

Robert E. Shannon
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333 West Ocean Boulevard
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1 FIRST AMENDMENT TO LEASE NO. 26484

2 **26484**

3 THIS FIRST AMENDMENT TO LEASE NO. 26484 is made and entered, in
4 duplicate, as of January 3, 2007, for reference purposes only, pursuant to a minute
5 order adopted by the City Council of the City of Long Beach at its meeting on December
6 12, 2006, by and between the CITY OF LONG BEACH, a California municipal corporation
7 ("Lessor"), and 444 W. Ocean LLC, an Arizona limited liability company ("Lessee").

8 WHEREAS, Lessor and Lessee entered into that certain Lease (including all
9 addenda and amendments thereto, the "Lease") dated for reference purposes as of August
10 17, 1999; and

11 WHEREAS, the parties desire to amend certain terms of the Lease;

12 NOW, THEREFORE, in consideration of the mutual terms, covenants and
13 conditions contained in the Lease and herein, the parties agree as follows:

- 14 1. Section 1 of the Lease is amended so that the number "70" is replaced
15 with the number "60".
16 2. Section 2 of the Lease is hereby amended and restated in its entirety
17 to read as follows:

18 "The term of this Lease shall commence on the execution of this Lease by
19 Landlord, and shall terminate on June 30, 2054. Landlord reserves the right to
20 terminate or modify this Lease on ninety (90) days written notice if the Property, or
21 any portion thereof, is needed to construct or carry out any repairs or maintenance
22 to, or the reconstruction of, the adjacent and overhead bridge and roadway owned
23 by Landlord (collectively, the "Bridge"). In the alternative, Landlord shall be granted
24 right of access and use of all or any portion of the Property as reasonably necessary
25 for Landlord to conduct repairs, maintenance or reconstruction of the Bridge.
26 Tenant acknowledges that Landlord's rights under this Section may deny Tenant
27 use of some or all of the Property. Rent due under this Lease shall be
28 proportionately abated during such periods when Tenant is unable to use the

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1 Property, or some portion thereof, due to Landlord's exercise of its rights under this
2 Section. Tenant desires to construct a six-story 300-car parking structure (the
3 "Parking Structure") on the certain property owned in fee by Tenant (legally
4 described as Lot 3 of Tract No. 60109 as shown on a map thereof filed in book
5 1296, Pages 84 through 86 of Maps, in the Office of the County Recorder of Los
6 Angeles County, California) which is adjacent to the Property. After construction of
7 the Parking Structure by Tenant is complete, any structure thereafter constructed
8 by Landlord on the Property during the term of this Lease shall not encroach upon
9 the 20-foot wide strip running along the eastern edge of the Property as more
10 particularly shown in Exhibit "B" attached hereto. Notwithstanding the foregoing,
11 nothing contained herein will preclude Landlord from maintaining, reconstructing
12 and/or retrofitting the Bridge. If Landlord's repairs, maintenance or reconstruction
13 of the Bridge causes the Parking Structure to be non-compliant with any
14 requirements imposed by applicable codes, including without limitation fire and
15 building codes, then Tenant shall, at its sole cost and without rent offset, modify the
16 Parking Structure in order to comply with the then-current code requirements."

17 3. Subsection 3.2 of the Lease is amended and restated in its entirety
18 to read as follows:

19 "For every month of the term of this Lease after March 2012 rent shall be
20 adjusted as follows. In order to adjust the monthly Rent, the fair market land value
21 of the Property and the prevailing rate of return shall be determined as of October
22 1 of the year immediately preceding the year in which the rent adjustment is to
23 become effective. Adjusted Rent payment shall take effect on the following dates:
24 April 1, 2012; April 1, 2017; April 1, 2022; April 1, 2027; April 1, 2032; April 1, 2037;
25 April 1, 2042; April 1, 2047; and April 1, 2052."

26 4. The first clause of the first sentence of subsection 3.2.1 of the Lease
27 which reads "With respect to April 1, 2012 adjustment date", shall be amended to read
28 "With respect to any April 1 adjustment date".

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1 5. Exhibit "A" attached to the Lease shall be replaced with Exhibit "A"
2 attached to this Amendment.

3 6. Exhibit "B" attached to this Amendment is hereby attached to the
4 Lease as Exhibit "B".

5 7. Except as expressly amended herein, all terms, covenants and
6 conditions in the Lease are ratified and confirmed and shall remain in full force and effect.
7 Capitalized terms used herein without definition shall have the meanings ascribed to them
8 in the Lease.

9 IN WITNESS WHEREOF, the parties have caused this Amendment to be
10 duly executed with all formalities required by law as of the date first stated above.

"Lessor"


CITY OF LONG BEACH, a municipal corporation

14 January 3, 2007

By 
City Manager

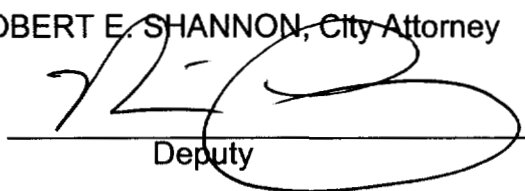
"Lessee"

444 W. OCEAN LLC,
an Arizona limited liability company

18 By 
19 Name Kambiz Babaeff
20 Title Managing Director

21 This First Amendment to Lease No. 26484 is approved as to form on
22 December 26, 2006.

ROBERT E. SHANNON, City Attorney

24 By 
25 Deputy

~~EXHIBIT "A"~~
LEASE AREA

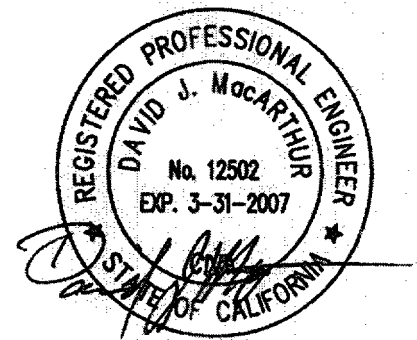
THE LAND REFERRED TO HEREON IS SITUATED IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

THAT PARCEL OF LAND, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, LYING BELOW A HORIZONTAL PLANE 21.00 FEET ABOVE MEAN LOWER LOW WATER OF THE LOS ANGELES OUTER HARBOR, DATUM OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, AUGUST 1965, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 239.47 FEET SOUTHERLY OF CITY OF LONG BEACH MONUMENT NO. 2658, MEASURED ALONG THE CENTER LINE OF QUEENS WAY, 100 FEET IN WIDTH, BEARING SOUTH 0 DEGREES 3 MINUTES 38 SECONDS EAST, AS SHOWN ON THE MAP OF TRACT NO. 27757, IN SAID CITY, COUNTY AND STATE, AS PER MAP RECORDED IN BOOK 820, PAGES 91 TO 94 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE EASTERLY AT RIGHT ANGLES TO SAID CENTER LINE 47.50 FEET; THENCE SOUTHERLY PARALLEL TO SAID CENTER LINE 176.61 FEET; THENCE 101.77 FEET ALONG A LINE BEARING NORTH 79 DEGREES 39 MINUTES 40 SECONDS WEST; THENCE NORTHERLY PARALLEL TO SAID CENTER LINE 158.24 FEET; THENCE EASTERLY AT RIGHT ANGLES TO SAID LAST PARALLEL LINE 52.50 FEET TO THE POINT OF BEGINNING.

AS SHOWN ON EXHIBIT "B" AND MADE A PART HEREOF.

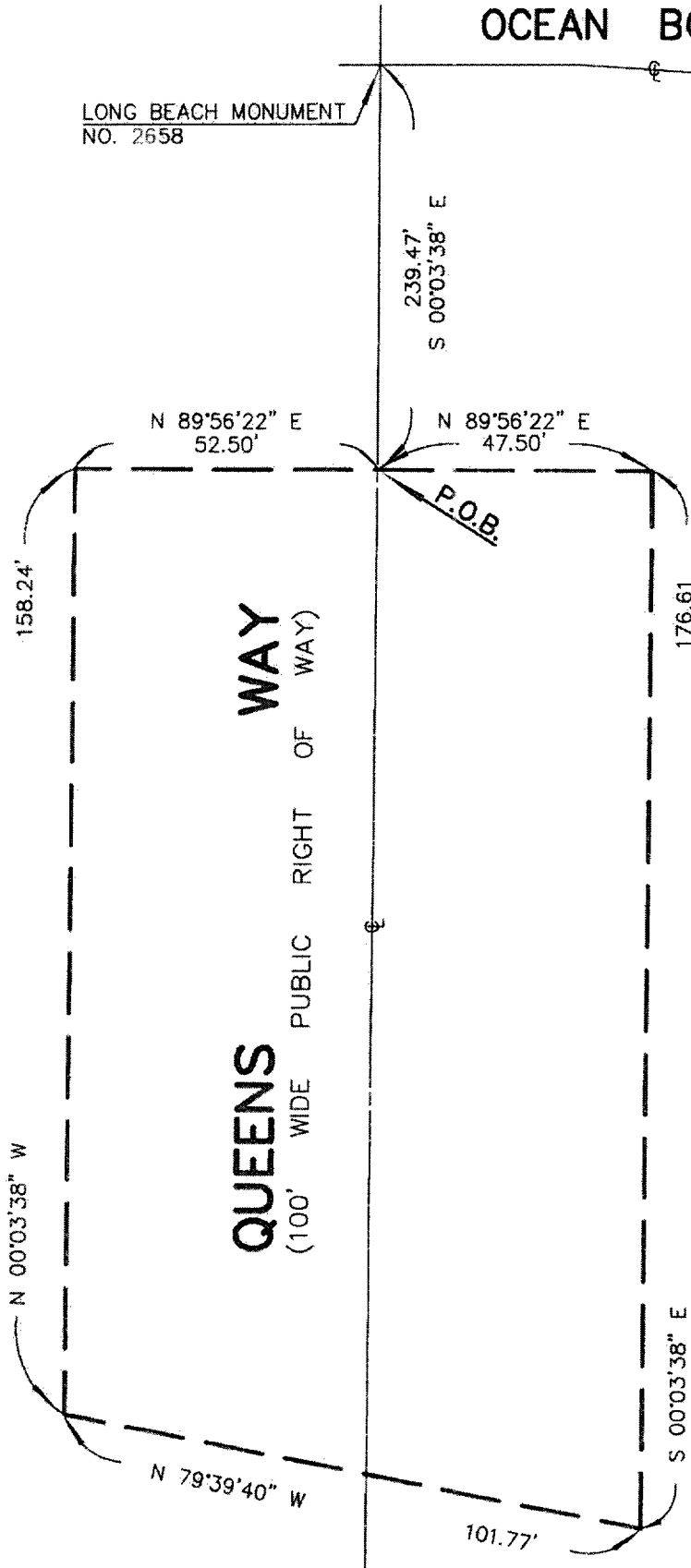
DAVID J. MACARTHUR
RCE 12502, EXP 3-31-07



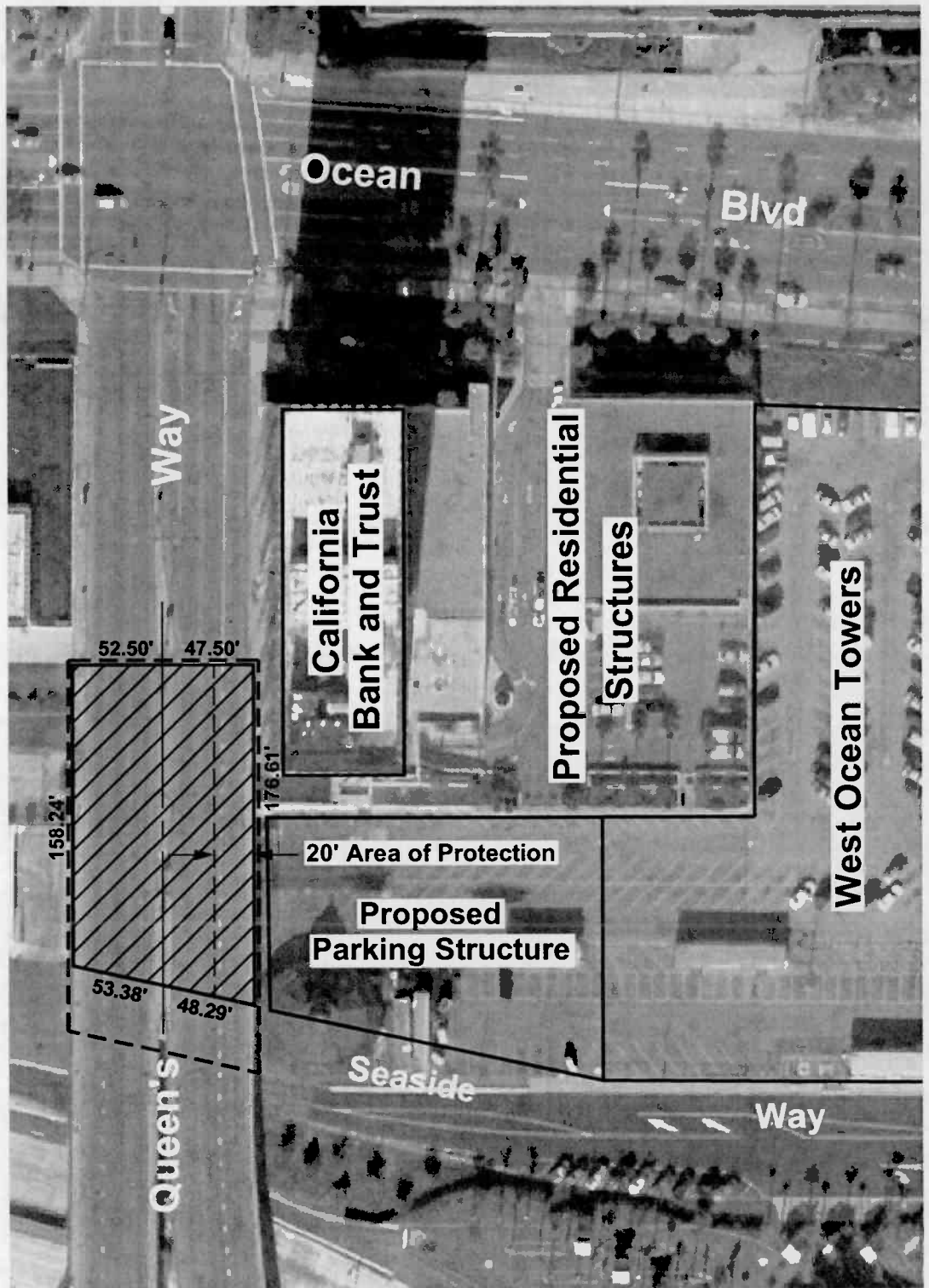
~~EXHIBIT "B"~~
LEASE AREA

OCEAN BOULEVARD

LONG BEACH MONUMENT
NO. 2658



GRAPHIC SCALE:
1" = 30'



Area of Protection

Current Leased Premises
19,212 s.f.

New Leased Premises
16,743 s.f.

Ocean

Blvd

Way

California Bank and Trust

Proposed Residential Structures

West Ocean Towers

20' Area of Protection

Proposed Parking Structure

Seaside

Way

Queen's

CITY OF LONG BEACH - CALIFORNIA
DEPARTMENT OF PUBLIC WORKS, ENGINEERING BUREAU

Lease Area Map for Lease No. 26484

444 W. Ocean LLC

South of Ocean Blvd underneath Queen's Way Bridge

EXHIBIT "B"