

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

LEASE

31417

THIS LEASE is made and entered, in duplicate, as of December 9, 2009 pursuant to a minute order of the City Council of the City of Long Beach adopted at its meeting held on December 8, 2009, by and between DISCOUNT STORAGE FACILITIES, LLC, a California limited liability company, whose address is 11989 DOROTHY STREET, LOS ANGELES, CA 90049 ("Landlord"), and the CITY OF LONG BEACH, a municipal corporation, whose address is 333 W. Ocean Boulevard, 3rd Floor, Long Beach, California 90802, Attention: Property Services Bureau Manager ("Tenant").

Landlord and Tenant, in consideration of the mutual terms, covenants, and conditions herein, agree as follows:

1. Premises. Landlord hereby leases to Tenant and Tenant hereby accepts and leases from Landlord those certain premises containing approximately 12,000 rentable square feet (the "Premises") located within the building located at 1405 Lewis Avenue (the "Building"), such premises being more particularly depicted in Exhibit "A" attached hereto. The Premises shall be leased in "as is" condition.

2. Term. The term of this Lease shall commence on the date on which both parties have executed this Lease, and shall terminate at midnight on March 31, 2010. The term of this Lease may be extended to April 30, 2010 on the terms and conditions contained in this Lease upon the mutual agreement by Tenant and Landlord, and, in that event, the parties shall execute an amendment to this Lease that extends the term.

3. Rent. Tenant shall pay to Landlord a monthly rental payment equal to Seven Thousand and No/100 Dollars (\$7,000.00), such rent to be prorated for any partial month. The monthly rental payment reflects a \$0.58 per square foot rental rate.

4. Use. The Premises shall be used as a winter homeless shelter.

5. Tenant's Maintenance Obligations. Tenant shall keep the Premises in a neat, safe and sanitary condition. Tenant acknowledges that the Premises are industrial

1 space and that certain modifications may need to be made to the Building HVAC system
2 to make the Premises inhabitable for its intended purpose. Tenant agrees to make such
3 modifications to the HVAC system at its own cost and expense and Landlord shall
4 provide Tenant with reasonable access to the Building in order to make such
5 modifications. At the expiration of the term and at Landlord's request, Tenant shall return
6 the HVAC system to its original condition. All other maintenance and repairs not
7 specifically described immediately above shall be the responsibility of Landlord pursuant
8 to Section 6.

9 6. Landlord's Maintenance Obligations. Landlord shall, at its own cost and
10 expense, manage and maintain the Building and make all necessary repairs to the
11 Premises, including without limitation all surface and structural elements of the roof,
12 bearing walls and foundations of the Building, all electrical, plumbing, HVAC systems
13 (other than those modifications to be made by Tenant pursuant to Section 5) and all other
14 elements of the Building. If Landlord fails to maintain the Premises as required herein,
15 Tenant shall notify Landlord of such failure in writing.

16 7. Utilities. Landlord shall pay the monthly costs associated with all utilities
17 to the Premises. Tenant shall reimburse Landlord within sixty (60) days of receipt from
18 Landlord of reasonable documentation showing utility charges for the Premises during
19 the term.

20 8. Taxes. Landlord shall be responsible for payment of all real property
21 taxes.

22 9. Hazardous Materials. In the event any Hazardous Materials are
23 detected during the Lease term, such materials shall be removed promptly in accordance
24 with applicable law at the sole cost and expense of Landlord. In the event Landlord
25 determines it is cost prohibitive to remove such materials, Tenant shall have the option of
26 terminating this Lease by giving written notice.

27 No goods, merchandise, supplies, personal property, materials, or items of
28 any kind shall be kept, stored, or sold in or on the Premises which are in any way

1 explosive or hazardous. Tenant shall comply with California Health and Safety Code
2 Section 25359.7 or its successor statute regarding notice to Landlord on discovery by
3 Tenant of the presence or suspected presence of any hazardous material on the
4 Premises. "Hazardous Materials" means any hazardous or toxic substance, material or
5 waste which is or becomes regulated by the City, the County of Los Angeles, the State of
6 California or the United States government.

7 10. Insurance. Within five (5) days after the execution of this Lease and in
8 partial performance of Tenant's obligations hereunder, Tenant shall deliver to Landlord a
9 Certificate of Self-Insurance on Tenant's standard form providing evidence of coverage
10 for:

11 a. Commercial general liability self-insurance equivalent in
12 coverage scope to ISO CG 00 01 10 93 in an amount not less than One Million Dollars
13 (US \$1,000,000) per occurrence and Two Million Dollars (US \$2,000,000) in aggregate
14 and

15 b. Special perils property coverage in an amount sufficient to
16 cover the full replacement value of Tenant's personal property, improvements, and
17 equipment on the Premises.

18 The self-insurance program shall not be suspended, voided, changed, or
19 canceled by either party except after thirty (30) days prior written notice to Landlord, and
20 shall be primary and not contributing to any other insurance or self-insurance maintained
21 by Landlord.

22 With respect to damage to property, Landlord and Tenant hereby waive all
23 rights of subrogation, one against the other, but only to the extent that collectible
24 commercial insurance is available for said damage.

25 Such self-insurance as required herein shall not be deemed to limit
26 Tenant's liability relating to performance under this Lease. Evidence of self-insurance
27 shall not be construed as a limitation on liability or as full performance of the
28 indemnification and hold harmless provisions of this Lease.

1 Landlord shall provide Tenant with evidence of equivalent liability
2 insurance.

3 Any modification or waiver of the insurance requirements herein shall be
4 made only with the written approval of the Tenant's Risk Manager or designee.

5 With respect to damage to property, Landlord and Tenant hereby waive all
6 rights of subrogation, one against the other, but only to the extent that collectible
7 commercial insurance is available for said damage.

8 Such self-insurance as required herein shall not be deemed to limit
9 Landlord's or Tenant's liability relating to performance under this Lease. Evidence of
10 self-insurance shall not be construed as a limitation on liability or as full performance of
11 the indemnification and hold harmless provisions of this Lease

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

15 11. Default by Tenant. The occurrence of any of the following acts shall
16 constitute a default by Tenant:

- 17 a. Failure to pay rent when due after ten (10) days written notice;
18 b. Failure to perform any of the terms, covenants, or conditions of
19 this Lease if said failure is not cured within thirty (30) days after written notice of said
20 failure; or
21 c. Any attempted assignment, transfer, or sublease except as
22 approved by Landlord or otherwise authorized pursuant to Section 16.

23 If Tenant does not comply with each provision of this Lease or if a default
24 occurs, then Landlord may terminate this Lease and Landlord may enter the Premises
25 and take possession thereof provided, however, that these remedies are not exclusive
26 but cumulative to other remedies provided by law in the event of Tenant's default, and the
27 exercise by Landlord of one or more rights and remedies shall not preclude Landlord's
28 exercise of additional or different remedies for the same or any other default by Tenant.

1 12. Default by Landlord. The occurrence of any of the following acts shall
2 constitute a default by Landlord:

3 a. Failure to perform any of the terms, covenants, or conditions of
4 this Lease if said failure is not cured within thirty (30) days after written notice of said
5 failure.

6 If Landlord does not comply with each provision of this Lease or if a default
7 occurs, then Tenant may terminate this Lease, provided, however, that this remedy is not
8 exclusive but cumulative to other remedies provided by law in the event of Landlord's
9 default, and the exercise by Tenant of one or more rights and remedies shall not preclude
10 Tenant's exercise of additional or different remedies for the same or any other default by
11 Landlord.

12 13. Right of Entry. Landlord shall have the right of access to the Premises
13 during normal business hours and with reasonable advance notice to inspect the
14 Premises, to determine whether or not Tenant is complying with the terms, covenants,
15 and conditions of this Lease, to serve, post, or keep posted any notice, and for any other
16 legal purpose. Landlord shall also have the right to enter in case of emergencies.

17 14. Parking. Tenant shall have the exclusive right to use the parking lot
18 behind the Premises.

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
21 Lease shall terminate as to the part taken or as to the whole, if taken, as of the day
22 possession of that part or the whole is required for any public purpose, and on or before
23 the day of the taking Tenant shall elect in writing either to terminate this Lease or to
24 continue in possession of the remainder of the Premises, if any. All damages awarded
25 for such taking shall belong to Landlord, whether such damages be awarded as
26 compensation for diminution in value to the leasehold or to the fee provided, however,
27 that Landlord shall not be entitled to any portion of the award made for loss of Tenant's
28 business.

1 16. Assignment. Landlord acknowledges that Tenant intends to sublease
2 the Premises to the Long Beach Rescue Mission concurrently with its execution of this
3 Lease. Landlord hereby approves of such sublease. Tenant shall not otherwise assign
4 or transfer this Lease or any interest herein, nor sublease the Premises or any part
5 thereof (collectively referred to as "transfer") without the prior written approval of
6 Landlord.

7 17. Signs. Tenant may, at its own cost, install exterior signage on the
8 Premises subject to Landlord's reasonable approval as to design, size and location.

9 18. Access. Tenant shall have access to the Premises twenty-four (24)
10 hours per day, seven (7) days per week.

11 19. Holding Over. If Tenant holds over and remains in possession of the
12 Premises or any part thereof after the expiration of this Lease with the express or implied
13 consent of Landlord, then such holding over shall be construed as a tenancy from month
14 to month at the monthly rent then in effect and otherwise on the same terms, covenants,
15 and conditions contained in this Lease.

16 20. Surrender of Premises. On the expiration or sooner termination of this
17 Lease Tenant shall deliver to Landlord possession of the Premises in substantially the
18 same condition that existed immediately prior to the date of execution hereof, reasonable
19 wear and tear excepted.

20 21. Notice. Any notice required hereunder shall be in writing and
21 personally served or deposited in the U.S. Postal Service, first class, postage prepaid to
22 Landlord and Tenant at the respective addresses first stated above. Notice shall be
23 deemed effective on the date of mailing or on the date personal service is obtained,
24 whichever first occurs. Change of address shall be given as provided herein for notice.

25 22. Waiver of Rights. The failure or delay of Landlord to insist on strict
26 enforcement of any term, covenant, or condition herein shall not be deemed a waiver of
27 any right or remedy that Landlord may have and shall not be deemed a waiver of any
28 subsequent or other breach of any term, covenant, or condition herein. The receipt of

1 and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other
2 default but shall only constitute a waiver of timely payment of rent. Any waiver by
3 Landlord of any default or breach shall be in writing. Landlord's approval of any act by
4 Tenant requiring Landlord's approval shall not be deemed to waive Landlord's approval of
5 any subsequent act of Tenant.

6 23. Successors in Interest. This Lease shall be binding on and inure to the
7 benefit of the parties and their successors, heirs, personal representatives, transferees,
8 and assignees, and all of the parties hereto shall be jointly and severally liable hereunder.

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

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

21 26. Time. Time is of the essence in this Lease, and every provision hereof.

22 27. Governing Law. This Lease shall be governed by and construed in
23 accordance with the laws of the State of California.

24 28. Integration and Amendments. This Lease represents and constitutes
25 the entire understanding between the parties and supersedes all other agreements and
26 communications between the parties, oral or written, concerning the subject matter
27 herein. This Lease shall not be modified except in writing signed by the parties and
28 referring to this Lease.

1 29. Joint Effort. This Lease is created as a joint effort between the parties
2 and fully negotiated as to its terms and conditions and nothing contained herein shall be
3 construed against either party as the drafter.

4 30. No Recordation. This Lease shall not be recorded.

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

7 32. Captions and Organization. The various headings and numbers herein
8 and the grouping of the provisions of this Lease into separate sections, paragraphs and
9 clauses are for convenience only and shall not be considered a part hereof, and shall
10 have no effect on the construction or interpretation of this Lease.

11 33. Relationship of Parties. The relationship of the parties hereto is that of
12 Landlord and Tenant, and the parties agree that nothing contained in this Lease shall be
13 deemed or construed as creating a partnership, joint venture, association, principal-agent
14 or employer-employee relationship between them or between Landlord or any third
15 person or entity.

16 34. Tenant is represented in this transaction by INCO Company. Landlord,
17 on behalf of Tenant, shall pay to INCO Company three percent (3%) of the total lease
18 revenues to be paid by Tenant to Landlord hereunder. Landlord's broker shall be paid by
19 Landlord in accordance with a separate written agreement with Landlord;

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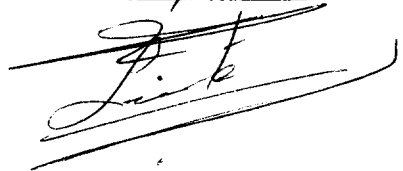
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IN WITNESS WHEREOF, the parties have executed this Lease with all of the formalities required by law as of the date first above written.

"Landlord"

DISCOUNT STORAGE FACILITIES, LLC,
a California limited liability company

Date: 12/11/09, 2009



By: Manager
Name: HERSEL TABAN KIA
Title: President

"Tenant"

CITY OF LONG BEACH, a municipal corporation

Date: _____, 2009

By _____
City Manager

This Lease is hereby approved as to form this _____ day of _____, 2009.

ROBERT E. SHANNON, City Attorney

By _____
Deputy

A09-03891

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard 11th Floor
Long Beach, CA 90802-4664

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a California limited liability company

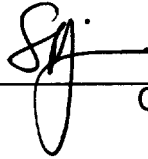
Date: _____, 2009

By: _____
Name: _____
Title: _____

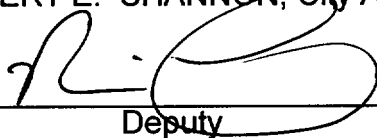
"Tenant"

CITY OF LONG BEACH, a municipal corporation

Date: 12.15, 2009

By  Assistant City Manager
City Manager **EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER**

This Lease is hereby approved as to form this 11 day of December, 2009.

ROBERT E. SHANNON, City Attorney
By  Deputy

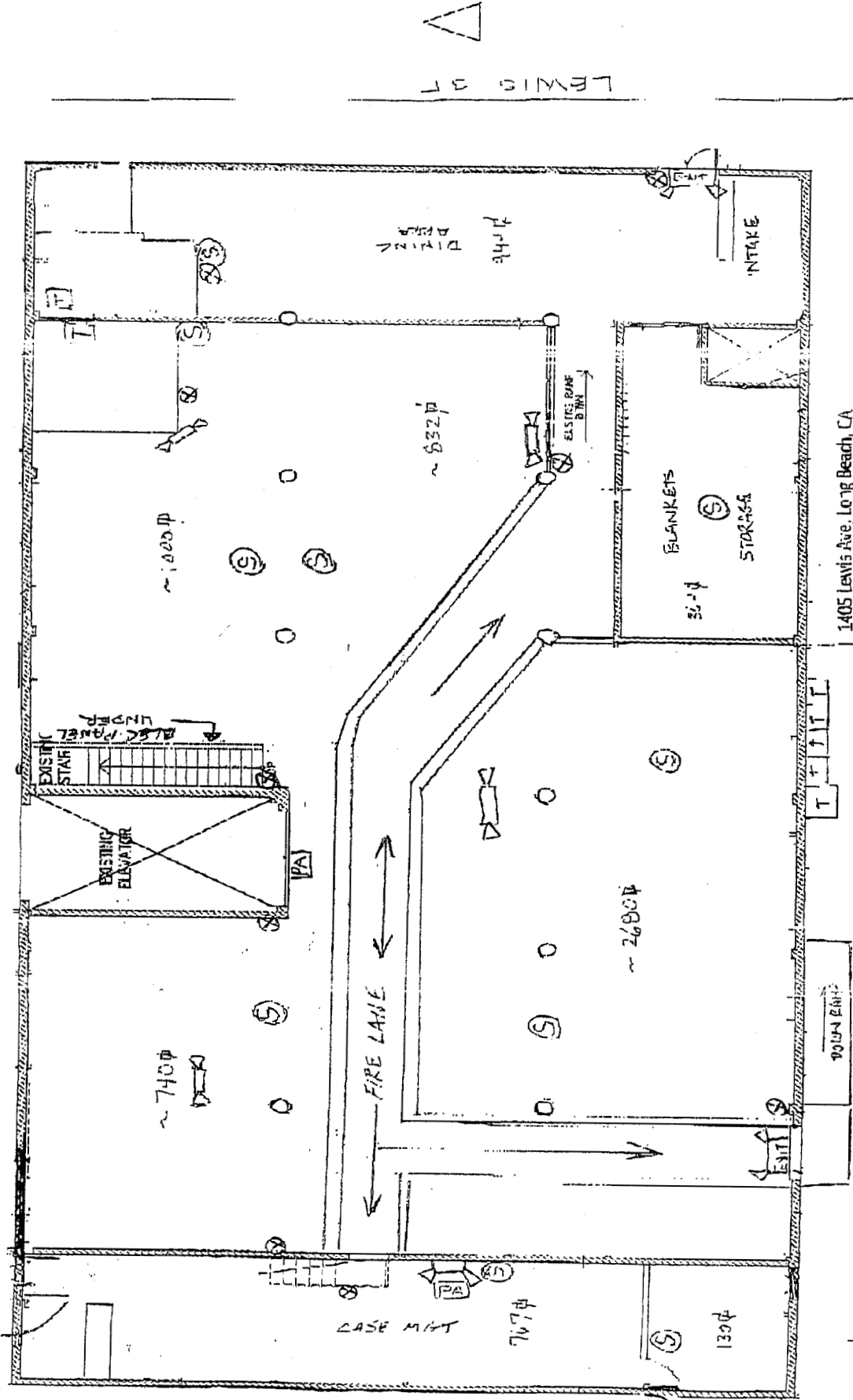
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EXHIBIT "A"
PREMISES



1405 Lewis Ave, Long Beach, CA

- Emerg lights
- Smoke Det
- Fire Ext
- Exit signs
- Exit Path
- Toilets
- Gathering Points
- Public Address

Building to be used as a temporary homeless shelter. Open 7 days/week, from 4PM to 5AM. Seller to run until 8AM 5/31/2019. Staffed with continuously logged Fire Watch. 5252 sq ft total living area, less 644 sq ft Fire Lane 4608 sq ft / 32 sq ft per cot = 144 cot limit.

Dee Clum (562) 477-6333
Jim Lewis (562) 279-5143

LEWIS ST



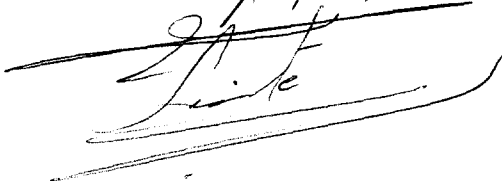
ADDENDUM TO THE LEASE

This is an addendum to the lease between DISCOUNT STORAGE FACILITIES, L.L.C. And the CITY OF LONG BEACH dated December 9, 2009.

The original terms of the above mentioned lease is modified as follows;

- 1) Landlord has no responsibility for any repair and maintenance except the roof, the first floor is rented as is. Tenant has the right for any inspection and has no right for any claims after signing of the contract. (Items 5, 6 and 9 of the original contract).
- 2) Landlord has California Fair Plan Policy Insurance and he will present a copy to the tenant and he will notify his agent of the new tenancy. (Item 10 b of the original contract).
- 3) There is a 10% penalty if the rent is not paid by the 5th of the month. (Item 11 a of the original contract).
- 4) Tenant shall pay first and last month rent before possession of the property.
- 5) Landlord shall be able to use the existing elevator to go and use the other floors as needed during term of this LEASE. Tenant shall cooperate with the proper access at any time. Tenant and his employees, agent and affiliate of them can not use and go to other floors of the building at any time.

Date: 12/11/09



"Landlord"
DISCOUNT STORAGE FACILITIES, INC
A California Limited liability company

By: Manager
Name: HERSEL TABANKIA
Title: President

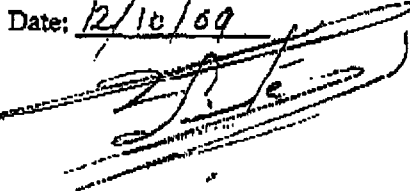
Date: _____

"Tenant"
CITY OF LONG BEACH, a municipal Corporation
By: _____
City Manager
ROBERT E. SHANON, CITY ATTORNEY
By: _____
DEPUTY

ADDENDUM TO THE LEASE

This is an addendum to the lease between DISCOUNT STORAGE FACILITIES, LLC. And the CITY OF LONG BEACH dated December 9, 2009. The original terms of the above mentioned lease is modified as follows;

- 1) Landlord has no responsibility for any repair and maintenance except the roof, the first floor is rented as is. Tenant has the right for any inspection and has no right for any claims after signing of the contract. (Items 5, 6 and 9 of the original contract).
- 2) Landlord has California Fair Plan Policy Insurance and he will present a copy to the tenant and he will notify his agent of the new tenancy. (Item 10 b of the original contract).
- 3) There is a 10% penalty if the rent is not paid by the 5th of the month. (Item 11a of the original contract).
- 4) Tenant shall pay first and last month rent before possession of the property.
- 5) Landlord shall be able to use the existing elevator to go and use the other floors as needed during term of this LEASE. Tenant shall cooperate with the proper access at any time. Tenant and his employees, agent and affiliate of them can not use and go to other floors of the building at any time.


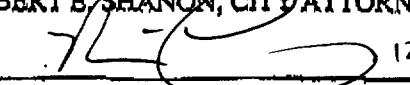
Date: 12/10/09


"Landlord"
DISCOUNT STORAGE FACILITIES, INC.
A California Limited liability company

By: Manager
Name: Hershel Tabankin
Title: president

Date: 12.15

"Tenant"
CITY OF LONG BEACH, a municipal Corporation

By:  Assistant City Manager
EXECUTED PURSUANT
City Manager SECTION 301 OF
THE CITY CHARTER
ROBERT E. SHANON, CITY ATTORNEY
By:  12-11-09
DEPUTY