

25165

SIXTH AMENDMENT TO OFFICE LEASE

This SIXTH AMENDMENT TO OFFICE LEASE No. 25165 (hereinafter referred to as "Amendment") is made and entered into effective as of the 11th day of December, 2006, by and between WARDLOW ATLANTIC, LLC, a Delaware Limited Liability Company (hereinafter referred to as "Lessor") and CITY OF LONG BEACH, a California municipal corporation (hereinafter referred to as "Lessee"), pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on November 14, 2006.

RECITALS

A. Lessor's predecessor in interest, and Lessee entered into that certain Standard Office Lease-Gross dated May 9, 1997, as amended by that certain First Amendment to Standard Office Lease-Gross No. 25165 dated September 2, 1997; Second Amendment to Standard Office Lease-Gross No. 25165 dated November 4, 1997; Third Amendment to Standard Office Lease-Gross No. 25165 dated November 10, 1998; Fourth Amendment to Standard Office Lease-Gross No. 25165 dated September 1, 2001 ("Fourth Amendment"); Fifth Amendment to Standard Office Lease-Gross No. 25165 dated September 10 2002 (collectively the "Lease") whereby Lessee leased certain commercial real property located in Long Beach, California, commonly known as 3447 Atlantic Avenue, Long Beach, California (the "Premises"). All capitalized terms, unless specifically defined herein, shall have the same meaning as set forth in the Lease.

B. Lessor and Lessee desire to amend the Lease upon the terms and conditions contained herein, effective February 1, 2008.

TERMS

1. Term. The Term of the Lease is hereby extended for a period of five (5) years commencing February 1, 2008 and expiring on January 31, 2013.

2. Base Rent. The Base Rent commencing on February 1, 2008, is hereby increased to SIXTY SEVEN THOUSAND EIGHT HUNDRED THIRTY ONE DOLLARS AND NINETY CENTS (\$67,831.90) per month. (The foregoing amount is calculated based upon \$1.90 per rentable square foot per month).

3. Leasing Inducement. Provided Lessee is not in default hereunder, notwithstanding the foregoing, the Base Rent for the months of February, March and April 2008 is hereby reduced by 50% to \$33,915.95 per month. The foregoing inducement and the allowance provided under Section 5 below are given or granted to or for the benefit of Lessee as consideration for execution and delivery of this Lease by Lessee (all such agreements, concessions, grants, payments and assumptions are collectively referred to herein as "Tenant Inducements").

4. Base Year. The Base Year is hereby amended to be the calendar year 2008 effective as of February 1, 2008. Notwithstanding anything to the contrary set forth in the Lease, Lessee shall not be liable for increases in real property taxes that result from changes in ownership of the Premises during the term of the extension described in paragraph 1 above. For purposes of this Lease, "change in ownership" has the same definition as in California Revenue and Taxation Code Sections 60-62 or any amendments or successors statutes to those sections.

The foregoing limitation shall not apply to any change in ownership prior to the period set forth in paragraph 1 above or during any options to extend hereunder, if any.

5. HVAC Operation. Commencing February 1, 2008, the last two sentences of paragraph 55 of Addendum Number 1 to Lease No. 25165 shall be amended to read as follows:

“Lessor shall provide up to fifteen (15) hours per month of after hours HVAC use with no additional charge to Lessee. Lessee shall be responsible for use of the HVAC system **after hours** over and above fifteen (15) hours per month at a rate not to exceed **Forty-Five Dollars (\$45.00)** per hour.”

6. Additional Day Porter Services (Fifth Amendment to Lease No. 25165). Commencing February 1, 2008, the provisions of the Fifth Amendment regarding day porter services shall be amended to read as follows:

“1. Lessor, on behalf of Lessee, shall retain the services of a day porter (Exhibit A) for the Property. Lessee agrees to reimburse Lessor directly each month as additional rent for the actual cost of such services.

2. Annually, Lessor and Lessee shall review the proposed bids from qualified vendors for the day porter services and shall mutually select the vendor for contracted day porter services.

3. Lessee may cancel the day porter services by providing Lessor with thirty (30) days' prior written notice of its election to do so.”

7. Improvement Allowance. Lessee shall be entitled to a Tenant improvement allowance equal to \$178,505.00 (\$5.00 per rentable square foot) (the “Allowance”). The foregoing amount may be expended by Lessee at any time between February 1, 2008 and January 31, 2010, in accordance with the terms and conditions of this Paragraph 5. Lessee will be responsible for planning, permitting and bidding the tenant improvements (to a list of at least two (2) mutually acceptable general contractors), but Lessor will hire the general contractor selected by Lessee to perform the tenant improvements provided Lessor shall not be obligated to incur any costs associated with the tenant improvements in excess of the Allowance. Not less than twenty-one (21) days prior to commencing with any portion of the tenant improvements, Lessee shall provide Lessor with all plans, contracts and other agreements pertaining to the tenant improvements reasonably requested by Lessor in order to determine the specific scope and nature of the tenant improvements. Upon completion of all or any portion of the tenant improvements for which Lessor is requested to pay, Lessor shall have received all invoices, final contracts and any other agreements relating to such improvements Lessor is then expected to make payment for. Within twenty-one (21) days following delivery and approval of such information, together with unconditional lien releases for such work, Lessor shall make disbursements directly to the contractor or vendor entitled to receive such payment. In no event shall more than one (1) request for disbursement (“Request”) be made during any thirty (30) day period, unless the second Request in such thirty (30) day period constitutes the final disbursement hereunder. Lessor and Lessee acknowledge that a Request may contain multiple invoices, contractors and/or vendors. Lessor shall comply with the California Labor Code Section 1720 regarding the payment of prevailing wages for the foregoing tenant improvements. Lessee's bids for such work shall contemplate such requirements, if any.

8. Option to Renew. Lessor hereby grants to Lessee an option to extend the term of the Lease upon the terms and conditions set forth in paragraph 54 of the Addendum to the Lease, provided, however, that in no event shall the Base Rent be less than the Base Rent in effect prior to such option to extend and all references to the remodeling allowance as set forth in the last paragraph of Paragraph 54 are hereby deleted in their entirety.

9. Rooftop Communications Equipment Lessee shall have the right to use a portion of the roof of the Building for purposes of the installation, use and maintenance of a microwave dish, antenna or other telecommunications equipment, subject to approval of such equipment by the City of Long Beach Building Department. The communication equipment shall be installed at no cost to the Lessor and in accordance with all applicable laws, rules and regulations. In addition, Lessee shall defend, indemnify and hold Lessor harmless from and against any and all claims, costs or expenses incurred by Lessor as a result of such installation by Lessee. Lessee shall be responsible for any repairs necessitated to the roof by such installation or maintenance and shall install such equipment in a manner that has no effect on any roof warranty. Lessee shall be solely responsible for the maintenance and repair thereof, at Lessee's sole cost and expense. At the expiration or other termination of the Lease, said equipment shall remain the property of Lessee and shall be removed by Lessee, provided that Lessee shall repair any and all damage caused by such removal. Lessee shall provide Lessor with a copy of any antenna site agreement or similar license agreement to be entered into by Lessor and/or Lessee concerning such communications equipment for Lessor's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Lessee shall provide written notice to Lessor not less than thirty (30) days prior to any roof penetration to provide Lessor with adequate time to comply with any requirements of any roof warranties and Lessee shall be responsible for any roof warranties voided or adversely impacted by such installation and/or penetration.

10. Non-Discrimination Clause. Lessor agrees, subject to applicable laws, rules and regulations, that no person shall be subject to discrimination in the performance of this Lease on the basis of race, color, religion, national origin, sex, sexual orientation, AIDS, HIV status, age, disability, handicap, or Vietnam Era veteran status. Lessor shall take affirmative action to ensure that applicants are employed without regard to any of these bases, including but not limited to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Lessee agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by the City of Long Beach setting out the provisions of this nondiscrimination clause. Lessor shall in all solicitations or advertisements for employees state that all qualified applicants will receive consideration for employment without regard to these bases.

11. Brokerage Commission. Lessor and Lessee acknowledge and agree that Cushman & Wakefield of California, Inc. represents solely Lessee in this transaction. Lessor shall pay Cushman & Wakefield of California, Inc. a commission, payable one-half upon mutual execution and delivery of this Amendment by both parties and one-half on February 1, 2008. The foregoing amount is calculated as follows $.025 \times$ (base rent for the 5 year term, adjusted for the rental inducement).

12. City Council Approval and Execution of Lease Amendment. This Amendment is subject to City Council approval. Upon such approval and mutual agreement on all lease terms and conditions, Lessor shall execute and notarize this Amendment and return the documents to

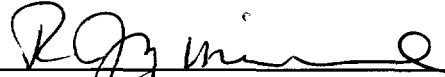
Lessee for full execution, at which time Lessee shall execute and notarize this Amendment and return the documents to Lessor.

13. Effect of Amendment. Except as set forth herein, the Lease shall continue in full force and effect as previously written.

IN WITNESS WHEREOF, the undersigned have entered into this Amendment as of the date set forth above.

“LESSOR”


WARDLOW ATLANTIC, LLC,
a Delaware Limited Liability Company

By: 
Its: Manager

Date: 12/1, 2006

“LESSEE”

CITY OF LONG BEACH,
a California municipal corporation

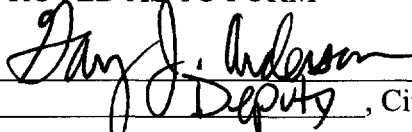
By: 
Its: GERALD R. MILLER, CITY MANAGER

By: _____

Its: _____

Date: December 11, 2006

APPROVED AS TO FORM


_____, City attorney

Date: December 7, 2006

EXHIBIT "A"

Porter Services.

Day Porter

Frequency: 5 x per week, Monday - Friday
Hours: 10:00 AM - 3:00 PM

General Service:

Weekly:

1. Spot clean painted walls and partitions.
2. Spot clean all wall switches and door facings.
3. Empty all common area trash-cans as needed (including parking garage).
4. Sweep parking garage entry way.
5. Sweep and mop three (3) levels of common area walkways.
6. Clean exterior railing glass on rotating basis.

Monthly:

1. Damp wipe door jams.

Restroom Service:

Daily:

1. Empty and wipe out all wastepaper receptacles.
2. Empty sanitary napkin containers and replace liner insert.
3. Clean and disinfect all dispensers.
4. Clean and disinfect washbasins, toilet bowls and urinals (as necessary).
5. Disinfect underside and tops of toilet seats (as necessary).
6. Spot-clean tile walls and toilet partitions.
7. Spot-clean walls around basins.
8. Mop all lavatory floors with germicidal solution (spot clean as needed).
9. Refill all paper goods dispensers, including soap (as needed).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of KERN

On 12/01/06 before me, Rosa E. Moore, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared R. JEFFREY Hildebrand
Name(s) of Signer(s)

- personally known to me
- (or proved to me on the basis of satisfactory evidence)

to be the person(s) whose name(s) 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.



WITNESS my hand and official seal.

Place Notary Seal Above

Rosa E. Moore
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

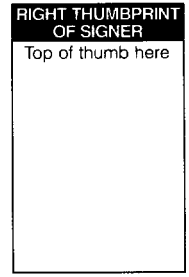
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

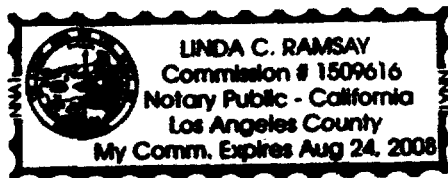
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of Los Angeles } ss.

On December 11, 2006 before me, LINDA C. RAMSAY, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared GERALD R. MILLER
Name(s) of Signer(s)

personally known to me
 ~~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.



WITNESS my hand and official seal.

Linda C. Ramsay
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Sixth Amendment to Office Lease

Document Date: December 11, 2006 Number of Pages:

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____

