURFACE OF SAID LAND OR ANY PORTION OF SAID LAND WITHIN 500 FEET OF THE SURFACE FOR ANY PURPOSE OR PURPOSES WHATSOEVER AS RESERVED BY VARIOUS DEEDS OF RECORD, AMONG THEM, BEING THE DEED RECORDED JULY 19, 1965 AS INSTRUMENT NO. 885 IN BOOK D2981 PAGE 153 OFFICIAL RECORDS.

APN: 7278-003-035 AND 7278-003-036

EXHIBIT B

PREMISES

The premises leased from Molina to Sub-Tenant under the Lease, consisting of approximately _____ rentable square feet, on portions of the ground and second floors of the office building located at 200 and 300 Oceangate Blvd., Long Beach, California.

EXHIBIT C

LEASE

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a)/15d-14(a)
UNDER THE SECURITIES EXCHANGE
ACT OF 1934, AS AMENDED

I, Joseph M. Molina, M.D., certify that:

1. I have reviewed the report on Form 10-Q for the period ended June 30, 2013 of Molina Healthcare, Inc.;

2. Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report;

3. Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in the report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended), and internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended), for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period for which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation; and

(d) Disclosed in the report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and to the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 25, 2013

/s/ Joseph M. Molina, M.D.

Joseph M. Molina, M.D.
Chairman of the Board,
Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a)/15d-14(a)
UNDER THE SECURITIES EXCHANGE
ACT OF 1934, AS AMENDED

I, John C. Molina, J.D., certify that:

1. I have reviewed the report on Form 10-Q for the period ended June 30, 2013 of Molina Healthcare, Inc.;

2. Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report;

3. Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in the report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended), and internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934, as amended), for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period for which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in the report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation; and

(d) Disclosed in the report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and to the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: July 25, 2013

/s/ John C. Molina, J.D.

John C. Molina, J.D.
Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report of Molina Healthcare, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2013 (the "Report"), I, Joseph M. Molina, M.D., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 25, 2013

/s/ Joseph M. Molina, M.D.

Joseph M. Molina, M.D.
Chairman of the Board,
Chief Executive Officer and President

EXHIBIT 32.2

CERTIFICATE PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report of Molina Healthcare, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2013 (the "Report"), I, John C. Molina, J.D., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 25, 2013

/s/ John C. Molina, J.D.

John C. Molina, J.D.
Chief Financial Officer and Treasurer