

Robert E. Shannon
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333 West Ocean Boulevard
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LEASE

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3 THIS LEASE is made and entered, in duplicate, as of April 17, 2007 for
4 reference purposes only, pursuant to a minute order adopted by the City Council of the City
5 of Long Beach at its meeting on April 17, 2007, by and between the CITY OF LONG
6 BEACH, a municipal corporation ("Lessor"), and the ASSOCIATION FOR RETARDED
7 CITIZENS-LONG BEACH, INC., a California nonprofit corporation, whose address is 4519
8 East Stearns, Long Beach, California 90815 ("Lessee").

9 WHEREAS, Lessee provides recreational and educational programs for
10 mentally retarded persons in the Long Beach area; and

11 WHEREAS, Lessee requires a facility at and from which these programs can
12 be offered; and

13 WHEREAS, Lessor desires to provide such facility;

14 NOW, THEREFORE, Lessor and Lessee, in consideration of the mutual
15 terms, covenants, and conditions herein, agree as follows:

16 1. Leased Premises. Lessor hereby leases to Lessee and Lessee hereby
17 accepts "as is" and leases from Lessor, approximately 3.93 acres of land commonly known
18 as 4519 E. Stearns in the City of Long Beach, CA (Premises) as shown on attachment 1.
19 Lessee acknowledges that Lessor has not made any warranty, express or implied,
20 regarding the condition of the Premises.

21 2. Term. The term of this Lease shall commence at 12:01 a.m. on January
22 1, 2006, and shall terminate at midnight on December 31, 2011, unless sooner terminated
23 as provided herein. The Lease may be extended for two (2) additional periods of 5 years
24 at the sole discretion of the City Manager or its designee. This Lease shall terminate
25 automatically on either voluntary or involuntary dissolution of Lessee or on the filing of any
26 proceeding in bankruptcy by Lessee or on its behalf.

27 3. Rent. Lessee shall pay to Lessor as annual rent: (i) consideration in the
28 form of valuable community services and improvements, and (ii) the sum of One Dollar

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1 (\$1.00), in advance, without deduction, set-off, notice, or demand, on the first day of
2 January of each year during the term of this Lease.

3 4. Use. The Premises shall be used solely for the operation and
4 maintenance of a facility providing training for mentally retarded persons and uses
5 connected therewith. Lessee shall not commit or allow to be committed any waste on the
6 Premises.

7 5. Subsurface Use. The parties agree that this Lease covers only the
8 surface of the Premises and only so much of the subsurface as is reasonably necessary
9 for Lessee's use of the Premises as permitted in this Lease.

10 6. Improvements. A. Prior to execution of this Lease and in accordance with
11 the provisions of the previous leases between the parties, Lessee constructed
12 improvements on the Premises. Lessee shall not erect, construct or maintain any other
13 improvements on the Premises without the prior written approval of the City Manager.
14 Lessor shall not be obligated to make any improvements to the Premises.

15 B. Prior to commencement of approved work on the Premises which will cost
16 in excess of Fifty Thousand Dollars (\$50,000), Lessee shall file or caused to be filed with
17 Lessor a Performance Bond in the amount of one hundred percent of the estimated cost
18 of work conditioned on the faithful performance of the work, and a Payment Bond in the
19 amount of one hundred percent of the estimated cost of work conditioned on payment of
20 all claimants for labor and materials used or required in the performance of work, executed
21 by Lessee or Lessee's contractor, as Principal, and by a surety authorized to do business
22 in California as Surety. Said bonds shall name Lessor as a joint obligee with Lessee.
23 Nothing contained herein shall be deemed to release Lessee from the duty to keep the
24 Premises free of labor and materials liens. The Performance Bond shall remain in effect
25 until completion of the work to the reasonable satisfaction of Lessor. The Payment Bond
26 shall remain in effect until the expiration of the statutory period for filing liens or until the
27 Premises are free from the effect of such liens, if same have been filed. Lessee shall notify
28 Lessor twenty (20) days prior to commencement of work to enable Lessor to post and

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1 record notices of nonresponsibility.

2 C. Lessee shall keep the Premises free of any mechanic's, materialman's,
3 or similar lien for any work done, labor performed or material furnished by or for Lessee,
4 and Lessee shall defend, indemnify and hold Lessor, its officials, employees, and agents
5 harmless from and against all claims, liens, demands, causes of action, liability, loss, cost
6 and expense, including reasonable attorney's fees, of whatsoever kind or nature for any
7 such work done, labor performed or materials furnished on the Premises or to the Lessee.
8 In addition, if a lien is imposed on the Premises, Lessee shall notify Lessor, record a valid
9 release of lien within thirty (30) days after the date of filing of said lien, or deposit with
10 Lessor cash in an amount equal to 125% of the amount of said lien and authorize payment
11 to the extent of said deposit to any subsequent judgment holder with regard to said lien.

12 D. On completion of work on the Premises, Lessee shall file a Notice of
13 *Completion in the Official Records of the County Recorder of Los Angeles County.*

14 E. Upon expiration or sooner termination of this Lease, all improvements to
15 the Premises shall become the property of Lessor at no cost to Lessor if Lessor does not
16 require Lessee to remove said improvements. Lessor reserves the right to require removal
17 and, if Lessor requires Lessee to remove said improvements, then Lessee shall do so at
18 no cost to Lessor within sixty (60) days following the date of expiration or termination of this
19 Lease. Lessee shall execute any documents requested by Lessor to evidence transfer of
20 title to the improvements.

21 7. Maintenance. Lessee shall, at its sole cost and expense and to the
22 satisfaction of Lessor, maintain the Premises and all improvements thereon in good
23 condition, free from rodents, noxious plants and weeds, in substantial repair, in a neat, safe
24 and sanitary condition. Lessee's duty to maintain shall include the duty to repair and
25 replace the improvements as needed, to plant and maintain landscaping along the fences
26 bordering Los Altos Park and Stearns Street, to care for all trees on the Premises, and to
27 maintain all fences on or along the boundary of the Premises. Lessee shall provide and
28 use containers for trash and garbage that have been approved by Lessor and shall keep

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1 the Premises free of trash, garbage and litter. If Lessee fails to maintain the Premises as
2 required herein, Lessor may notify Lessee of said failure. If Lessee fails to correct the
3 situation within thirty (30) days after notice or such longer period as may be established by
4 Lessor, Lessor may make the necessary correction and the cost thereof, including but not
5 limited to the cost of labor, materials, equipment and administration, shall be additional rent
6 and shall be paid by Lessee within ten (10) days after receipt of a statement of said cost
7 from Lessor. Lessee hereby waives to the extent permitted by law any right to make
8 repairs at the expense of Lessor.

9 8. Utilities. Lessee shall arrange and pay for the installation and use of all
10 utilities of whatsoever kind to the Premises, including but not limited to all water, sewer,
11 refuse, recycling, gas, electricity and telephone. Lessor will not provide maintenance of
12 any utilities except to the extent that Lessor, in its municipal capacity, would provide
13 maintenance of utilities to any other utility customer of Lessor.

14 9. Taxes. Lessee acknowledges that this Lease may create a possessory
15 interest subject to property taxation and that Lessee may be liable for payment of taxes
16 levied on such interest. Lessee shall promptly pay, prior to delinquency, all taxes,
17 assessments, and other governmental fees that may be levied against the Premises, and
18 any improvements or personal property located on the Premises, and on any possessory
19 interest created by this Lease, and provide proof of payment to Lessor on demand.

20 10. Insurance. Concurrent with the execution of this Lease, Lessee shall
21 procure and maintain, at its sole cost, during the term of this Lease from insurance
22 companies admitted to write insurance in California or from nonadmitted insurers that are
23 on California's List of Eligible Surplus Lines Insurers ("LESLI") and that have a minimum
24 rating of or equivalent to A:VIII by A.M. Best Company:

25 a. Commercial general liability insurance, including liquor liability
26 (equivalent in coverage to Insurance Services Office, Inc. ["ISO"] form CG 00
27 01 11 85 or 00 01 11 88), in an amount not less than \$1,000,000 per
28 occurrence and \$2,000,000 general aggregate. Such insurance shall include

1 products and completed operations (as may be applicable to Lessee's use
2 of the Premises), environmental impairment liability, underground storage
3 tank liability, sexual molestation liability, garagekeepers legal liability, and fire
4 legal liability, and shall not limit or exclude coverage for contractual liability,
5 independent contractors liability, or cross liability protection. This insurance
6 shall be endorsed to include Lessor, its officials, employees, and agents as
7 additional insureds (by an endorsement equivalent in coverage to ISO form
8 CG 20 26 11 85) and to waive the insurers' rights of subrogation against
9 Lessor, its officials, employees and agents. The insurance shall contain a
10 cross liability endorsement.

11 b. "All Risk" property insurance in an amount sufficient to cover the
12 full replacement value of Lessee's personal property and equipment on the
13 Premises, whether owned, leased, or in the care, custody or control of
14 Lessee.

15 c. "All Risk" property insurance, including debris removal and builders
16 risk coverage during the course of any construction on the Premises, in an
17 amount sufficient to cover the full replacement value of equipment and
18 structural improvements constructed on the Premises. Lessor shall be
19 named as an insured under a standard loss payable endorsement.

20 d. Workers' compensation insurance as required by the State of
21 California and employer's liability insurance with minimum limits of
22 \$1,000,000 per accident. The policy shall be endorsed by the insurer to
23 waive the insurer's rights of subrogation against Lessor, its officials,
24 employees and agents.

25 e. Automobile liability insurance (equivalent in coverage to ISO form
26 CA 00 01 06 92) in an amount not less than \$500,000 combined single limit
27 per accident for bodily injury and property damage covering Auto Symbol 1
28 ("Any Auto").

1 f. "All Risk" property insurance including debris removal and boiler
2 and machinery coverage in an amount not less than \$2,000,000 to cover the
3 full replacement value of all buildings and structural improvements on the
4 Premises. Lessor shall be a named insured under this coverage.

5 On execution of this Lease, Lessee shall deliver to Lessor certificates of
6 insurance with endorsements evidencing the coverage required by this Lease. The
7 certificates and endorsements shall contain the original signatures of persons authorized
8 by that insurer to bind coverage on its behalf. Lessor reserves the right to require complete
9 certified copies of all policies at any time.

10 All insurance required herein shall be separately endorsed to require at least
11 30 days prior written notice of cancellation [or 10 days written notice if cancellation is due
12 to nonpayment of premiums], nonrenewal, or reduction in coverage or limits (other than
13 reduction of limits due to claims paid) and to provide that coverage shall be primary and
14 not contributing to any other insurance or self-insurance maintained by Lessor, its officials,
15 employees, and agents.

16 Any self-insurance program, self-insured retention or deductible must be
17 approved separately in writing by Lessor's Risk Manager, or designee, and shall protect
18 Lessor, its officials, employees, and agents in the same manner and to the same extent
19 as they would have been protected had the policies not contained such retention or
20 deductible provisions. With respect to damage to property, Lessor and Lessee hereby
21 waive all rights of subrogation, one against the other, but only to the extent that collectible
22 commercial insurance is available for said damage.

23 The procuring or existence of insurance hereunder shall not be construed as
24 or deemed a limitation on Lessee's liability or as performance on Lessee's part of the
25 indemnity provisions of this Lease. Lessor makes no representations that the limits or
26 forms of coverage of insurance specified herein are adequate to cover Lessee's liability or
27 obligations hereunder or otherwise.

28 Any modification or waiver of these insurance requirements shall only be

1 made with the written approval of the Lessor's Risk Manager or designee.

2 11. Hazardous Materials. No goods, merchandise, supplies, personal
3 property, materials, or items of any kind shall be kept, stored, or sold in or on the Premises
4 which are in any way explosive or hazardous. Lessee shall comply with California Health
5 and Safety Code Section 25359.7 or its successor statute regarding notice to Lessor on
6 discovery by Lessee of the presence or suspected presence of any hazardous substance
7 on the Premises. "Hazardous substance" means any hazardous or toxic substance,
8 material or waste which is or becomes regulated by the City, the County of Los Angeles,
9 the State of California or the United States government. At the expiration or sooner
10 termination of this Lease, Lessee shall leave the Premises free of any explosive or
11 hazardous substance brought or kept on the Premises.

12 12. Default. The occurrence of any of the following acts shall constitute a
13 default by Lessee:

- 14 a. Failure to pay rent when due after three (3) days notice;
- 15 b. Abandonment and vacation of the Premises, provided that failure to
16 occupy or operate the Premises for ten (10) consecutive days shall be deemed an
17 abandonment and vacation, except for closure due to force majeure as defined herein;
- 18 c. Failure to perform any of the terms, covenants, or conditions of this Lease
19 if said failure is not cured within thirty (30) days after notice of said failure. If the default
20 cannot reasonably be cured in thirty (30) days, Lessee shall not be in default if Lessee
21 begins to cure within the thirty-day period and diligently proceeds to cure to completion.
22 Notice shall describe the default. No such notice shall be deemed a forfeiture or
23 termination of the Lease unless Lessor so elects in the notice;
- 24 d. Any attempted assignment, transfer, or sublease except as approved by
25 Lessor pursuant to Section 19 or Section 43 hereof;
- 26 e. Failure to pay when due all fees and charges for any municipal service or
27 commodity provided by Lessor in its municipal capacity, including but not limited to water,
28 sewer, gas, refuse collection, and recycling.

1 13. Right of Entry. Lessor shall have the right of access to the Premises at
2 all reasonable times to inspect the Premises, to determine whether or not Lessee is
3 complying with the terms, covenants, and conditions of this Lease, to serve, post, or keep
4 posted any notice, and for any other legal purpose. Lessor shall also have the right to
5 enter at any time in case of emergencies and, if Lessee is not present to give access, then
6 Lessor may forcibly enter the Premises and any such entry shall not in any circumstances
7 be construed or deemed a forcible entry or unlawful entry of the Premises. Lessee shall
8 not be entitled to compensation of any kind or abatement of rent for any inconvenience,
9 nuisance, or discomfort occasioned by Lessor's entry whether or not such entry is in the
10 case of emergency.

11 14. Restoration. Lessee shall promptly notify Lessor of damage or
12 destruction to the Premises and the date of same. Lessee shall promptly make proof of
13 loss and proceed to collect all valid claims that Lessee may have against insurers or others
14 based on such damage or destruction. All amounts recovered as a result of said claims
15 shall be used first for the restoration of the Premises, which Lessee shall promptly begin
16 and diligently pursue so that the Premises are restored to substantially the same condition
17 as they were immediately before such damage or destruction. If existing laws do not
18 permit restoration, then Lessee may terminate this Lease by notice to Lessor.

19 15. Condemnation. If the whole or any part of the Premises shall be taken
20 by any public or quasi-public authority under the power of eminent domain, then this Lease
21 shall terminate as to the part taken or as to the whole, if taken, as of the day possession
22 of that part or the whole is required for any public purpose, and on or before the day of the
23 taking Lessee shall elect in writing either to terminate this Lease or to continue in
24 possession of the remainder of the Premises, if any. All damages awarded for such taking
25 shall belong to Lessor, whether such damages be awarded as compensation for diminution
26 in value to the leasehold or to the fee provided, however, that Lessor shall not be entitled
27 to any portion of the award made for loss of Lessee's business.

28 16. Nondiscrimination. Subject to applicable laws, rules and regulations,

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1 Lessee shall not discriminate against any person or group on the basis of age, sex, sexual
2 orientation, AIDS, AIDS related condition, HIV status, marital status, race, religion, creed,
3 ancestry, national origin, disability, handicap, or veteran status with respect to the use of
4 the Premises.

5 In the performance of this Lease, Lessee shall not discriminate against any
6 employee or applicant for employment on the basis of race, color, sex, religion, ancestry
7 or national origin. Lessee shall take affirmative action to ensure that applicants are
8 employed and that employees are treated without regard to these bases. Such action shall
9 include but not be limited to employment, upgrading, demotion, transfer, recruitment,
10 recruitment advertising, layoff, termination, rates of pay or other forms of compensation,
11 and selection for training including apprenticeship. Lessee shall post in conspicuous
12 places notices stating this provision.

13 17. Indemnification. Lessee shall defend, indemnify and hold harmless
14 Lessor, its officials, employees and agents from all claims, demands, damages, causes of
15 action, losses, liability, costs or expenses, including reasonable attorney's fees, of any kind
16 or nature whatsoever (collectively referred to in this Lease as a "claim" or "claims") which
17 Lessor, its officials, employees, and agents may incur for injury to or death of persons or
18 damage to or loss of property occurring in, on, or about the Premises arising from the
19 condition of the Premises, the alleged acts or omissions of Lessee, Lessee's employees,
20 or agents, the occupancy, use, or misuse of the Premises by Lessee, Lessee's employees,
21 agents, approved subtenants, licensees, patrons, or visitors, or any breach of this Lease.

22 18. Waiver of Claims. Lessor shall not be liable for and, to the extent
23 permitted by law, Lessee hereby waives all claims against Lessor, its officials, employees,
24 and agents for loss, theft, or damage to equipment, furniture, trade fixtures, records,
25 supplies, and any other property, and landscaping and hardscaping on or about the
26 Premises, for loss or damage to Lessee's business, or for injury to or death of persons on
27 or about the Premises from any cause except to the extent caused by the gross negligence
28 or willful misconduct of Lessor, its officials, employees, or agents.

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1 19. Assignment. Notwithstanding anything to the contrary in Section 43,
2 Lessee shall not assign or transfer this Lease or any interest herein, nor sublease the
3 Premises or any part thereof (collectively referred to in this Lease as "Transfer") without
4 the prior written approval of Lessor which shall not be unreasonably withheld. To obtain
5 Lessor's approval to a proposed Transfer, Lessee shall meet the following requirements:

6 a. Lessee shall notify Lessor at least sixty (60) days prior to the date
7 when Lessee desires the Transfer to take effect ("Transfer Date") which
8 notice shall contain the name, address and telephone number of the
9 proposed transferee; the nature of the proposed transferee's business and
10 details of its business experience; the terms of the proposed Transfer,
11 including a copy of any agreement between Lessee and the proposed
12 transferee; a statement whether the proposed transferee is an individual,
13 partnership, or corporation and, if a partnership, the names and addresses
14 of the general partners and, if a corporation, the names and addresses of the
15 officers and directors and the State of incorporation; and the Transfer Date.

16 b. Lessee shall demonstrate that the proposed transferee is
17 financially responsible and experienced in operating a facility similar to that
18 permitted hereunder.

19 c. Lessor and Lessee agree (by way of example and without
20 limitation) that it shall be reasonable for Lessor to withhold its consent if any
21 of the following exist or may exist: (i) the proposed transferee's use of the
22 Premises conflicts with or is inconsistent with the use of the Premises stated
23 in Section 4 hereof or with the deed restrictions on the Premises; (ii) in
24 Lessor's reasonable business judgment, the proposed transferee lacks
25 sufficient experience to operate a facility similar to Lessee's on the Premises;
26 or (iii) Lessee is in default under this Lease.

27 d. Lessor shall notify Lessee at least fifteen (15) days prior to the
28 Transfer Date whether Lessor approves or disapproves the proposed

1 Transfer.

2 e. Any approved transferee shall assume and be deemed to have
3 assumed this Lease and shall be jointly and severally liable with Lessee for
4 the payment of rent and performance of the terms, covenants, and
5 conditions of this Lease. No approved Transfer shall be binding on Lessor
6 until such transferee shall deliver to Lessor a counterpart of such Transfer
7 which contains a covenant of assumption by transferee but the failure or
8 refusal to execute or deliver such instrument shall not release transferee
9 from its liability as stated herein.

10 f. The approval of Lessor to any Transfer shall not relieve Lessee of
11 the obligation to obtain such consent to any further Transfer. Also, neither
12 this Lease nor any interest herein shall be subject to Transfer by attachment,
13 execution, proceedings in insolvency or bankruptcy (either voluntary or
14 involuntary), or receivership. In the event of Transfer by whatever means
15 without the prior written approval of Lessor, such Transfer shall be voidable
16 at Lessor's election and, if avoided by Lessor, shall convey no interest.

17 20. Relocation. Lessee agrees that nothing contained in this Lease shall
18 create any right in Lessee for any relocation assistance or payment pursuant to the
19 provisions of Title 1, Division 7, Chapter 16 of the California Government Code from Lessor
20 on the expiration or termination of this Lease.

21 21. Notice. Any notice required hereunder shall be in writing and personally
22 delivered or deposited in the U. S. Postal Service, first class, postage prepaid to Lessor
23 at 333 West Ocean Boulevard, Long Beach, California 90802 Attn: City Manager and to
24 Lessee at the address first stated above. Notice shall be deemed effective on the date of
25 mailing or on the date personal delivery is made, whichever first occurs. Change of
26 address shall be given as provided herein for notice.

27 22. Waiver of Rights. The failure or delay of Lessor to insist on strict
28 enforcement of any term, covenant, or condition herein shall not be deemed a waiver of

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1 any right or remedy that Lessor may have and shall not be deemed a waiver of any
2 subsequent or other breach of any term, covenant, or condition herein. The receipt of and
3 acceptance by Lessor of delinquent rent shall not constitute a waiver of any other default
4 but shall only constitute a waiver of timely payment of rent. Any waiver by Lessor of any
5 default or breach shall be in writing. Lessor's consent to or approval of any act by Lessee
6 requiring Lessor's consent or approval shall not be deemed to waive Lessor's consent or
7 approval of any subsequent act of Lessee.

8 23. Compliance with Laws. Lessee, at its sole cost, shall comply with all
9 laws, ordinances, rules and regulations of and obtain such permits, licenses, and
10 certificates required by all federal, state and local governmental authorities having
11 jurisdiction over the Premises and business thereon.

12 24. Successors in Interest. This Lease shall be binding on and inure to the
13 benefit of the parties and their successors, heirs, personal representatives, transferees,
14 and assignees except those which are not approved as provided in Section 19 and Section
15 43 hereof, and all of the parties hereto shall be jointly and severally liable hereunder.

16 25. Force Majeure. Except as to the payment of rent, in any case where
17 either party is required to do any act, the inability of that party to perform or delay in
18 performance of that act caused by or resulting from fire, flood, earthquake, explosion, acts
19 of God, war, strikes, lockouts, or any other cause whether similar or dissimilar to the
20 foregoing which is beyond the control of that party and not due to that party's fault or
21 neglect shall be excused and such failure to perform or such delay in performance shall
22 not be a default or breach hereunder. Financial inability to perform shall not be considered
23 cause beyond the reasonable control of the party.

24 26. Partial Invalidity. If any term, covenant, or condition of this Lease is held
25 by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of
26 the provisions hereof shall remain in full force and effect and shall in no way be affected,
27 impaired or invalidated thereby.

28 27. Time. Time is of the essence in this Lease, and every provision hereof.

1 28. Governing Law. This Lease shall be governed by and construed in
2 accordance with the laws of the State of California.

3 29. Integration and Amendments. This Lease represents and constitutes the
4 entire understanding between the parties and supersedes all other agreements and
5 communications between the parties, oral or written, concerning the subject matter herein.
6 This Lease shall not be modified except in writing signed by the parties and referring to this
7 Lease.

8 30. Joint Effort. This Lease is created as a joint effort between the parties
9 and fully negotiated as to its terms and conditions and nothing contained herein shall be
10 construed against either party as the drafter. The relationship of the parties is that of
11 Lessor and Lessee, and the parties agree that nothing contained in this Lease shall be
12 deemed or construed as creating a partnership, joint venture, principal-agent relationship,
13 association, or employer-employee relationship between them or between Lessor and any
14 third person or entity.

15 31. Abandoned Property. If Lessee abandons the Premises or is
16 dispossessed by operation of law or otherwise, title to any personal property belonging to
17 Lessee and left on the Premises forty-five (45) days after such abandonment or
18 dispossession shall be deemed to have been transferred to Lessor. Lessor shall thereafter
19 have the right to remove and to dispose of said property without liability to Lessee or to any
20 person claiming under Lessee, and shall have no duty to account therefor. Lessee hereby
21 names Lessor's City Manager as Lessee's attorney in fact to execute and deliver such
22 documents or instruments as may be reasonably required to dispose of such abandoned
23 property and transfer title thereto.

24 32. No Recordation. This Lease shall not be recorded.

25 33. Attorney's Fees. In any action or proceeding relating to this Lease, the
26 prevailing party shall be entitled to its costs, including a reasonable attorney's fee.

27 34. Captions and Organization. The various headings and numbers herein
28 and the grouping of the provisions of this Lease into separate sections, paragraphs and

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1 clauses are for convenience only and shall not be considered a part hereof, and shall have
2 no effect on the construction or interpretation of this Lease.

3 35. Signs. Lessee shall not place, affix, maintain, or permit any sign,
4 advertisement, name, insignia, logo, descriptive material, or similar item (collectively "sign")
5 on the Premises without the prior written approval of the City Manager. Any sign so
6 approved shall be maintained by Lessee, at its, cost, in good condition. Any sign not
7 approved by Lessor may be removed by Lessor at Lessee's cost, which cost shall become
8 additional rent.

9 36. Drainage. Lessee shall, at its sole cost and expense, keep and maintain
10 all natural and artificial drainage channels now or hereafter constructed on the Premises
11 free and unobstructed. Lessee shall construct such works as necessary to prevent any
12 water or industrial waste resulting from Lessee's operations on the Premises from flowing,
13 escaping or seeping into said natural or artificial channels. Lessee shall dispose of all
14 sewage and industrial waste in a manner satisfactory to Lessor and to any agency having
15 jurisdiction thereof.

16 37. Americans with Disabilities Act of 1990. Lessee shall have and be
17 allocated the sole responsibility to comply with the Americans with Disabilities Act of 1990
18 ("ADA") with respect to the Premises and Lessee shall defend, indemnify and hold Lessor,
19 its officials and employees harmless from and against any and all claims of failure to
20 comply with or violation of the ADA.

21 38. Holding Over. If Lessee holds over and remains in possession of the
22 Premises or any part thereof after the expiration of this Lease with the express or implied
23 consent of Lessor, then such holding over shall be construed as a tenancy from month to
24 month at a monthly rent of \$100 per month and otherwise on the same terms, covenants,
25 and conditions contained in this Lease.

26 39. Restrictions. Lessee shall not drill, cause to be drilled, or allow to be
27 drilled (except by the Long Beach Water Department) any wells on the Premises. Lessee
28 shall not grant any franchises, easements, rights of way, or permits in, on or across the

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1 Premises.

2 40. Reservation by Lessor for the Long Beach Water Department. A.
3 Lessor for and on behalf of the Long Beach Water Department reserves the right to
4 operate, construct, maintain, repair, replace and remove storm drains, water, sewer, pole,
5 oil and gas pipe lines; to drill, maintain, and operate water, oil and gas wells; to construct,
6 maintain and operate buildings, pumping plants, machinery, reservoirs, tanks and other
7 structures and equipment necessary and convenient therefor, and to do all things
8 necessary or convenient in connection therewith on the Premises; to grant franchises,
9 easements, permits and leases for said purposes; and the right of ingress and egress for
10 said purposes; provided, however, that all of these reserved rights may be exercised over,
11 on and through only those portions of the Premises not occupied by any building of
12 Lessee.

13 B. If Lessor exercises any of these reserved rights, Lessee may terminate
14 this Lease by giving to Lessor ten (10) days' prior notice of its intention to do so.

15 C. Lessee shall not drill any wells on the Premises, nor grant any franchises,
16 easements, or rights of way in, on, across, through or under the Premises.

17 41. Termination by Lessee. If during the term of this Lease, any law, rule,
18 or regulation becomes effective the provisions of which so restrict the uses to which the
19 Premises can be put that Lessee is unable to use the Premises in the manner
20 contemplated herein, then Lessee may terminate this Lease by giving thirty (30) days' prior
21 notice of same to Lessor.

22 42. Surrender of Premises. On the expiration or sooner termination of this
23 Lease Lessee shall peaceably deliver to Lessor possession of the Premises in substantially
24 the same condition that existed immediately prior to the date of execution hereof,
25 reasonable wear and tear excepted, and in accordance with Section 6(E) of this Lease.

26 43. Reservation of Rights to Wireless Communication. Notwithstanding
27 anything to the contrary in Section 19, Lessor reserves the right to reject any sub-lease or
28 Transfer of the Premises by Lessee to any person or entity desiring to install, erect,

1 maintain, or operate any form of wireless communication on the Premises. In order to seek
2 approval from Lessor of such sublease or Transfer, Lessee shall: (i) submit a copy of the
3 proposed sublease or Transfer documents or a description of the terms of the sublease or
4 Transfer (only if no copy of the proposed sublease or Transfer documents is available) to
5 Lessor at least sixty (60) days before the proposed effective date of the sublease or
6 Transfer, (ii) include in the sublease or Transfer an agreement on the part of the sublessee
7 or transferee that he/she/it will co-locate other wireless communication facilities on
8 sublessee's or transferee's facility; (iii) incorporate by reference in the sublease or Transfer
9 documents any conditions imposed by Lessor in its municipal capacity including but not
10 limited to height restrictions, design restrictions and the like; and (iv) pay to Lessor fifty
11 percent (50%) of the rent or other payment, however designated, received by Lessee with
12 respect to the sublease or Transfer. Lessor may require that Lessee modify the sublease
13 or Transfer documents before Lessor will grant its approval.

14 44. No Brokers. Lessee covenants and represents that Lessee has had no
15 contacts or dealings regarding this Lease through a broker or agent or any other person
16 or entity who can claim a right to a commission or fee. Lessee shall defend, indemnify and
17 hold Lessor harmless from all claims arising from a commission or fee related to this
18 Lease.

19 45. Quiet Enjoyment. If Lessee performs the terms, covenants, and
20 conditions of this Lease, then Lessee may peaceably and quietly hold and enjoy the
21 Premises.

22 46. Remedies. Upon the occurrence of any default, in addition to any other
23 rights or remedies of Lessor hereunder, by law, or in equity, Lessor shall have the following
24 rights and remedies:

25 (a) Lessor may terminate this Lease by giving to Lessee notice of termination,
26 and Lessee shall immediately surrender possession of the Premises in the condition
27 described elsewhere in this Lease. Termination shall not relieve Lessee from the payment
28 of any sum due to Lessor or any claim for damages by Lessor. Lessor shall be entitled to

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City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 recover from Lessee all damages incurred by Lessee including but not limited to the cost
2 of recovering possession, expenses of reletting including renovation and alteration,
3 reasonable attorney's fees, and real estate commissions paid.

4 (b) Without terminating this Lease, Lessor may re-enter and relet the
5 Premises or any part thereof for the account and in the name of Lessee or otherwise. Any
6 reletting may be for the remainder of the term or for a longer or shorter period. Lessor may
7 execute leases under this provision either in its name or in Lessee's name, and shall be
8 entitled to the rent from the Premises. Lessee hereby appoints Lessor its attorney-in-fact
9 for the purpose of such reletting. Lessee shall nevertheless pay to Lessor when due all
10 sums required hereunder, plus Lessor's expenses, including but not limited to remodeling,
11 commissions, and advertising, less the sum received by Lessor from any reletting. No act
12 by Lessor under this provision shall constitute termination of this Lease unless and until
13 Lessor gives to Lessee notice of termination.

14 These remedies are not exclusive but cumulative to other remedies provided
15 by law or in equity in the event of Lessee's default, and the exercise by Lessor of one or
16 more rights and remedies shall not preclude Lessor's exercise of additional or different
17 remedies for the same or any other default by Lessee.

18 47. Miscellaneous. Each provision of this Lease shall be deemed both a
19 covenant and a condition. All rights and remedies of Lessor under this Lease shall be
20 cumulative and the exercise of one shall not exclude any other.

21 IN WITNESS WHEREOF, the parties have executed this Lease with all

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1 formalities required by law as of the date first above written.

2 ASSOCIATION FOR RETARDED CITIZENS-LONG
3 BEACH, INC., a California nonprofit corporation

4 APRIL 23, 2007

By Susan Feinberg
President

6 APRIL 23, 2007

By Jeri Mentha
Secretary

7 "Lessee"

8 THE CITY OF LONG BEACH, a municipal corporation

10 7/19, 2007

By [Signature]
City Manager

11 "Lessor"

13 This Lease is approved as to form on July 19, 2007.

14 ROBERT E. SHANNON, City Attorney

15 By Doug J. Anderson
Deputy

12 Robert E. Shannon
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ARC - Long Beach Lease Area

