

1 days advance written notice to Landlord, may terminate this Lease and Tenant shall have
2 no further rights or obligations hereunder.

3 5. Use. Tenant shall use the Premises solely for the development of
4 open space and the installation of certain mitigation measures as more particularly
5 described in that certain Funding Contract to be executed by and between Landlord and
6 Tenant (the "Funding Contract") in connection herewith. If the Funding Contract is not
7 executed by Landlord and Tenant on or before the date which is one (1) year after the
8 Commencement Date, then Landlord may immediately terminate this Lease upon written
9 notice to Tenant. Any other use other than specifically authorized above (including
10 without limitation the building of structures and/or revenue-generating uses) shall be
11 subject to the prior approval of Landlord, which approval may be withheld in Landlord's
12 sole and absolute discretion (and which approval may be conditioned upon payment by
13 Tenant of increased rent under this Lease, among other things).

14 6. Rent. Beginning on the Commencement Date and continuing
15 annually thereafter for the remainder of the Term, Tenant shall pay to Landlord as rent
16 the sum of One Dollar (\$1.00) per year, payable in advance, without offset, deduction,
17 demand, or notice.

18 7. Condition of Premises. Tenant accepts the Premises in their "as is"
19 condition and acknowledges that Tenant has not received and Landlord has not made
20 any warranty, express or implied as to the condition of the Premises or access thereto, or
21 any improvements, structures, substructures, or infrastructures located thereon.

22 8. Improvements. Tenant shall construct all improvements required by
23 the Scope of Work approved by City pursuant to the Funding Contract (the "Required
24 Improvements"). Tenant shall, at its sole cost and expense, without offset to rent
25 hereunder, construct whatever improvements may be necessary to access the Premises.
26 Tenant may construct, at its sole cost and expense and without offset to rent hereunder,
27 temporary improvements on the Premises to facilitate the intended use of the Premises,
28 including without limitation construction of a chain-link fence as necessary to secure the

1 Premises from the adjacent highway. Landlord, at its sole cost and expense, may
2 replace and/or relocate such chain-link fence during the Term. Tenant shall not construct
3 any permanent structures on the Premises (other than the Required Improvements)
4 without the prior written consent of Landlord, which consent may be withheld or
5 conditioned in Landlord's sole and absolute discretion. Prior to commencing any
6 construction of temporary or permanent improvements Tenant shall deliver to Landlord
7 plans, specifications and drawings (collectively, "plans") for such improvements and such
8 plans shall be subject to Landlord's approval within sixty (60) calendar days from receipt,
9 which approval shall not be unreasonably withheld. All temporary and permanent
10 improvements constructed by Tenant shall be subject to the normal permitting process of
11 the City of Long Beach acting in its municipal capacity.

12 9. Possessory Interest Taxes. Tenant acknowledges that this Lease
13 may create a possessory interest subject to taxation and that Tenant may be liable for
14 payment of taxes levied on such interest.

15 10. Relocation. Tenant agrees that nothing in this Lease shall create
16 any right in Tenant to any relocation assistance or payment pursuant to the provisions of
17 Title 1, Division 7, Chapter 16 of the Government Code, or any successor statute, from
18 Landlord on the termination or expiration of this Lease.

19 11. Insurance.

20 A. Concurrent with the Commencement Date of this Lease and
21 throughout the term, Tenant shall procure and maintain, at its cost, from insurance
22 companies admitted to write insurance in the State of California or from non-
23 admitted insurers that are on California's List of Eligible Surplus Lines Insurers
24 ("LESLI") and that have a minimum rating of or equivalent to A:VII by A.M. Best
25 Company:

26 i. Commercial general liability insurance (equivalent in
27 coverage scope to Insurance Services Office, Inc. (ISO) form CG 00 01 11
28 85 or 11 88), in an amount not less than Five Million Dollars (\$5,000,000)

1 per occurrence and general aggregate. Such insurance shall include (as
2 may be applicable to Tenant's operations) products and completed
3 operations, and fire legal liability, and shall not limit or exclude coverage for
4 contractual liability, independent contractors liability, or cross liability
5 protection. This insurance shall be endorsed to include Landlord, its
6 officials, employees and agents as additional insureds (by an endorsement
7 equivalent in coverage scope to ISO form CG 20 26 11 85) and to waive the
8 insurers' rights of subrogation against Landlord, its officials, employees and
9 agents.

10 ii. Workers' compensation insurance as required by the
11 State of California and employer's liability insurance with minimum limits of
12 One Million Dollars (\$1,000,000) per accident. The policy shall be
13 endorsed by the insurer to waive the insurer's rights of subrogation against
14 Landlord, its officials, employees and agents.

15 iii. Automobile liability insurance (equivalent in coverage
16 scope to ISO form CA 00 01 06 92) in an amount not less than Five
17 Hundred Thousand Dollars (\$500,000) combined single limit per accident
18 for bodily injury and property damage covering Auto Symbol 1 ("Any Auto").

19 iv. Any other insurance that may be required by the state
20 and any federal regulatory agency having jurisdiction over Tenant's
21 business.

22 B. If Tenant fails to procure or maintain any insurance required
23 herein, then Landlord may, at Landlord's sole discretion, procure and maintain such
24 insurance on behalf of Tenant at Tenant's sole expense, and Tenant shall pay the
25 cost of such insurance to Landlord as additional rent.

26 C. If Landlord exercises its discretion with respect to the
27 procurement or maintenance of insurance for and on behalf of Tenant hereunder,
28 then Tenant shall pay the cost of insurance as additional rent, within thirty (30) days

1 after receipt of an invoice therefor. If Tenant fails to pay the invoice, when due,
2 interest shall accrue and be due on the unpaid amount at the rate of two percent
3 (2%) per month, or the maximum allowed by law, whichever is greater, commencing
4 on the thirty-first (31st) day after the date of the invoice and compounded monthly.

5 D. Tenant shall provide to Landlord all policy information
6 reasonably requested by Landlord and shall make available as soon as practicable
7 to Landlord during Tenant's normal business hours all books, records and other
8 information relating to insurance and shall provide copies of policies to Landlord
9 upon request.

10 E. On execution of this Lease or as otherwise stated herein,
11 Tenant shall deliver to Landlord certificates of insurance and endorsements required
12 herein, for approval as to sufficiency and form. The certificates and endorsements
13 for each insurance policy shall contain the original or electronic signatures of
14 persons authorized by that insurer to bind coverage on its behalf. Tenant shall
15 provide Landlord with certificates of insurance and endorsements for renewal
16 policies within thirty (30) days after the existing policy expires. Landlord reserves
17 the right to require complete certified copies of all policies at any time.

18 F. All insurance required herein shall be separately endorsed to
19 require at least thirty (30) days prior written notice of cancellation (or ten (10) days
20 prior written notice if cancellation is due to nonpayment of premiums), nonrenewal,
21 or reduction in coverage or limits (other than reduction of limits due to claims paid)
22 and to provide that coverage shall be primary and not contributing to any other
23 insurance or self-insurance maintained by Landlord, its officials, employees, and
24 agents.

25 G. Any self-insurance program, self-insured retention or deductible
26 must be approved separately in writing by Landlord's Risk Manager, or designee,
27 and shall protect Landlord, its officials, employees and agents in the same manner
28 and to the same extent as they would have been protected had the policy or policies

1 not contained such retention or deductible provisions.

2 H. With respect to damage to property, Landlord and Tenant
3 hereby waive all rights of subrogation, one against the other, but only to the extent
4 that collectible commercial insurance is available for such damage.

5 I. Not more frequently than every three (3) years or upon any new
6 construction on the Premises or upon any assignment or transfer approved by
7 Landlord in accordance with the provisions of this Lease, if in the opinion of
8 Landlord's Risk Manager or designee, the amount, scope, or types of coverages
9 specified herein are not adequate, Tenant shall amend its insurance as required by
10 Landlord's Risk Manager or designee unless Tenant establishes that any such
11 amendments are not reasonably based on the insurance, or actuarially-certified self-
12 insurance, maintained by similar entities in the same geographic region. Such
13 amendments may include but are not limited to coverage for earthquake and flood, if
14 available from responsible insurance companies at reasonable cost. The phrase
15 "responsible insurance companies at reasonable cost" shall be determined by
16 Landlord's Risk Manager or designee, in his/her sole discretion.

17 J. Such insurance as required herein shall not be deemed to limit
18 Tenant's liability in any way under this Lease. The procuring or maintaining of
19 insurance shall not be construed as performance of the indemnity provisions of this
20 Lease. Landlord makes no representations that the limits or forms of coverage of
21 insurance specified herein are adequate to cover Tenant's liability or obligations
22 hereunder or otherwise.

23 K. Any modification or waiver of any insurance requirement shall
24 be made only with the written approval of Landlord's Risk Manager or designee.

25 12. Surrender of Premises. On the expiration or sooner termination of
26 this Lease, Tenant shall deliver to Landlord possession of the Premises in the same
27 condition as immediately prior to the Commencement Date, reasonable wear and tear
28 excepted. Notwithstanding the foregoing, Tenant shall have no obligation to remove any

1 improvements or landscaping installed or planted by Tenant and approved by Landlord in
2 accordance with this Lease. Tenant shall remove its equipment, supplies and other items
3 so as to leave the Premises in a condition which does not damage the Premises.

4 13. Assignment. Tenant shall not assign or transfer this Lease or any
5 interest herein or any right hereunder, nor delegate any duties hereunder provided,
6 without the express written consent of Landlord. Any attempted assignment, transfer,
7 delegation and any grant or sublease in violation of this Section shall be void and any
8 assignee, transferee, delegate, grantee, or sublessee shall acquire no right or interest by
9 reason of such attempted assignment, transfer, delegation, grant, or sublease.

10 14. Default. The occurrence of any one or more of the following acts
11 shall constitute a default by Tenant:

12 A. Failure to pay rent when due if the failure continues after three
13 (3) days' notice;

14 B. Abandonment of the Premises, in whole or in part, provided that
15 failure to occupy or operate all or any part of the Premises for ten (10) consecutive
16 days shall be deemed an abandonment as to all or as to that part so abandoned,
17 except for temporary closures for specified dates with the prior approval of Landlord.
18 Temporary closures shall not relieve Tenant of Tenant's duty to maintain the
19 Premises at all times in accordance with the terms of this Lease;

20 C. Any attempted assignment, transfer, or sublease in violation of
21 this Lease;

22 D. Failure to maintain the insurance required herein, subject to the
23 thirty-day cure period described in Subsection "H" of this Section;

24 E. Failure to pay when due all fees and charges for any municipal
25 service or commodity provided by the City of Long Beach in its municipal capacity,
26 including but not limited to water, sewer, gas, electricity, refuse collection, or
27 recycling, subject to the thirty-day cure period described in Subsection "H" of this
28 Section ;

1 F. To the extent permitted by the United States Bankruptcy Code,
2 insolvency of Tenant, which shall be deemed to include an assignment by Tenant
3 for the benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy;
4 an adjudication that Tenant is bankrupt; the appointment of a receiver of the
5 properties of Tenant if the receiver is not discharged within fifteen (15) days; the
6 filing of an involuntary petition of bankruptcy and failure of Tenant to secure a
7 dismissal of the petition within thirty (30) days after filing; attachment of or the
8 levying of execution on the leasehold interest and failure of Tenant to secure
9 discharge of the attachment or release of the levy of execution within fifteen (15)
10 days. In the event of any of the foregoing, no notice that an event of default has
11 occurred shall be required from Landlord;

12 G. Failure to comply with any applicable law, rule, ordinance, or
13 regulation;

14 H. Any failure to perform any other term, covenant, or condition of
15 this Lease not specifically identified in this Section or elsewhere in this Lease, if said
16 failure is not cured within thirty (30) days after Landlord gives notice to Tenant of
17 said failure. If the default cannot reasonably be cured in thirty (30) days, then
18 Tenant shall not be in default if Tenant begins to cure within said period and
19 diligently proceeds to cure to completion, but in no event shall such cure period
20 exceed ninety (90) days.

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

24 A. Landlord may terminate this Lease by giving to Tenant notice of
25 termination, and Tenant shall immediately surrender possession of the Premises as
26 described elsewhere herein, leaving them in good repair and condition subject to
27 reasonable wear and tear. Termination hereunder shall not relieve Tenant from the
28 payment of any sum due to Landlord or from any claim that Landlord may have for

1 damages or indemnity. Landlord shall be entitled to recover from Tenant all
2 damages incurred by Landlord including but not limited to the cost of recovering
3 possession, expenses related to repairs, and reasonable attorney's fees.

4 B. Landlord may continue the Lease in full force and effect and
5 enforce all of its rights and remedies hereunder.

6 C. Landlord may convert this Lease to a year-to-year tenancy or a
7 month-to-month tenancy by notice to Tenant.

8 D. Landlord may require that Tenant provide evidence that Tenant
9 can meet its current financial obligations, liabilities and expenses.

10 E. Landlord, at its option, may re-let the whole or any part of the
11 Premises from time to time, either in the name of Landlord or otherwise, to such
12 tenants, for such terms ending before, on, or after the expiration of the term of this
13 Lease, at such rent and on such conditions as Landlord, in its sole discretion, may
14 determine to be appropriate. To the extent allowed by law, Landlord shall not be
15 liable for refusal to re-let or, in the event of re-letting, for failure to collect rent, and
16 no such failure shall operate to relieve Tenant of any liability under this Lease.

17 F. Whether or not Landlord retakes possession or re-lets the
18 Premises, Landlord shall have the right to recover unpaid rent, unpaid additional
19 rent, and all other damages caused by Tenant's default. Damages shall include but
20 not be limited to all unpaid rent, all unpaid additional rent, all legal expenses and
21 related costs incurred by Landlord as a result of Tenant's default, all costs incurred
22 by Landlord in restoring the Premises to good order and condition, and the value of
23 Landlord's staff time expended as a result of the default.

24 G. Nothing in this Lease shall be deemed to require that Landlord
25 wait until the date on which the Lease term expires to bring or maintain any suit or
26 action relating to this Lease.

27 H. These remedies are not exclusive but cumulative to other
28 remedies provided by law in the event of Tenant's default and the exercise by

1 Landlord of one or more rights and remedies shall not preclude Landlord's exercise
2 of additional or different remedies for the same or any other default by Tenant.

3 16. Notices. All notices required hereunder shall be in writing and
4 personally delivered or deposited in the U.S. Postal Service, first class, postage prepaid,
5 as follows:

6 To Tenant: Century Villages at Cabrillo, Inc.
7 1000 Corporate Pointe
8 Culver City, CA 90230
9 Attention: President

10 To Landlord: City of Long Beach
11 333 West Ocean Boulevard
12 Long Beach, CA 90802
13 Attention: Director of Public Works

14 Change of address shall be given in the same manner as stated for other
15 notices. Notice shall be deemed given on the date deposited in the mail or on the date
16 personal delivery is made, whichever first occurs.

17 17. Indemnification.

18 A. Tenant shall defend, indemnify, and hold harmless Landlord, its
19 officials, employees and agents (collectively in this Section "Landlord") from and
20 against any and all causes of actions, damage, proceedings, claims, demands, loss,
21 liens, costs and expenses alleging injury to or death of persons, or damage to
22 property, including property owned by Landlord, or any other claim of damage
23 brought, made, filed against, imposed on or sustained by the indemnified parties, or
24 any of them, and arising from or attributable to or caused, directly or indirectly
25 (collectively or individually, a "claim"):

26 i. by the use of the Premises or any equipment or
27 materials located thereon, or from operations conducted thereon by Tenant,
28 its employees, invitees, agents, or by any person or persons acting on
behalf of Tenant and with Tenant's knowledge and consent, express or
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ii. by reason of or arising out of the condition or state of repair or maintenance of the Premises;

iii. by the construction, improvement or repair of the improvements and facilities on the Premises by Tenant, its officers, employees, contractors, agents or invitees, or by any person or persons acting on behalf of Tenant and with Tenant's knowledge and consent, express or implied; or

iv. by reason of injury to or death of employees of Tenant or others as a result of Tenant's failure or refusal to comply with the provisions of Section 6300 et seq. of the California Labor Code or any federal, state or local regulations or laws pertaining to the safety of the Premises or of equipment located upon the Premises; and

v. by acts or omissions of Tenant, but excluding any claim caused by the negligence or willful misconduct of Landlord.

B. With respect to any claim, Landlord shall notify Tenant thereof, shall tender to Tenant the defense thereof, and shall assist Tenant as may reasonably be requested in the defense thereof. Tenant shall defend such claim, shall conduct or have conducted the necessary investigations related thereto, and Tenant shall indemnify Landlord, unless and until Tenant proves that the indemnity does not apply. Payment of a claim by Landlord or entry of judgment shall not be a condition precedent to recovery under this indemnity.

18. Landlord's Right to Re-enter on Termination or Expiration. Tenant shall peaceably deliver possession of the Premises to Landlord on the date of expiration or sooner termination of this Lease. On giving notice of termination to Tenant, Landlord shall have the right to re-enter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without instituting summary or regular legal proceedings. Termination of the Lease and re-entry of the Premises by Landlord shall in no way alter or diminish any obligation of Tenant under the

1 Lease. Tenant waives any and all right of redemption under any existing or future law or
2 statute in the event of eviction from or dispossession of the Premises for any reason or in
3 the event Landlord re-enters and takes possession of the Premises in a lawful manner.
4 Tenant agrees that if the manner or method used by Landlord in re-entering or taking
5 possession of the Premises provides Tenant with a cause of action for damages or in
6 forcible entry and detainer, then the total amount of damages to which Tenant shall be
7 entitled in any such action shall be One Dollar. This Section may be filed in any such
8 action and, when filed, it shall be a stipulation by Tenant fixing the total damages to which
9 Tenant is entitled in such action.

10 19. Nondiscrimination. Subject to applicable laws, rules and regulations,
11 Tenant shall not discriminate against any person or group on account of race, religion,
12 national origin, color, age, gender, sexual orientation, AIDS, HIV status, handicap, or
13 disability in the use, operation or maintenance of the Premises or in the employment of
14 any individual.

15 20. Utilities. Tenant shall provide for and pay for all water, sewer, gas,
16 electricity, telephone, refuse, recycling, and other utilities to the Premises, together with
17 the taxes thereon. If any such utilities are not separately metered to Tenant, Tenant shall
18 pay a reasonable proportion to be determined by Landlord of all charges jointly metered
19 with other premises.

20 21. Waiver by Tenant. Landlord shall not be liable for and Tenant
21 hereby waives, to the extent permitted by law, all claims against Landlord, its officials,
22 employees and agents for loss, theft, and damage to equipment, furnishings, furniture,
23 trade and other fixtures, records, and all personal property of Tenant, its employees,
24 invitees, subtenants, and all other persons in or about the Premises, or for loss or
25 damage to Tenant's business, or for loss of income from Tenant's business or use of the
26 Premises, or for injury to or death of persons on or about the Premises from any cause
27 except to the extent caused by Landlord's negligence or willful misconduct.

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1 Tenant acknowledges that it is familiar with California Civil Code Section
2 1542 which states: "A general release does not extend to claims which the creditor does
3 not know or suspect to exist in his favor at the time of executing the release, which if
4 known by him must have materially affected his settlement with the debtor." Tenant
5 hereby releases Landlord from any unknown claims and waives its rights under said
6 Section 1542.

7 22. Brokers. By signing this Lease, each party represents that it has had
8 no contacts or dealings regarding the execution of this Lease through a broker or agent
9 or any other person who can claim a right to a commission or fee.

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

17 24. Signs. Tenant shall not place, affix, maintain or permit any sign,
18 advertisement, name, insignia, logo, descriptive material, or similar item (collectively,
19 "sign") on the Premises without the prior written approval of Landlord and any other
20 governmental agencies having jurisdiction over Tenant. Any approved sign shall be
21 installed and maintained by Tenant, at its sole cost, in good condition. Any sign not
22 approved by Landlord may be removed by Landlord at Tenant's cost. No freestanding
23 signs are or will be permitted on the Property.

24 25. Condemnation.

25 A. If the whole of the Premises or improvements on the Premises
26 is taken by right of eminent domain or otherwise for any public or quasi-public use,
27 then when possession is taken thereunder by the condemnor or when Tenant is
28 deprived of practical use of the Premises or improvements, whichever date is

1 earlier, this Lease shall terminate. If there is a partial taking so that the remaining
2 portion of the Premises or improvements cannot be restored to an economically
3 feasible operation or a comparable kind to that which existed prior to the taking,
4 then this Lease shall, at Tenant's option, terminate as of the date when possession
5 was taken by condemnor or when Tenant was deprived of practical use of the
6 Premises, whichever date is earlier.

7 B. If there is a taking by right of eminent domain, the rights and
8 obligations of the parties with reference to the award and the distribution thereof
9 shall be determined in accordance with this Section. The award shall belong to and
10 be paid to Landlord, except that Tenant shall receive from the award a sum
11 attributable to the remaining value of Tenant's leasehold estate. Any sum
12 attributable to loss of good will shall be paid directly by the condemning authority to
13 Tenant. Said sum relating to the value of improvements made by Tenant shall not
14 exceed the actual cost of improvements constructed by on or behalf of Tenant. For
15 the purposes of condemnation only, Tenant hereby stipulates that the value of its
16 leasehold estate in the Premises is \$1. Relocation costs and goodwill value, if any,
17 shall not be included in the valuation of leasehold estate.

18 26. No Waiver of Landlord's Rights. The failure or delay of the Landlord
19 to re-enter the Premises, to insist on strict enforcement of any term, covenant or
20 condition herein, to exercise any right, power, privilege, or option arising from any default
21 shall not impair any such right, power, privilege or option or be construed or operate as or
22 be deemed a waiver of any term, covenant or condition of this Lease, of any default, or of
23 any right or remedy (including indemnity) that the Landlord may have and shall not be
24 deemed a waiver of any subsequent or other default of any term, covenant or condition
25 hereof. Landlord's approval to any act by Tenant requiring Landlord's approval shall not
26 be deemed to waive Landlord's approval of any subsequent act of Tenant where
27 approval is required. The receipt and acceptance by Landlord of rent, delinquent or
28 timely, shall not constitute a waiver of any default. Any waiver of any default by Landlord

1 shall be in writing. Failure on the part of Landlord to require exact and complete
2 compliance hereof shall not be construed or deemed in any manner as changing this
3 Lease, nor shall the conduct of the parties be deemed to change this Lease. No right,
4 power, privilege, option, or remedy of Landlord shall be construed as being exhausted by
5 the exercise thereof in one or more instances.

6 27. Access and Right of Entry. Landlord shall have access and the right
7 to enter the Premises at all times, twenty-four (24) hours a day, seven (7) days a week
8 provided that Landlord gives to Tenant at least forty-eight (48) hours prior notification.

9 28. Maintenance.

10 A. Landlord shall have no responsibility for the repair or
11 maintenance of the Premises or any part thereof after the Commencement Date.
12 Tenant shall at Tenant's sole cost maintain and repair the Premises.

13 B. Tenant hereby waives to the extent permitted by law any right to
14 make repairs at the expense of Landlord or to vacate the Premises in lieu thereof as
15 may be provided by law.

16 C. If Tenant fails to maintain the Premises, Landlord may notify
17 Tenant of such failure. If Tenant fails to correct the situation within thirty (30) days
18 thereafter or such longer period as may be established by Landlord, then Landlord
19 may make the necessary correction and the cost thereof, including but not limited to
20 the cost of labor, materials, equipment and administration, shall be paid by Tenant
21 as additional rent within ten (10) days after receipt of a statement of said additional
22 rent from Landlord.

23 29. Restoration. Tenant shall promptly give notice to Landlord of
24 damage or destruction to the Premises and the date of same. Tenant shall promptly
25 make proof of loss and proceed to collect all valid claims that Tenant may have against
26 insurers or others based on such damage or destruction. All amounts recovered as a
27 result of said claims shall be used first for the restoration of the Premises, which Tenant
28 shall promptly begin and diligently pursue so that the Premises are restored to

1 substantially the same conditions as they were in immediately before such damage or
2 destruction. If existing laws do not permit restoration, then Tenant may terminate this
3 Lease by notice to Landlord, subject to the provisions of Section 12.

4 If the repair, reconstruction or restoration requires longer than one hundred
5 twenty (120) days or if the insurance proceeds will not be sufficient to cover the cost of
6 repair, reconstruction or restoration, then Landlord may elect to repair, reconstruct or
7 restore and the Lease shall continue in full force and effect. If Landlord elects to repair,
8 reconstruct or restore, then Landlord shall not be required to expend sums therefor in
9 excess of insurance proceeds received by Landlord by reason of the casualty. If
10 Landlord repairs, reconstructs or restores, then Tenant shall not receive a rebate or
11 repayment of any rent and Tenant shall not be entitled to any compensation or damages
12 for loss in the use of the whole or any part of the Premises and any inconvenience or
13 annoyance occasioned by such damage, repair, reconstruction or restoration.

14 30. Waiver of Jury Trial. Landlord and Tenant hereby waive their
15 respective rights to trial by jury of any contract or tort claim, counterclaim, cross-
16 complaint, or any other cause of action in any action, proceeding, or hearing brought by
17 either party against the other on any matter in any way connected with this Lease, with
18 the relationship of the parties, including but not limited to the enforcement of any law,
19 rule, ordinance, or regulation.

20 31. No Encumbrances. Tenant shall not encumber the Premises by any
21 mortgage, deed of trust or other encumbrance of any kind.

22 32. Hazardous Materials. Tenant shall conduct all aspects of its
23 operation and use of the Premises in strict accordance with all federal and state laws,
24 rules and regulations relating to any hazardous material as defined by state and federal
25 laws.

26 33. Miscellaneous.

27 A. Each party shall bear its own costs and expenses in connection
28 with this Lease and enforcement thereof, including but not limited to attorney's fees

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and court costs.

B. This Lease shall be binding on and inure to the benefit of the parties and their successors, heirs, personal representatives, and subtenants, and all of the parties shall be jointly and severally liable hereunder.

C. This Lease constitutes the entire understanding between the parties and supersedes all prior negotiations, agreements and understandings, oral or written, with respect to the subject matter hereof.

D. This Lease may not be amended except in a writing duly executed by both parties and authorized by Landlord's City Council.

E. This Lease shall be governed by and construed under the laws of the state of California, and no choice of laws or principles thereof shall apply.

F. The captions and numbers herein and the grouping of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only and shall not be considered a part hereof, and shall have no effect on the interpretation of this Lease.

G. If any term, covenant, or condition of this Lease is found to be invalid, ineffective, void, or unenforceable for any reason by a court of competent jurisdiction, the remaining terms, covenants and conditions shall remain in full force and effect.

H. Time is of the essence in this Lease and all of its provisions. No notice to Tenant shall be required to restore "time is of the essence" after waiver by Landlord of any default.

I. This Lease shall not be recorded.

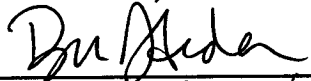
J. The relationship of the parties hereto is that of landlord and tenant, and the parties agree that nothing contained in this Lease shall be deemed or construed as creating a partnership, joint venture, principal-agent relationship, association, or employer-employee relationship between them or between Landlord or any third person or entity.

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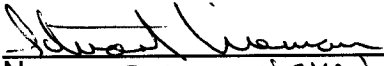
IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

CENTURY VILLAGES AT CABRILLO, INC.,
a California corporation

Dated: December 1, 2011

By: 
Name: BRIAN DANDREA
Title: PRESIDENT


Dated: December 1, 2011

By: 
Name: STUART NEMAN
Title: CFO

"Tenant"

CITY OF LONG BEACH

Dated: 12.9, 2011

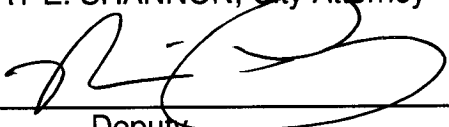
By:  Assistant City Manager
Name: Patrick H. West
Title: City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

"Landlord"

This Lease is approved as to form on December 7, 2011.

ROBERT E. SHANNON, City Attorney

By: 
Deputy

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

RFA: bg
A11-00671

EXHIBIT "A"

SCALE: 1"=40'

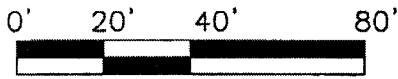
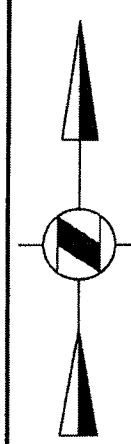


EXHIBIT MAP SHT. 1 OF 4 SHTS



TERMINAL ISLAND FREEWAY
OWNED BY CITY OF LONG BEACH PER INST. NO. 00-1333955, OR

277.96' N9°58'33"E
S04°43'22"W 257.67'

91.37' N15°32'16"E
110.50' N18°15'31"E

SOUTHERLY TERMINUS OF THAT COURSE HAVING
A DIST. OF 280.50' PER DEED DESC. OF PARCEL
DATED MAY 4, 1943, AS SHOWN AND ESTABLISHED
ON RECORD MAP SURVEY RS 158-55/57
FOUND IN CALTRANS 158-55/57
NORTH LINE OF LAND DESC. PER QUITCLAIM
DEED REC. AS INST. NO. 97-1924570, OR

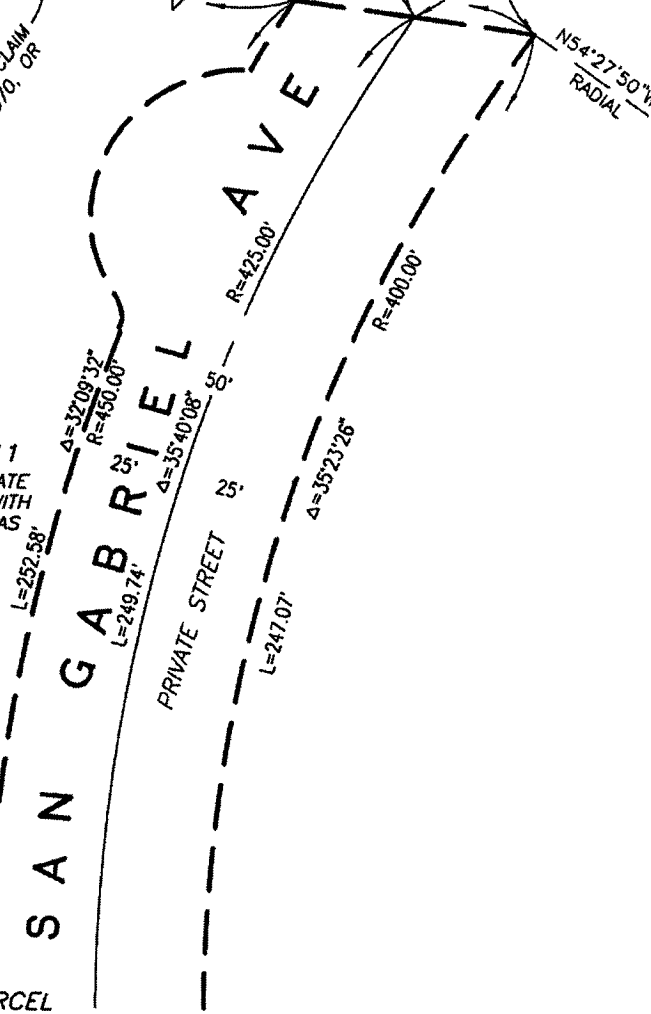
TAX PARCEL 7402-019-011
PARCEL 'C' OF GRANT OF CERTIFICATE
OF COMPLIANCE IN CONJUNCTION WITH
A WAIVED PARCEL MAP RECORDED AS
INST. NO: 03-0422308, OR
ACCEPTED AS THE E'LY LINE OF TERMINAL
ISLAND FWY FROM FOUND MONUMENTATION
PER RS 158-55/57

PORTION
LOT 31
MR BK 4
PGS 406 & 407

HEREIN DESCRIBED
PROPOSED CITY LEASED PARCEL

POINT OF BEGINNING OF HEREIN
DESCRIBED CITY LEASED PARCEL
NW CORNER OF LAND DESC. PER
INST. NO. 97-1924570, OR
FOUND L&TAG LS 2996, NO REF.

N 81°41'59" W 260.46'
205.03'



SEE SHEET 2

REV. OCT. 31, 2011
2360-PAR3-ALTA1-AUG03-11.DWG

DATE: 8-3-11
THOM. GDE: 795-A4
SCALE: 1"=40'
PROJECT NO: 2360

HENNON
Surveying & Mapping, Inc.

601 E. GLENOAKS BLVD., SUITE 208
GLENDALE, CALIFORNIA 91207
(818)243-0640
FAX: (818)243-0650

EXHIBIT MAP

SEE SHEET 1

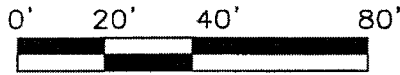
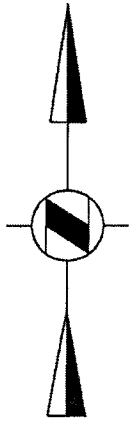
SHT. 2 OF 4 SHTS

PORTION
LOT 31
MR BK 4
PGS 406 & 407

ACCEPTED AS THE NW CORNER OF
LOT 1, BLOCK 4, SAN GABRIEL RIVER
TRACT, M.B. 9-30
FOUND 1" I.P. W/
TAG "LS 2996"

FOUND 1" I.P. W/CALTRANS
TAG PER RS 158-55/57

N.T.S.



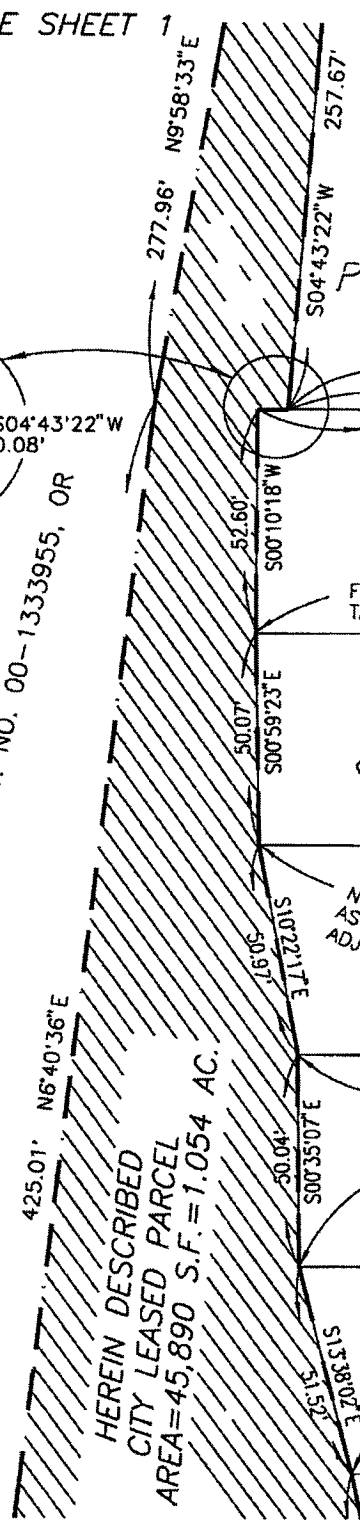
SCALE: 1"=40'

REV. OCT. 31, 2011 SEE SHEET 3

TERMINAL ISLAND FREEWAY
OWNED BY CITY OF LONG BEACH PER INST. NO. 00-1333955, OR

425.01' N6°40'36"E

HEREIN DESCRIBED
CITY LEASED PARCEL
AREA=45,890 S.F.=1.054 AC.



FOUND 1" I.P. W/CALTRANS
TAG PER RS 158-55/57

NOTHING FOUND OR SET. ESTABLISHED
AS ANGLE POINT BY COMPASS RULE
ADJUSTMENT PER RS 158-55/57

FOUND 1" I.P. W/CALTRANS
TAG PER RS 158-55/57

FOUND 1" I.P. W/CALTRANS
TAG PER RS 158-55/57

FOUND 1" I.P. W/CALTRANS
TAG PER RS 158-55/57

LOT 1

LOT 2

LOT 3

LOT 4

LOT 5

LOT 6

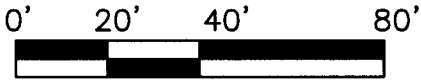
SAN GABRIEL RIVER TRACT
MB 9 PG 30

DATE: 8-3-11
THOM. GDE: 795-A4
SCALE: 1"=40'
PROJECT NO: 2360

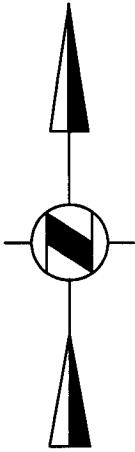
HENNON
Surveying & Mapping, Inc.

601 E. GLENOAKS BLVD., SUITE 208
GLENDALE, CALIFORNIA 91207
(818)243-0640
FAX: (818)243-0650

EXHIBIT MAP SEE SHEET 2

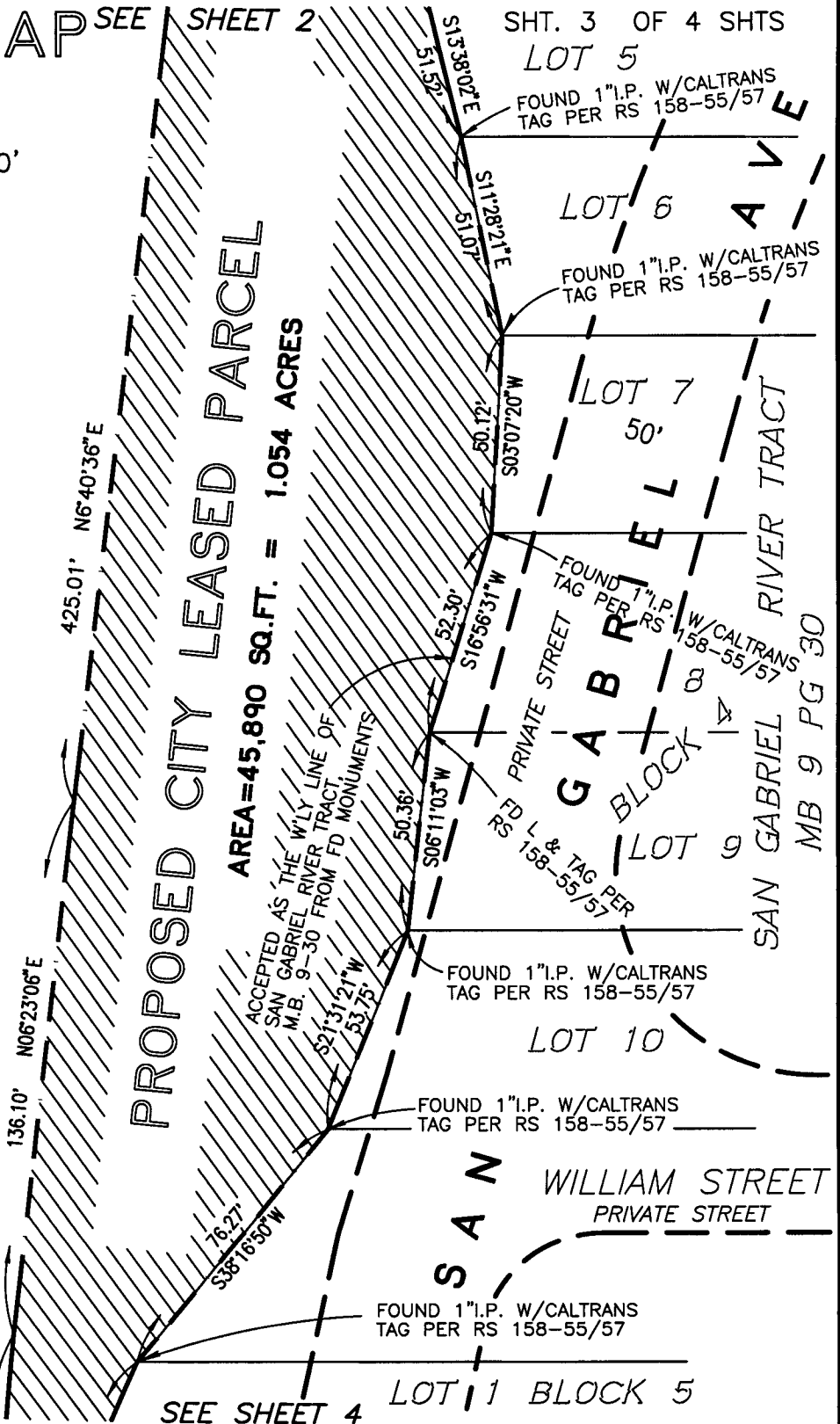


SCALE: 1"=40'



TERMINAL ISLAND FREEWAY

OWNED BY CITY OF LONG BEACH PER INST. NO. 00-1333955, OR



REV. NOV. 30, 2011

SEE SHEET 4

DATE: 8-3-11
THOM. GDE: 795-A4
SCALE: 1"=40'
PROJECT NO: 2360

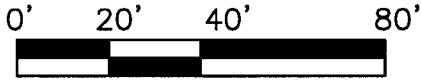
HENNON
Surveying & Mapping, Inc.

601 E. GLENOAKS BLVD., SUITE 208
 GLENDALE, CALIFORNIA 91207
 (818)243-0640
 FAX: (818)243-0650

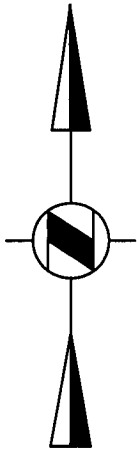
EXHIBIT MAP

SHT. 4 OF 4 SHTS

SEE SHEET 3



SCALE: 1"=40'

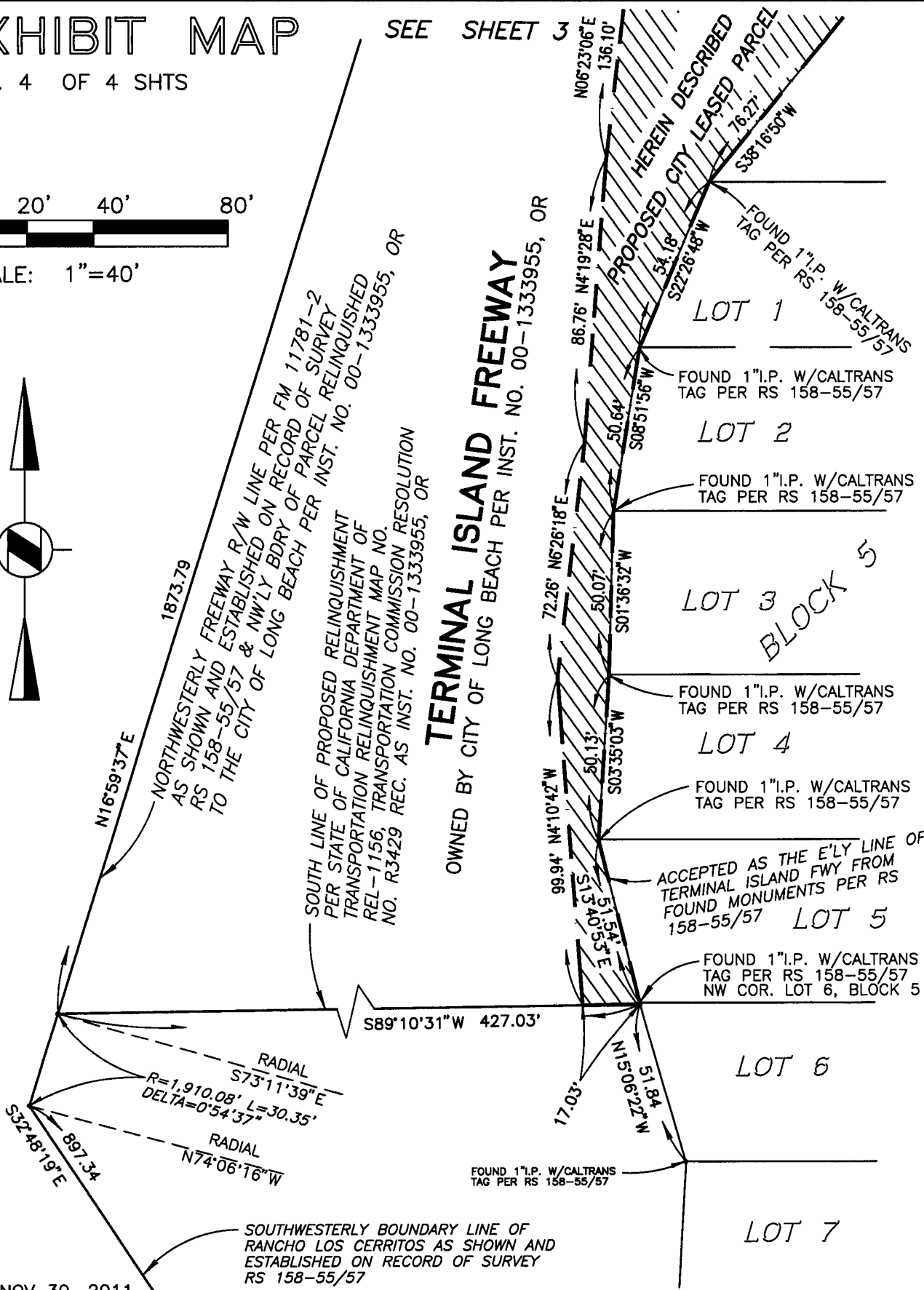


1873.79
 NORTHWESTERLY FREEWAY R/W LINE PER FM 11781-2 AS SHOWN AND ESTABLISHED ON RECORD OF SURVEY RS 158-55/57 & NW'LY BDRY OF PARCEL RELINQUISHED TO THE CITY OF LONG BEACH PER INST. NO. 00-1333955, OR

SOUTH LINE OF PROPOSED RELINQUISHMENT PER STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION RELINQUISHMENT MAP NO. REL-1156, TRANSPORTATION COMMISSION MAP NO. NO. R3429 REC. AS INST. NO. 00-1333955, OR

TERMINAL ISLAND FREEWAY

OWNED BY CITY OF LONG BEACH PER INST. NO. 00-1333955, OR



REV. NOV 30, 2011