

LEASE  
**34222**

The following Lease is made and entered into, in duplicate, as of the 1<sup>st</sup> day of March, 2016, pursuant to a minute order adopted by the City Council, City of Long Beach, at its meeting held on the 17<sup>th</sup> day of September, 2013, by and between the CITY OF LONG BEACH, a municipal corporation, ("LANDLORD") and DOWNTOWN LONG BEACH DEVELOPMENT CORPORATION, a California corporation, with its place of business at 100 W. Broadway, Suite 120, Long Beach, California ("TENANT").

1. LEASED PREMISES. In consideration of the faithful performance of the covenants and conditions hereinafter agreed to be kept by LANDLORD and TENANT, LANDLORD does hereby lease and TENANT does hereby take and accept the following described premises consisting of approximately 8,240 square feet of land located at the southeast corner of Ocean Boulevard and Pine Avenue as shown on the depiction marked Exhibit "A" attached hereto and made a part hereof (the "Premises").

2. TERM. The term of this Lease shall be for a period of six (6) months commencing on March 21, 2016 ("Commencement Date") and ending on September 20, 2016. The term of this Lease may be extended for one additional period of six (6) months upon the mutual agreement of the parties.

3. RENT.

A. Beginning on the Effective Date TENANT shall pay rent to LANDLORD in the amount of \$1.00 in advance, without deduction, setoff, notice or demand, on the first day of each month.

B. As additional consideration, TENANT shall be responsible for all costs associated with coordinating and providing activities on the Premises for the benefit of the downtown Long Beach community.

4. USE. The Premises is zoned Park (P) and use of the Premises shall conform to the Park zoning regulations. Any and all improvements located or erected thereupon shall only be used in conformance with Park zoning regulations.

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5. CONDITION OF PREMISES.

A. TENANT accepts the Premises in an "AS IS" condition and acknowledges that TENANT has not received and LANDLORD has not made any warranty, express or implied as to the condition of the Premises or any improvements, structures substructures, or infrastructures located thereon.

B. Except as otherwise set forth in this Lease, TENANT agrees to bear all expenses incurred in the development, operation and maintenance of the Premises including improvements thereto existing as of the Commencement Date.

C. TENANT agrees to keep the Premises in a neat, orderly and safe condition and free of waste, rubbish, and debris during the term of this Lease.

6. CONSTRUCTION, ALTERATION AND CHANGES.

A. TENANT shall not construct, install, or modify any structures, facilities or exterior signs on the Premises without the prior written approval of LANDLORD.

B. After the Commencement Date, TENANT shall not place upon the Premises any portable buildings, trailers, or other portable structures without the prior written approval of LANDLORD.

7. CONSTRUCTION AND BONDING.

A. BONDS. Prior to beginning any construction valued at more than Five Hundred Thousand Dollars (\$500,000.00), TENANT shall provide written notice of such proposed construction to LANDLORD. Within ten (10) days of receipt of such notice LANDLORD, in his or her reasonable discretion, may require TENANT to file with LANDLORD a Performance Bond or letter of credit or an assignment of a Certificate of Deposit (CD) in the amount of fifty percent (50%) of the estimated cost of the construction and a Labor and Material Bond (also known as a Payment Bond) in the amount of fifty percent (50%) of the estimated cost of the construction, executed by LESSEE or LESSEE'S contractor, as Principal, and by a surety authorized to do business in California as a Surety. The bonds shall

1 name LANDLORD as a joint obligee with TENANT. Should LANDLORD fail to  
2 respond to the written notice as described above, then TENANT may commence  
3 construction without provision of any bonds or other construction security to  
4 LANDLORD. Nothing contained in this Lease shall be deemed to release TENANT  
5 from the duty to keep the Premises free of liens. The Performance Bond shall  
6 remain in effect until the expiration of the statutory period for filing liens or stop  
7 notices, or until the Premises are free from the effect of such liens or stop notices,  
8 if liens have been filed.

9 8. FORCE MAJEURE. The time within which TENANT is obligated  
10 hereunder to construct, repair or rebuild any building or other improvement, or cure any  
11 default on the part of TENANT hereunder shall be extended for a period of time equal in  
12 duration to, and performance in the meantime shall be excused on account of and for and  
13 during the period of time equal in duration to, any delay caused by strikes, threats of strikes,  
14 lockouts, war, threats of war, insurrection, invasion, acts of God, calamities, violent action  
15 of the elements, fire action or regulation of any governmental agency, law or ordinance,  
16 impossibility of obtaining materials, or other things beyond the reasonable control of  
17 TENANT.

18 9. PROPERTY OF TENANT. Any buildings, structures or other  
19 improvements existing as of the Commencement Date or thereafter constructed or placed  
20 on the Premises by TENANT shall remain the property of TENANT until the expiration or  
21 earlier termination of this Lease.

22 10. LIENS.

23 A. Subject to TENANT's right, to contest the same as hereinafter  
24 provided, TENANT agrees that it will pay as soon as due all mechanics, laborers,  
25 materialmen, contractors, subcontractors or similar charges, and all other charges  
26 of whatever nature which may become due, attached to or payable on said property  
27 or any part thereof or any building, structure or other improvements thereon, from  
28 and after the Commencement Date. Nothing herein contained shall in any respect

1 make TENANT the agent of LANDLORD, or (except as otherwise specifically  
2 provided in this Lease), authorize TENANT to do any act or to make any contract  
3 encumbering or in any manner affecting the title or rights of LANDLORD in or to the  
4 Premises or in the improvements thereon.

5 B. Before any buildings, structures or other improvements, repairs  
6 or additions thereto are constructed or reconstructed upon the Premises, costing in  
7 excess of Fifty Thousand Dollars (\$50,000), TENANT shall serve written notice upon  
8 LANDLORD in the manner specified in this Lease of TENANT's intention to perform  
9 such work for the purpose of enabling LANDLORD to post notices of non-  
10 responsibility under the provisions of Section 3094 of the Civil Code of the State of  
11 California, or any other similar notices which may be required by law.

12 C. If any such mechanics or other liens shall at any time be filed  
13 against the Premises, TENANT shall cause the same to be discharged of record  
14 within thirty (30) days after the date of filing the same, or otherwise free the Premises  
15 from the effect of such claim of lien and any action brought to foreclose such lien,  
16 or TENANT shall promptly furnish to LANDLORD a bond in an amount and issued  
17 by a surety company satisfactory to LANDLORD securing LANDLORD against  
18 payment of such lien and against any and all loss or damage whatsoever in any way  
19 arising from the failure of TENANT to discharge such lien.

20 D. Any contest by TENANT of any such liens shall be made by  
21 TENANT in good faith and with due diligence and TENANT shall fully pay and  
22 immediately discharge the amount of any final judgment rendered against  
23 LANDLORD or TENANT in any litigation involving the enforcement of such liens or  
24 the validity thereof.

25 E. In the event of TENANT'S failure to discharge of record any  
26 such uncontested lien within said thirty (30) day period or to pay and satisfy any  
27 such judgment as aforesaid, LANDLORD may, but shall not be obliged to, pay the  
28 amount thereof, inclusive of any interest thereon and any costs assessed against

1 TENANT in said litigation, or may discharge such lien by contesting its validity or by  
2 any other lawful means.

3 F. Any amount paid by LANDLORD for any of the aforesaid  
4 purposes, and all reasonable legal and other expenses of LANDLORD including  
5 reasonable counsel fees, in defending any such action or in connection with  
6 procuring the discharge of such lien, with all necessary disbursements in connection  
7 therewith, together with interest thereon at the rate provided by law from the date of  
8 payment shall be repaid by TENANT to LANDLORD on demand.

9 11. COMPLIANCE WITH CONSTRUCTION LAWS. TENANT shall cause  
10 all construction work performed at the Premises to comply with (a) all applicable laws,  
11 ordinances, rules and regulations of federal, state, county or municipal governments or  
12 agencies (including, without limitation, all applicable federal and state labor standards,  
13 including the prevailing wage provisions of Section 1770 et seq. of the California Labor  
14 Code), and (b) all directions, rules and regulations of any fire marshal, health officer,  
15 building inspector, or other officer of every governmental agency now having or hereafter  
16 acquiring jurisdiction. TENANT shall indemnify, defend and hold LANDLORD harmless  
17 from any and all claims based upon or arising from the failure of any work related to the  
18 Premises to comply with all such applicable legal requirements, including, without  
19 limitation, any such claims that may be asserted against or incurred by LANDLORD with  
20 respect to or in any way arising from such construction work's compliance with or failure to  
21 comply with applicable laws, including all federal and state labor requirements including,  
22 without limitation, the requirements of California Labor Code Section 1770 et seq.

23 12. IMPROVEMENTS TO BE REMOVED BY TENANT OR BECOME  
24 PROPERTY OF LANDLORD. Prior to the expiration or earlier termination of this Lease  
25 Tenant shall remove all personal property and improvements on the Premises. Should  
26 Tenant fail to remove such personal property and improvements, then (i) such personal  
27 property and improvements shall immediately become the property of LANDLORD without  
28 compensation to TENANT, and (ii) such personal property and improvements remaining

1 on the Premises may be disposed of by LANDLORD, and TENANT shall reimburse  
2 LANDLORD the costs of such disposal (if any).

3 13. OPERATION OF BUSINESS.

4 A. TENANT, for itself, or through its subtenants, shall continuously  
5 use and operate the Premises, during all usual business hours and on all such days  
6 as comparable business of like nature in the area are open for business in  
7 accordance with the provisions of this Lease relating to use. If the Premises are  
8 destroyed or partially condemned and this Lease remains in full force and effect,  
9 TENANT shall continue operation of its business at the Premises to the extent  
10 reasonably practical as determined by good business judgment during any period  
11 of reconstruction.

12 B. TENANT shall appoint in writing an authorized local agent duly  
13 empowered to make decisions on behalf of TENANT in all routine administrative  
14 and operational matters relating to the Premises who shall be available at the  
15 Premises during normal business hours. TENANT shall notify LANDLORD in writing  
16 of the name, address and telephone number of said agent.

17 14. COMPLIANCE WITH LAW. TENANT shall at all times conduct its  
18 operations in accordance with all applicable Federal, State and/or Municipal rules and  
19 regulations. No improvements or structures, either permanent, temporary or portable, shall  
20 be erected, placed upon, operated or maintained on the Premises, nor shall business or  
21 any other activity be conducted or carried on, in, onto, or from the Premises in violation of  
22 the terms of this Lease or any duly adopted rules, regulations, orders, law, statute, by-law,  
23 or ordinance of any governmental agency having jurisdiction thereover.

24 15. TENANT INDEMNIFICATION AND HOLD HARMLESS.

25 A. TENANT shall indemnify, protect and hold harmless  
26 LANDLORD, its Boards, Commissions, and their officials, employees and agents  
27 ("Indemnified Parties"), from and against any and all liability, claims, demands,  
28 damage, loss, obligations, causes of action, proceedings, awards, fines, judgments,

1 penalties, costs and expenses, including attorneys' fees, court costs, expert and  
2 witness fees, and other costs and fees of litigation, arising or alleged to have arisen,  
3 in whole or in part, out of or in connection with (1) the use of the Premises by  
4 TENANT, its officers, employees, agents, subcontractors, or anyone under  
5 TENANT'S control, or (2) TENANT'S breach or failure to comply with any of its  
6 obligations contained in this Lease (collectively "Claims" or individually "Claim").

7 B. In addition to TENANT'S duty to indemnify as described above,  
8 TENANT shall have a separate and wholly independent duty to defend Indemnified  
9 Parties at TENANT'S expense by legal counsel approved by LANDLORD, from and  
10 against all Claims, and shall continue this defense until the Claims are resolved,  
11 whether by settlement, judgment or otherwise. No finding or judgment of  
12 negligence, fault, breach, or the like on the part of TENANT shall be required for the  
13 duty to defend to arise. LANDLORD shall notify TENANT of any Claim, shall tender  
14 the defense of the Claim to TENANT, and shall assist TENANT, as may be  
15 reasonably requested, in the defense.

16 C. If a court of competent jurisdiction determines that a Claim was  
17 caused by the sole negligence or willful misconduct of Indemnified Parties,  
18 TENANT'S costs of defense and indemnity shall be (1) reimbursed in full if the court  
19 determines sole negligence by the Indemnified Parties, or (2) reduced by the  
20 percentage of willful misconduct attributed by the court to the Indemnified Parties.

21 D. The provisions of this Section 16 shall survive the expiration or  
22 termination of this Lease.

23 16. LANDLORD INDEMNIFICATION AND HOLD HARMLESS.

24 A. LANDLORD shall indemnify, protect and hold harmless  
25 TENANT, its Boards and their officials, employees and agents ("Indemnified  
26 Parties"), from and against any and all liability, claims, demands, damage, loss,  
27 obligations, causes of action, proceedings, awards, fines, judgments, penalties,  
28 costs and expenses, including attorneys' fees, court costs, expert and witness fees,

1 and other costs and fees of litigation, arising or alleged to have arisen, in whole or  
2 in part, out of or in connection with (1) the use of the Premises by LANDLORD'S  
3 officers, employees, agents, subcontractors, or anyone under LANDLORD'S  
4 control, or (2) LANDLORD'S breach or failure to comply with any of its obligations  
5 contained in this Lease (collectively "Claims" or individually "Claim").

6 B. In addition to LANDLORD'S duty to indemnify as described  
7 above, LANDLORD shall have a separate and wholly independent duty to defend  
8 Indemnified Parties at LANDLORD'S expense by legal counsel approved by  
9 TENANT, from and against all Claims, and shall continue this defense until the  
10 Claims are resolved, whether by settlement, judgment or otherwise. No finding or  
11 judgment of negligence, fault, breach, or the like on the part of LANDLORD shall be  
12 required for the duty to defend to arise. TENANT shall notify LANDLORD of any  
13 Claim, shall tender the defense of the Claim to LANDLORD, and shall assist  
14 LANDLORD, as may be reasonably requested, in the defense.

15 C. If a court of competent jurisdiction determines that a Claim was  
16 caused by the sole negligence or willful misconduct of Indemnified Parties,  
17 LANDLORD'S costs of defense and indemnity shall be (1) reimbursed in full if the  
18 court determines sole negligence by the Indemnified Parties, or (2) reduced by the  
19 percentage of willful misconduct attributed by the court to the Indemnified Parties.

20 D. The provisions of this Section 17 shall survive the expiration or  
21 termination of this Lease.

22 17. WAIVER. This Lease confers no rights upon TENANT other than  
23 expressly stated herein.

24 18. INSURANCE. TENANT shall procure and maintain the following  
25 insurance at TENANT'S sole expense for the duration of this Lease, including any  
26 extensions, renewals, or holding over thereof, from insurance companies that are admitted  
27 to write insurance in the State of California or from non-admitted insurers that are on  
28 California's List of Eligible Surplus Lines Insurers (LESLI) and that have ratings of or



1 equivalent to an A:VIII by A.M. Best Company:

2           A.     Commercial general liability insurance equivalent in coverage  
3           scope to ISO form CG 00 01 11 85 or 10 93 in an amount not less than One Million  
4           Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) general  
5           aggregate. Such coverage shall include but is not limited to broad form contractual  
6           liability, cross liability protection, products and completed operations liability, and  
7           garage-keepers legal liability. The City of Long Beach, and its boards, officials,  
8           employees, and agents shall be added as additional insureds by endorsement  
9           (equivalent in coverage scope to ISO form CG 20 26 11 85) and this coverage shall  
10          contain no special limitations on the scope of protection afforded to the City, and its  
11          boards, officials, employees, and agents.

12          B.     Workers' compensation insurance as required by the California  
13          Labor Code and Employer's Liability insurance in an amount not less than One  
14          Million Dollars (\$1,000,000) per accident or occupational illness.

15          Any self-insurance program, self-insured retention or deductible must be  
16          approved separately in writing by the City's Risk Manager or designee and shall protect  
17          the City of Long Beach, and its boards, officials, employees, and agents in the same  
18          manner and to the same extent as they would have been protected had the policy or  
19          policies not contained such self-insurance or deductible provisions.

20          Each insurance required hereunder shall be endorsed to provide that  
21          coverage shall not be canceled, nonrenewed, or materially changed in coverage or limits  
22          (other than by reduction of limits by payment of claims) except after thirty (30) days prior  
23          written notice to City, and that coverage shall be primary and not contributing to any other  
24          insurance or self-insurance maintained by the City of Long Beach, or its boards,  
25          employees, or agents.

26          Prior to the commencement of this Lease, TENANT shall deliver to City  
27          certificates of insurance and the endorsements required hereunder for approval as to  
28          sufficiency and form. The certificates and endorsements for each insurance policy shall

1 contain the original signature of a person authorized by that insurer to bind coverage on its  
2 behalf. In addition, TENANT shall, at least thirty (30) days prior to expiration of such  
3 policies, furnish City with evidence of renewals. City reserves the right to require complete  
4 certified copies of all said policies at any time.

5 Such insurance as required herein shall not be deemed to limit TENANT's  
6 liability under this Lease. The procuring of insurance shall not be construed as a limitation  
7 on liability or as full performance of the indemnification and hold harmless provisions of  
8 this Lease.

9 Not more frequently than every six (6) months if, in the opinion of  
10 LANDLORD, the amount of insurance coverages is not adequate, TENANT shall provide  
11 the insurance required by LANDLORD's Risk Manager or designee.

12 Any modification or waiver of the insurance requirements herein shall be  
13 made only with the written approval of LANDLORD's Risk Manager or designee.

14 19. WORKERS' COMPENSATION. Evidence of current workers'  
15 compensation coverage as required by the Labor Code of the State of California and  
16 Employer's liability insurance with minimum limits of One Million Dollars (US \$1,000,000)  
17 per accident or occupational illness shall be provided to LANDLORD. The policy shall be  
18 endorsed with a waiver of the insurer's right of subrogation against the City of Long Beach,  
19 and its officials, employees, and agents.

20 20. ASSIGNMENT AND SUBLETTING.

21 A. CONSENT.

22 i. TENANT shall not assign or sublet this Lease or any  
23 interest therein (including without limitation subleases or licenses for wireless  
24 communication facilities) without first obtaining the written consent of  
25 LANDLORD and the giving of such consent shall not be a waiver of any rights  
26 to object to further or future assignments or subleases, but the consent to  
27 each successive assignment or sublease must be first obtained in writing  
28 from and by LANDLORD.

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ii. Any request to assign or sublease shall be accompanied by such data relating to the identity and financial condition of the proposed assignee or sublessee as may be requested to permit LANDLORD to render its decision.

iii. Except as otherwise provided herein, if TENANT be a partnership or joint venture, a withdrawal, addition or change (voluntary, involuntary, by operation of law, or otherwise) of any of the partners or adventurers thereof, or if TENANT be composed of more than one person, a purported assignment or transfer (voluntary, involuntary, by operation of law, or otherwise) from one thereof unto the other or others thereof, or if TENANT be a corporation, a change in the ownership (voluntary, involuntary, by operation of law, or otherwise) of twenty-five percent (25%) or more of its capital stock owned as of the date of its acquisition of this Lease shall be deemed an assignment prohibited hereby unless the written consent of LANDLORD be first obtained thereto; provided, however, that a change in the ownership of said capital stock or partnership or limited liability company interests as a result of the death or judicially declared incompetency of TENANT may be made without the consent of LANDLORD.

iv. LANDLORD shall not unreasonably refuse to grant its written consent to such transfer or assignment, however, any such transfer without said approval, whether voluntary or involuntary, shall be void and shall confer no right or occupancy upon said assignee or purchaser.

v. A transfer or an assignment of any such stock or interest to a shareholder's or partner's spouse, children or grandchildren is accepted from the provisions hereof. Transfers of partnership interests naming original partners in DOWNTOWN LONG BEACH ASSOCIATES shall not require consent of LANDLORD.

B. TERMINATION. This Lease shall not be terminated by reason

1 of any assignment or transfer by operation of law of TENANT's interest hereunder  
2 or in the leasehold estate created hereby.

3 21. EMINENT DOMAIN.

4 A. DEFINITIONS. As used in this Lease:

5 i. "Condemnation" means (i) the taking or damaging,  
6 including severance damage, by eminent domain or by inverse  
7 condemnation or for any public or quasi-public use under any statute,  
8 whether by legal proceedings or otherwise, by a condemnor (hereinafter  
9 defined), and (ii) a voluntary sale or transfer to a condemnor, either under  
10 threat of condemnation or while condemnation legal proceedings are  
11 pending.

12 ii. "Date of taking" means, the earlier of (i) the date actual  
13 physical possession is taken by the condemnor, or (ii) the date on which the  
14 right to compensation and damages accrues under the law applicable to the  
15 Premises.

16 iii. "Award" means all compensation, sums, or anything of  
17 value awarded, paid or received for a total taking, a substantial taking or a  
18 partial taking (hereinafter defined), whether pursuant to judgment or by  
19 agreement or otherwise.

20 iv. "Condemnor" means any public or quasi-public authority  
21 or private corporation or individual having the power of condemnation.

22 v. "Total taking" means the taking by condemnation of the  
23 fee title to all the Premises and all the improvements.

24 vi. "Substantial taking" means the taking by condemnation  
25 of so much of the Premises or improvements or both that one or more of the  
26 following conditions results:

27 (a) The remainder of the Premises would not be  
28 economically and feasibly usable by TENANT; and/or

1 (b) A reasonable amount of reconstruction would not  
2 make the Premises and improvements a practical improvement and  
3 reasonably suited for the uses and purposes for which the Premises  
4 are leased hereunder.

5 vii. "Partial taking" means any taking of the fee title that is  
6 not either a total taking or a substantial taking.

7 viii. "Notice of intended condemnation" means any notice or  
8 notification on which a reasonably prudent man would rely and which he  
9 would interpret as expressing an existing intention of condemnation as  
10 distinguished from a mere preliminary inquiry or proposal.

11 B. NOTICE. LANDLORD and TENANT shall give each other  
12 prompt notice of any condemnation action or threat thereof. LANDLORD, TENANT,  
13 and any lender shall all have the right to participate in any settlement of awards,  
14 compensation, and damages and may contest any such awards, compensation, and  
15 damages and. prosecute appeals therefrom. Each party shall bear its own cost  
16 thereof. Any lender shall be entitled to notice from both TENANT and LANDLORD  
17 with regard to any condemnation action, threat thereof, or settlement proceedings.

18 C. TOTAL OR SUBSTANTIAL TAKING.

19 i. On a total taking, this Lease shall terminate on the date  
20 of taking.

21 ii. If a taking is a substantial taking as defined above,  
22 TENANT may, by notice to LANDLORD given within thirty (30) days after  
23 TENANT receives notice of intended condemnation, elect to treat the taking  
24 as a substantial taking. If TENANT does not so notify LANDLORD, the taking  
25 shall be deemed a partial taking. If TENANT gives such notice and  
26 LANDLORD gives TENANT notice disputing TENANT's contention within ten  
27 (10) days following receipt of TENANT'S notice, the dispute shall be promptly  
28 submitted to arbitration before the American Arbitration Association in Los

1 Angeles County, California. If LANDLORD gives no such notice, the taking  
2 shall be deemed a substantial taking. A substantial taking shall be treated as  
3 a total taking.

4 iii. On a total taking all sums, including damages and  
5 interest awarded for the fee or leasehold or both, shall be distributed and  
6 disbursed in the following order of priority:

7 (a) To LANDLORD a sum equal to the fair market  
8 value of the land, valued as unimproved land exclusive of  
9 improvements and encumbered by the terms and conditions of this  
10 Lease and subleases, as well as any compensation awarded for its  
11 loss of revenue from this lease, and the value of LANDLORD'S  
12 reversionary interest in the Premises, to the extent that said  
13 reversionary interest has a separate value from the unimproved land.

14 (b) To TENANT, subject to the rights of any  
15 leasehold Lender, the value of the Leasehold estate under this Lease,  
16 and the value of any buildings or improvements, on the Premises, less  
17 the sum of any payments made to LANDLORD with respect to  
18 LANDLORD's reversionary interest, if any, in the buildings or  
19 improvements.

20 D. PARTIAL TAKING.

21 i. On a partial taking, this Lease shall cease as to the part  
22 so taken, as of the date of taking, and shall remain in full force and effect  
23 covering the remainder of the Premises and improvements, except that the  
24 minimum annual rent, and minimum monthly rent, shall be reduced in  
25 proportion to percentage of the lost subrentals (or relative value) of the  
26 portion taken ears to the total subrentals (or relative value) of the Premises  
27 prior to such taking.

28 ii. Promptly after a partial taking, TENANT, to the extent of

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any award paid to TENANT on account of such taking, shall repair, alter, modify, or reconstruct the improvements restoring so as to make them reasonably suitable for TENANT's continued occupancy for the uses and purposes for which the Premises are leased. If TENANT does not restore as above, the cost of such restoring shall be deducted from TENANT's share of the award and paid to any leasehold mortgagee demanding it and otherwise to LANDLORD.

iii. On a partial taking, all sums, including damages and interest, awarded for the fee or leasehold or both, shall be distributed and disbursed in the following order of priority:

(a) To TENANT the cost of restoring the improvements, plus any amount awarded or assessed for severance damages, plus any amount assessed, awarded, paid, or incurred to remove or relocate subtenants, plus any amount awarded for detriment to business.

(b) To LANDLORD a sum equal to that percent of the value of the Premises equal to the percentage the area of the Premises taken bears to the total area of the Premises; the value of the Premises shall be as unimproved land exclusive of improvements and burdened by all leases and subleases.

iv. Rent shall be abated or reduced during the period from the date of taking until the completion of restoration, but all other obligations of TENANT under this Lease shall remain in full force and effect. The amount of abatement or reduction of rent shall be based on the extent to which the restoration interferes with TENANT's use of the Premises.

v. Each party waives the provisions of Code of Civil Procedure Section 1265.130, allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises

1 under the circumstances described in said Section.

2 E. LIMITED TAKING. If the Premises or any portion thereof or any  
3 improvements thereon should be taken for governmental occupancy for a limited  
4 period not extending beyond the Lease Term, this Lease shall not terminate and  
5 TENANT shall continue to perform and observe all of its obligations hereunder as  
6 though such taking had not occurred, except only to the extent that it may be  
7 prevented from performing such obligations by reason of such taking. In such event,  
8 TENANT shall be entitled to receive the entire amount of any awards,  
9 compensation, and damages made for such taking, and LANDLORD hereby  
10 assigns any and all of its interest in such awards, compensation, and damages to  
11 TENANT to the extent that the governmental occupancy does not extend beyond  
12 the expiration of the Lease Term.

13 22. RESERVATIONS TO LANDLORD.

14 A. The Premises are accepted by TENANT subject to any and all  
15 existing or planned easements or other encumbrances and LANDLORD shall have  
16 the right to install, lay, construct, maintain, repair and operate such sanitary sewers,  
17 drains, storm water sewers, pipelines, manholes, connections, water, oil and gas  
18 pipelines, and telephone and telegraph power lines and such other appliances and  
19 appurtenances necessary or convenient to use in connection therewith over, in,  
20 upon, through, across and along the Premises or any part thereof, as will not  
21 interfere with TENANT's operations hereunder and to enter thereupon for any and  
22 all such purposes. LANDLORD also reserves the right to grant franchises,  
23 easements, rights of way and permits in, over, and upon, along, or across any and  
24 all portions of the Premises as LANDLORD may elect so to do, provided, however,  
25 that no right of LANDLORD provided for in this Section shall be so executed as to  
26 interfere unreasonably with TENANT's operations hereunder, or impair the security  
27 of any secured creditor of TENANT or be in competition with businesses carried on  
28 by TENANT or its subtenants.



1 B. LANDLORD agrees that any right as set forth by this Section  
2 shall not be exercised unless a prior written notice of sixty (60) days is given to  
3 TENANT. However, if such right must be exercised by reason of emergency  
4 LANDLORD will give TENANT such notice as is possible under the existing  
5 circumstances.

6 C. LANDLORD will cause the surface of the Premises to be  
7 restored to its original condition upon the completion of any construction done  
8 pursuant to this Section.

9 D. LANDLORD reserves the right to enter and have access to the  
10 Premises in order to make, construct or carry out improvements after at least forty-  
11 eight (48) hours prior written notice to TENANT.

12 E. LANDLORD shall exercise its best efforts to avoid  
13 unreasonable interference with TENANT's operations or enjoyment of the Premises  
14 or impairment of the security of any secured creditor in its exercise of rights pursuant  
15 to this Section.

16 F. Should any exercise of the rights described in this Section  
17 result in a significant interference with TENANT's use of the Premises, LANDLORD  
18 shall provide compensation to TENANT by means of a reduction in rent  
19 proportionate to the amount of the interference which shall continue until TENANT  
20 has been compensated in an amount equal to its actual out of pocket costs.

21 23. MAINTENANCE.

22 A. TENANT agrees, at TENANT's sole cost and expense, to repair  
23 and maintain the Premises and all improvements or landscaping existing or  
24 constructed thereon in good order and repair and to keep the Premises and facilities  
25 in a neat, clean, attractive and orderly condition. Failure of TENANT to properly  
26 maintain and repair the Premises shall constitute a breach of the terms of this Lease.

27 B. If, in the opinion of LANDLORD, the Premises are not being  
28 properly maintained, LANDLORD, after giving thirty (30) days written notice to

1 TENANT to remedy discrepancies, cause such repair and maintenance to be made.  
2 The cost of such maintenance or repair shall be added to the rent. If said costs are  
3 not paid promptly by TENANT, this Lease shall be deemed to be in default, and  
4 LANDLORD shall be entitled to all legal remedies provided hereunder.

5 24. UTILITIES. TENANT shall, at its own cost, pay for all electricity, gas,  
6 water, telephone and other utility services furnished to TENANT, including the cost of  
7 installation of necessary connections for all of said services. All utilities added from or after  
8 the Commencement Date shall be underground.

9 25. WASTE DISPOSAL.

10 A. TENANT shall construct all facilities necessary to prevent any  
11 water or industrial waste from the operations of TENANT on the Premises from  
12 flowing into adjacent property. TENANT shall dispose of all sewage and industrial  
13 waste in accordance with all applicable regulations and laws of those governmental  
14 agencies having jurisdiction or authority thereover.

15 B. TENANT shall insure that all solid waste materials are placed  
16 in appropriate covered containers designed for use with the type of waste involved,  
17 which shall remain covered, and that said containers are maintained within  
18 enclosures located on the Premises and designated to keep said trash containers  
19 out of the flow of traffic and obscured from view.

20 26. BILLBOARDS AND SIGNS. TENANT agrees not to construct, install  
21 or maintain, nor to allow upon the Premises any billboards, signs, banners or like displays  
22 without City's reasonable approval, and subject to the limitations of applicable sign and  
23 zoning ordinances.

24 27. AUDIT. LANDLORD and its designated representatives shall be  
25 permitted to examine and review TENANT'S records at all reasonable times, with or without  
26 prior notification, for the purpose of determining compliance with all terms, covenants and  
27 conditions of this Lease. Such examinations and reviews shall be conducted during  
28 TENANT'S regular business hours in a manner causing as little inconvenience as possible

1 to TENANT.

2 28. TERMINATION BY LANDLORD.

3 A. Upon ninety (90) days from and after written notice from  
4 LANDLORD to TENANT, LANDLORD may declare this Lease and all rights and  
5 interests created thereby to be terminated. Should TENANT default in the  
6 performance of any term, covenant, condition or agreement imposed upon or  
7 promised by TENANT to be performed and such default is not corrected within thirty  
8 (30) days from and after written notice to TENANT by LANDLORD, specifying said  
9 default and demanding its immediate correction, LANDLORD may declare this  
10 Lease and all rights and interests created thereby to be terminated. Provided,  
11 however, that where it appears to the satisfaction of LANDLORD that such default  
12 cannot be cured within thirty (30) days by the exercise of due diligence, and where  
13 TENANT has begun and continues a good faith effort to cure such default,  
14 LANDLORD shall grant an extension of time for the curing of said default sufficient  
15 to permit said default to be cured.

16 B. Nothing herein shall be deemed to deprive TENANT of any right  
17 to legal redress which TENANT would otherwise have.

18 C. NON-DISTURBANCE AGREEMENT. LANDLORD agrees that  
19 it will from time to time enter into so called "non-disturbance" agreements with any  
20 subtenant of TENANT which requests such an agreement. Such non-disturbance  
21 agreement shall provide that in the event of early termination of this Lease as a  
22 result of TENANT's default thereunder, LANDLORD shall recognize the sublease  
23 and not disturb the subtenant's possession thereunder only so long as such  
24 subtenant shall not be in default under its sublease, that the subtenant will attorn to  
25 LANDLORD, and that the subtenant will pay rent to LANDLORD from the date of  
26 such attornment, and that LANDLORD shall not be responsible to the subtenant  
27 under the sublease except for obligations accruing subsequent to the date of such  
28 attornment.

1           29. TERMINATION BY TENANT. Upon thirty (30) days from and after  
2 written notice by TENANT to LANDLORD, TENANT may declare this Lease and all rights  
3 and interests created thereby to be terminated.

4           30. LANDLORD'S RIGHT TO RE-ENTER. If any default by TENANT shall  
5 continue uncured following notice of default for the period applicable to the default under  
6 the provisions of this Lease, LANDLORD may, at its option, terminate this Lease by giving  
7 tenant notice of termination. On the expiration of the Lease Term or in the event of a sooner  
8 termination following TENANT'S default, upon giving written notice of termination to  
9 TENANT, TENANT agrees to yield and peaceably deliver possession of the Premises to  
10 LANDLORD on the date of termination of this Lease, without regard to the reason for such  
11 termination. Upon giving written notice of termination to TENANT, LANDLORD shall have  
12 the right to re-enter and take possession of the Premises on the date such termination  
13 becomes effective without further notice of any kind and without institution of summary or  
14 regular legal proceedings. Termination of this Lease and re-entry of the Premises by  
15 LANDLORD shall in no way alter or diminish any obligation of TENANT under the Lease  
16 terms and shall not constitute an acceptance or surrender. TENANT waives any and all  
17 right of redemption under any existing or future law or statute in the event of eviction from  
18 or dispossession of the Premises for any reason or in the event LANDLORD re-enters and  
19 takes possession of the Premises in a lawful manner. If upon service by LANDLORD upon  
20 TENANT of a termination notice, TENANT disputes LANDLORD's right to terminate,  
21 TENANT shall seek its appropriate provisional or preliminary relief by filing an application  
22 for same in the appropriate court, prior to the termination date in the notice of termination,  
23 it being the intention of the parties that any dispute as to the right of LANDLORD to  
24 terminate this Lease, shall thereafter be fully adjudicated in that forum. In the event that  
25 TENANT fails to seek provisional or preliminary relief as provided for herein within the time  
26 period set forth above, TENANT agrees that should the manner or method employed by  
27 LANDLORD in re-entering or taking possession of the Premises give TENANT a cause of  
28 action for damages or in forcible entry and detainer, the total amount of damages to which

1 TENANT shall be entitled in any such action shall be One Dollar (\$1.00). TENANT agrees  
2 that this Clause may be filed in any such action and that when filed, it shall be a stipulation  
3 of TENANT fixing the total damages to which TENANT is entitled in such an action.

4 31. ABANDONMENT. If TENANT shall abandon or be dispossessed by  
5 process of law or otherwise, any personal property belonging to TENANT remaining on the  
6 premises thirty (30) days after such abandonment or dispossession shall be deemed to  
7 have been transferred to LANDLORD, and LANDLORD shall have the right to remove and  
8 to dispose of the same without liability to account therefore to TENANT, or to any person  
9 claiming under TENANT.

10 32. POSSESSORY INTEREST. TENANT recognizes and understands  
11 that this Lease may create a possessory interest subject to property taxation and that  
12 TENANT may be subject to the payment of property taxes on such interest.

13 33. GENERAL CONDITIONS.

14 A. HOLDING OVER BY TENANT. In the event of TENANT  
15 holding over and failing to surrender the Premises at the expiration of the Lease  
16 Term, or any extension thereof, with or without the consent of LANDLORD, said  
17 holdover shall result in the creation of a tenancy from month to month at the monthly  
18 rental in effect for the last month prior to termination hereof, payable on the first day  
19 of each month during said month to month tenancy. Nothing herein shall be  
20 construed to grant TENANT any right to hold over at the expiration of the Lease  
21 Term, or any extension thereof. All other terms and conditions of this Lease shall  
22 remain in full force and effect and be fully applicable to any month to month tenancy  
23 hereunder.

24 B. BANKRUPTCY. Should TENANT make an assignment for  
25 benefit of creditors or should a voluntary or involuntary petition of bankruptcy or for  
26 reorganization or for any arrangements be filed by or against TENANT, or if  
27 TENANT becomes bankrupt or insolvent, or if a receiver be appointed of TENANT's  
28 business or assets (except a receiver appointed at request of LANDLORD), such

1 action shall constitute a breach of this Lease for which LANDLORD, at its option,  
2 may terminate all rights of TENANT or TENANT'S successors in interest under this  
3 Lease except as provided in this Lease; provided, however, that an involuntary  
4 petition for bankruptcy or reorganization which is dismissed within sixty (60) days  
5 after filing without loss to LANDLORD shall not constitute a breach of this Lease.

6 C. DISPOSITION OF PERSONAL PROPERTY ABANDONED BY  
7 TENANT. If TENANT abandons the Premises or is dispossessed thereof by  
8 process of law or otherwise, title to any personal property belonging to TENANT and  
9 left on the Premises thirty (30) days after such abandonment or dispossession shall  
10 be deemed to have been transferred to LANDLORD. LANDLORD shall have the  
11 right to remove and to dispose of such property without liability therefore to TENANT  
12 or to any person claiming under TENANT and shall have no duty or obligation to  
13 account therefore.

14 D. SUCCESSORS IN INTEREST. Unless otherwise provided in  
15 this Lease, the terms, covenants and conditions contained herein shall apply to and  
16 find the heirs, successors, executors, administrators and assigns of all of the parties  
17 hereto, all of whom shall be jointly and severably liable hereunder.

18 E. TAXES AND ASSESSMENTS. TENANT shall pay before  
19 delinquency, all taxes, license fees, assessments and other charges which are  
20 levied and assessed against and upon the Premises, fixtures, equipment, or other  
21 property caused or suffered by TENANT to be placed upon the Premises. TENANT  
22 shall furnish LANDLORD with satisfactory evidence of these payments upon  
23 demand by LANDLORD.

24 F. CIRCUMSTANCES WHICH EXCUSE PERFORMANCE. If  
25 either party hereto shall be delayed or prevented from the performance of any act  
26 required hereunder by reason of acts of God, restrictive governmental laws or  
27 regulations or other cause, without fault and beyond control of the party obligated  
28 other than financial incapacity, performance of such act shall be excused for the

1 period of the delay; and the period for the performance of any such act shall be  
2 extended for a period equivalent to the period of such delay, provided, however,  
3 nothing in this section shall excuse TENANT from the prompt payment of any rental  
4 or other charge required of TENANT hereunder except as may be expressly  
5 provided elsewhere in this Lease.

6 G. AMENDMENTS. This Lease sets forth all of the agreements  
7 and understandings of the parties hereto and is not subject to modification, except  
8 in writing duly executed by the legally authorized representatives of each of the  
9 parties.

10 H. LEASE ORGANIZATION. The various headings in this Lease,  
11 the number of letters thereof, and the organization of this Lease into separate  
12 sections and paragraphs are for purposes of convenience only and shall not be  
13 considered otherwise.

14 I. PARTIAL INVALIDITY. If any term, covenant, condition or  
15 provisions of this Lease is held by a court of competent jurisdiction to be invalid,  
16 void or unenforceable, the remainder of the provisions hereof shall remain in full  
17 force and effect and shall in no way be affected, impaired or invalidated thereby.

18 J. WAIVER OF RIGHTS. The failure of TENANT or LANDLORD  
19 to insist upon strict performance of any of the terms, conditions or covenants herein  
20 shall not be deemed a waiver of any rights or remedies that either may have, and  
21 shall not be deemed a waiver of any subsequent breach or default of the terms,  
22 conditions or covenants herein contained.

23 K. NOTICES. All notices given or to be given by either party to  
24 the other, shall be served by either: (1) enclosing the same in a sealed envelope  
25 addressed to the party intended to receive the same at the address indicated herein  
26 or at such other address as the parties may by written notice hereafter designate,  
27 and deposited in the U. S. Postal Service, with postage prepaid; or (2) personal  
28 service upon LANDLORD or upon an officer or authorized agent of TENANT. Such

OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
333 West Ocean Boulevard, 11th Fl  
Long Beach, CA 90802-4664

1 notices shall be effective on the date of mailing if served by mail or on the date  
2 personal service is effected if such notice is personally served. For the purposes  
3 hereof, notices to LANDLORD and TENANT shall be addressed as follows:

4  
5 LANDLORD: City of Long Beach  
6 333 W. Ocean Blvd., 13th Floor  
7 Long Beach, CA 90802  
8 Attn: City Manager

9  
10 With a copy to: City of Long Beach  
11 333 W. Ocean Blvd., 3rd Floor  
12 Long Beach, CA 90802  
13 Attn: Director, Economic & Property Development

14  
15 TENANT: Downtown Long Beach Development Corporation  
16 100 W. Broadway, Suite 120  
17 Long Beach, CA 90802  
18 Attn: President & CEO

19 L. TIME. Time is of the essence of this Lease.

20 M. APPROVALS AND CONSENTS BY CITY. Wherever in this  
21 Lease consents or approvals by LANDLORD are required, such consents or  
22 approvals shall not unreasonably be withheld or delayed.

23 N. PROHIBITION AGAINST RECORDING LEASE;  
24 RECORDABLE MEMORANDUM OF LEASE. This Lease shall not be recorded.  
25 LANDLORD and TENANT agree that they shall, at any time at the request of the  
26 other, promptly execute a memorandum or short form of this Lease, in recordable  
27 form, setting forth a description of the Premises, the Lease Term, and any other  
28 provisions herein, or the substance thereof, as either party desires, and the cost of  
recording any such memorandum or short form shall be paid by TENANT.

O. NO RELOCATION OR GOODWILL VALUE. TENANT agrees  
that nothing contained in this Lease creates any right in TENANT for any relocation  
assistance or payment pursuant to the provisions of Title 1, Division 7, Chapter 16



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1 of the California Government Code from LANDLORD on the termination or  
2 expiration of this Lease.

3 P. QUIET POSSESSION. LANDLORD covenants and agrees  
4 that TENANT, upon paying the rent and other charges herein provided for and  
5 observing and keeping the covenants, conditions, and terms of this Lease on  
6 TENANT'S part to be kept or performed, shall lawfully and quietly hold, occupy, and  
7 enjoy the Premises during the Lease Term without any hindrance or molestation by  
8 LANDLORD or any person claiming under LANDLORD.

9 IN WITNESS WHEREOF, the parties hereto have caused these presents to  
10 be duly executed with all the formalities required by law on the respective dates set forth  
11 opposite their signatures.

12  
13  
14 MARCH 28, 2016

CITY OF LONG BEACH, a municipal  
corporation  
By [Signature] Assistant City Manager  
City Manager EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

15  
16  
17  
18  
19 MARCH 15, 2016

"LANDLORD"  
DOWNTOWN LONG BEACH  
DEVELOPMENT CORPORATION, a  
California corporation  
By [Signature]  
Name KENNETH KOSIOW  
Title PRESIDENT / CEO

20  
21  
22 This Lease is approved as to form on March 15, 2016.

23  
24 CHARLES PARKIN, City Attorney  
25 By [Signature]  
26 Deputy  
27  
28

EXHIBIT A

E OCEAN BLVD

PINE AVE



**SE Corner of Pine Ave E Ocean Blvd**  
**8240.3 sq ft - 0.19 Acres**