

LEASE
34124

THIS LEASE is made and entered into as of December 15, 2014, pursuant to a minute order adopted by the City Council of the City of Long Beach on September 17, 2013, by and between the CITY OF LONG BEACH, a municipal corporation ("City"), and SOCAL HOLDING, LLC, a Delaware limited liability company ("Lessee"), whose address is 111 W. Ocean Blvd., Long Beach, CA 90802.

1. This Lease is made with reference to the following facts and objectives:

A. Lessee's affiliate, as City's contractor, currently operates and administers certain City-owned lands used in connection with the production of oil and other hydrocarbon substances.

B. Lessee is interested in leasing a portion of such lands in order to store an oil drilling rig and ancillary equipment, which such equipment is not used in connection with Lessee's affiliate's operations on behalf of City, and City is willing to lease such portion to Lessee on the terms and conditions contained in this Lease.

2. City leases to Lessee and Lessee accepts a lease of certain unimproved real property consisting of approximately one (1) acre, and as more particularly shown on the drawing attached hereto and by this reference made a part hereof (the "Premises").

A. There are excepted and reserved from the Premises all minerals and mineral rights of every kind and character now known to exist or hereafter discovered, including oil, gas and water rights, together with the full, exclusive and perpetual rights to explore for, remove and dispose of said minerals, or any part thereof, from the Premises. The right of surface entry on the Premises for these purposes is reserved as provided in the Unit Agreements and the Memorandum of Understanding dated October 1, 2004, by and between the

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1 Harbor Department of the City of Long Beach and the Department of Oil
2 Properties of the City of Long Beach in effect as of the date hereof and as it may
3 be modified from time to time in the future (the "MOU").

4 B. This Lease and all rights granted to Lessee hereunder are
5 subject to the restrictions, reservations and limitations of record, including without
6 limitation, those contained in Chapter 676, Statutes of 1911, Chapter 102, Statutes
7 of 1925, Chapter 158, Statutes of 1935, Chapter 29, Statutes of 1956, First
8 Extraordinary Session, Chapter 138, Statutes of 1964, First Extraordinary Session,
9 the Charter of the City of Long Beach (the "Charter") and the federal navigational
10 servitude.

11 C. City reserves such rights of way and rights of entry upon the
12 Premises for the installation, relocation, removal, operation and maintenance of
13 sewers, pipelines, conduits and telephone, telecommunications, light, heat or
14 power lines, whether underground or overhead, as may from time to time be
15 determined by the City Manager of Long Beach, or designee ("City Manager").
16 City shall give reasonable notice to Lessee of any such entry upon the Premises
17 and such entry shall not unreasonably interfere with the conduct of Lessee's
18 storage on the Premises.

19 D. City's authorized representatives shall have access to the
20 Premises at any and all reasonable times, for the purpose of determining whether
21 or not Lessee is complying with the terms and conditions hereof, for fire and police
22 purposes, to investigate any incidents involving personal injury or property
23 damage, or for any other purposes incidental to the rights or duties of City. The
24 right of inspection hereby reserved to City shall impose no obligation on City to
25 make inspections to ascertain the condition of the Premises, and shall impose no
26 liability upon City for failure to make such inspection.

27 E. It is acknowledged by Lessee that drilling, repressuring and oil
28 recovery operations are conducted in, under and in the immediate vicinity of the

1 Premises. City reserves on behalf of itself, its agents, contractors, subcontractors
2 and duly authorized representatives, for use in connection with said drilling,
3 repressuring and oil recovery operations (including, but not limited to, the redrilling,
4 deepening, repairing, plugging and abandoning of wells as oil wells, water source
5 wells or water injection wells): (a) the right to construct, install, use, operate,
6 maintain, repair, and renew underground wells, underground conduits and
7 underground pipelines for the transmission of water, electricity, oil, gas and other
8 hydrocarbon substances under the Premises, and (b) the right of reasonable
9 vehicular and pedestrian access in connection with said use over and across the
10 Premises, at any and all times. City or its agents, contractors, subcontractors and
11 duly authorized representatives shall give reasonable notice, consistent with the
12 MOU, to Lessee of its intent to enter and work upon the Premises for the purposes
13 set out in this subparagraph. City shall conduct all such work on the Premises, and
14 at the point of access to the Premises, so as not to interfere unreasonably with the
15 conduct of Lessee's business on the Premises, or its right of ingress to and egress
16 from the Premises. The surface of the Premises shall be restored upon
17 completion of such work.

18 3. The term of this Lease shall be for a period of six (6) months
19 commencing on December 15, 2014, and ending on June 15, 2014. The term of this
20 Lease may be extended for one additional period of six (6) months upon the mutual
21 agreement of the parties.

22 4. Lessee is authorized to use the Premises for parking of an oil drilling
23 rig and related equipment.

24 A. The Premises shall not be used for any other purpose
25 (including any kind of maintenance of any kind of vehicle or equipment) without the
26 prior consent in writing of the City Manager. The Premises shall not be used for
27 any purpose which shall interfere with commerce, navigation or fisheries or be
28 inconsistent with the trusts and limitations upon which the Premises are now or

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may hereafter be held by the City.

B. Lessee shall not do, bring or keep anything in or about the Premises that will cause a cancellation of or increase the rate of any insurance covering the Premises.

C. Lessee shall not use the Premises in any manner that is unlawful, damages the Premises or that will constitute waste or a nuisance.

D. The limitation on use set forth in subparagraphs 4.B and 4.C shall not prevent Lessee from bringing, keeping or using, on or about the Premises such materials, supplies, equipment and machinery as are necessary or customary in the operation of the permitted uses; provided however Lessee, in handling hazardous substances or wastes, shall fully comply with all laws, rules, regulations and orders of governmental agencies having jurisdiction.

5. Lessee shall pay to City, as rental for the use of the Premises, without deduction, setoff, prior notice or demand, on the first day of the month of each month of the term, an amount equal to Six Thousand Five Hundred Thirty-Four Dollars (\$6,534) per month. All delinquent installments of rental and other payments due the City shall bear interest at the maximum rate allowed by law. Rental payments are delinquent if remaining unpaid on the tenth calendar day of the month for which due. With the exception of rental payments, all invoices issued by City are due and payable upon presentation, and any such invoice remaining unpaid the thirtieth day after the date of issue shall be considered delinquent.

6. Lessee shall not construct or make any improvements or alterations to the Premises without City's prior consent, which consent may be withheld in City's sole and absolute discretion.

7. Lessee, at its cost, shall keep and maintain the Premises, including without limitation all buildings, structures, other improvements and surface paving, in good and substantial repair and condition and shall perform all necessary maintenance.

1 A. Should Lessee fail to make any repairs or perform required
2 maintenance within thirty (30) days after receipt of notice from City to do so, City
3 may, but shall not be obligated to, make such repairs or perform such
4 maintenance. Lessee agrees to reimburse City for the cost thereof within thirty
5 (30) days after receipt of City's invoice therefore. City's cost shall include, but not
6 be limited to, the cost of maintenance or repair or replacement of property
7 neglected, damaged or destroyed, including direct and allocated costs for labor,
8 materials, supervision, supplies, tools, taxes, transportation, administrative and
9 general expense and other indirect or overhead expenses. In the event Lessee
10 shall commence to prosecute and diligently make such repairs or shall begin to
11 perform the required maintenance within the thirty (30) day period, City shall
12 refrain from making such repairs or performing required maintenance and from
13 making demand for such payment until the work has been completed by Lessee,
14 and then only for such portion thereof as shall have been made or performed by
15 City. The making of any repair or the performance or maintenance by City, which
16 repair or maintenance is the responsibility of Lessee, shall in no event be
17 construed as a waiver of Lessee's duty or obligation to make future repairs or
18 perform required maintenance as provided in this Lease.

19 B. Lessee, at its cost, shall provide proper containers for trash
20 and keep the Premises free and clear of rubbish, debris and litter at all times.
21 Lessee, at its cost, further agrees to keep and maintain all of the Premises in a
22 safe, clean, wholesome and sanitary condition under all applicable federal, state,
23 local and other laws, rules, regulations and orders. No offensive refuse, matter,
24 nor any substance constituting any unnecessary, unreasonable or unlawful fire
25 hazard, nor material detrimental to the public health shall be permitted to be or
26 remain on the Premises and Lessee shall prevent such material or matter from
27 being or accumulating upon the Premises.

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C. All fire protection sprinkler systems, standpipe systems, fire alarm systems, portable fire extinguishers and other fire-protective or extinguishing systems or appliances which may be installed on the Premises shall be maintained by Lessee, at its cost, in an operative condition at all times. All repairs and servicing shall be made in accordance with the provisions of the Long Beach Municipal Code, Chapter 18.48 and all revisions thereto.

D. Lessee shall promptly notify the City Manager of the release of any hazardous materials onto the Premises. Lessee, at its cost, shall promptly remove and/or treat and dispose of all such hazardous materials in accordance with regulations and orders of governmental agencies having jurisdiction and restore the Premises to the condition they were in prior to the release of the hazardous materials. Lessee shall furnish the City Manager with copies of all waste manifests. As used herein, the term "hazardous materials" shall also include "hazardous wastes" and "extremely hazardous wastes" as those terms have been defined by the Administrator of the U.S. Environmental Protection Agency, the California Department of Toxic Substances Control, or any other person or agency having jurisdiction of the management of hazardous materials.

E. Lessee shall provide personnel to accompany City's representatives on periodic inspections of the Premises to determine Lessee's compliance with the provisions of this Lease.

8. At all times in its use and occupancy of the Premises and in the conduct of its operations thereon, Lessee, at its cost, shall comply with all applicable federal, state, regional and municipal laws, ordinances and regulations (including but not limited to the City Charter and the Long Beach Municipal Code) and obtain all requisite permits for the construction of improvements on the Premises and for the conduct of its operations thereon. Without limiting the foregoing, Lessee shall comply with applicable provisions of the Americans with Disabilities Act (42 USCS Sections 12101, et seq.) ("Act") and regulations promulgated pursuant thereto in Lessee's use of the Premises

1 and operations conducted thereon. Additionally, as between City and Lessee, Lessee
2 shall be solely responsible for assuring that the Premises are in compliance with
3 applicable provisions of said Act and related regulations and shall hold City harmless
4 from and against any claims of failure of the Premises to comply with the Act and/or
5 related regulations.

6 9. Lessee, at its cost, shall make arrangements for and pay for all utility
7 installations and services furnished to or used by it, including without limitation gas,
8 electricity, water, telephone service and trash collection and for all connection charges.

9 10. Except where contested in good faith in a court of appropriate
10 jurisdiction, Lessee shall pay, prior to delinquency, all lawful taxes, assessments and
11 other governmental or district charges that may be levied upon its property and
12 improvements of any kind located on the Premises and upon the interest granted under
13 this Lease. Lessee recognizes and understands that this Lease may create a
14 possessory interest subject to property taxation and that Lessee may be subject to the
15 payment of property taxes and assessments levied on such interest. Payment of any
16 such possessory interest tax or assessment shall not reduce any compensation due City
17 hereunder.

18 11. Lessee shall defend, indemnify, hold, protect and save harmless the
19 City of Long Beach, the Board of Harbor Commissioners and their officials,
20 commissioners, employees, and agents ("Indemnified Parties") from and against any and
21 all actions, suits, proceedings, claims, demands, damages, losses, liens, costs, expenses
22 or liabilities of any kind or nature whatsoever ("Claims"), which may be brought, made,
23 filed against, imposed upon or sustained by the Indemnified Parties, or any of them,
24 alleging injury to or death of persons or damage to property, including property owned by
25 or under the care and custody of City or economic losses, and that such injury, death,
26 damage or economic loss arises from or is attributable to or caused, directly or indirectly:

27 A. by the use of the Premises or any equipment or materials
28 located thereon, or from operations conducted thereon by Lessee, its agents,

1 employees or invitees, or by any person or persons acting on behalf of Lessee and
2 with Lessee's knowledge and consent, express or implied of Lessee;

3 B. by the condition or state of repair and maintenance of the
4 Premises;

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

9 D. by Lessee's failure or refusal to comply with the provisions of
10 Section 6300 et seq. of the California Labor Code or any federal, state or local
11 regulations or laws pertaining to the safety of the Premises or of equipment
12 located upon the Premises. City shall notify Lessee of any Claim, shall tender its
13 defense to Lessee, and shall assist Lessee as may reasonably be requested in the
14 defense thereof. Upon such notification and tender, Lessee shall have
15 independent duties to defend such Claim, and to indemnify the Indemnified Parties
16 against all costs, including costs incurred prior to the date of tender.

17 12. As a condition precedent to the effectiveness of the Lease, Lessee
18 shall procure and maintain in full force and effect during the term of the Lease, the
19 following policies of insurance.

20 A. Commercial General Liability Insurance which affords
21 coverage at least as broad as Insurance Services Office "occurrence" from CG 00
22 01 with minimum limits of at least \$1,000,000 per occurrence, and if written with an
23 aggregate, the aggregate shall be double the per occurrence limit.

24 The policy shall contain no provisions or endorsements limiting
25 coverage for (1) contractual liability; (2) independent contractors; (3) third party
26 action-over claims; (4) explosion, collapse or underground hazard (XCU); and (5)
27 defense costs shall be excess of limits.

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1 B. Automobile Liability Insurance with coverage at least as broad
2 as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with
3 minimum limits of \$1,000,000 each accident.

4 C. Workers' Compensation Insurance, as required by the State
5 of California and Employer's Liability Insurance with a limit of not less than
6 \$1,000,000 per accident for bodily injury and disease; and any required coverage
7 under the U.S. Longshoremen's and Harbor Workers' Act (USL&H) for employees
8 performing services covered by said Act.

9 Insurance policies will not be compliance if they include any limiting
10 endorsement that has not been submitted to the Port for approval.

11 The policy or policies of insurance for Commercial General Liability
12 and Automobile Liability shall contain the following provisions or be endorsed to
13 provide the following:

14 (1) The Indemnified Parties shall be additional insureds with regard
15 to liability and defense of suits or claims arising out or related to the Lease.
16 Additional insured endorsements shall not:

- 17 i. Exclude contractual liability;
- 18 ii. Restrict coverage to the sole liability of Lessee; or
- 19 iii. Contain any other exclusion contrary to the Lease.

20 (2) This insurance shall be primary and any other insurance,
21 deductible, or self-insurance maintained by the Indemnified Parties shall not
22 contribute with this primary insurance.

23 (3) The policy shall not be canceled or the coverage reduced until a
24 thirty (30) day written notice of cancellation has been served upon the City
25 Manager except notice of ten (10) days shall be allowed for non-payment of
26 premium.

27 The policy or policies of insurance for Workers' Compensation shall
28 be endorsed, as follows:

1 (1) A waiver of subrogation stating that the insurer waives all rights
2 of subrogation against the Indemnified Parties.

3 (2) The policy or policies shall not be canceled or the coverage
4 reduced until a thirty (30) days written notice of cancellation has been served upon
5 the City Manager except notice of ten (10) days shall be allowed for non-payment
6 of premium.

7 Any deductible or self-insured retention must be approved in writing by the
8 City Manager and shall protect the Indemnified Parties in the same manner and to the
9 same extent as they would have been protected had the policy or policies not contained a
10 deductible or self-insured retention. Any deductible or self-insured retention must be
11 approved in writing.

12 Lessee shall deliver certificates of insurance and endorsements on forms
13 approved by the City ("evidence of insurance") to the City Manager for approval as to
14 sufficiency and approval as to form. At least fifteen (15) days prior to the expiration of
15 any such policy, evidence of insurance showing that such insurance coverage has been
16 renewed or extended shall be filed with the City Manager. If such coverage is canceled
17 or reduced, Lessee shall, within ten (10) days after receipt of written notice of such
18 cancellation or reduction of coverage, file with the City Manager evidence of insurance
19 showing that the required insurance has been reinstated or has been provided through
20 another insurance company or companies.

21 The coverage provided shall apply to the obligations assumed by the
22 Lessee under the indemnity provisions of this Lease but this insurance provision in no
23 way limits the indemnity provision and the indemnity provision in no way limits this
24 insurance provision.

25 Lessee agrees to suspend and cease all operations hereunder during such
26 period of time as the required insurance coverage is not in effect and evidence of
27 insurance has not been furnished to the City.

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1 Each such policy shall be from a company or companies with a current A.M.
2 Best's rating of no less than A:VII and authorized to do business in the State of California,
3 or otherwise allowed to place insurance through surplus line brokers under applicable
4 provisions of the California Insurance Code or any federal law. Any other rating must be
5 approved in writing.

6 If coverage is written on a claims-made basis, the retroactive date on such
7 insurance and all subsequent insurance shall coincide with or precede the effective date
8 of the Lease and continuous coverage shall be maintained or an extended reporting
9 period endorsement of at least three (3) years from termination or expiration of this Lease
10 shall be obtained. Upon expiration or termination of coverage of required insurance,
11 Lessee shall procure and submit to City evidence of "tail" coverage or an extended
12 reporting period endorsement of at least three (3) years.

13 Lessee shall require all sublessees, contractors or licensees to purchase
14 the appropriate insurance in compliance with the terms of this Lease including adding the
15 City as an additional insured.

16 13. No signs or placards of any type or design, except safety or
17 regulatory signs prescribed by law, shall be painted, inscribed or placed in or on the
18 Premises without the prior written consent of the City Manager, which consent shall not
19 be unreasonably withheld. Upon the expiration or termination of this Lease, Lessee, at
20 its cost, shall remove promptly and to the satisfaction of the City Manager any and all
21 signs and placards placed by it upon the Premises.

22 14. The occurrence of any of the following shall constitute a default:

23 (i) Failure by Lessee to pay rent when due, if the failure continues
24 for ten (10) days after notice has been given by City to Lessee.

25 (ii) Failure by either party to perform any other provision of this
26 Lease if the failure to perform is not cured within thirty (30) days after notice has
27 been given by the other party; provided, if the default cannot reasonably be cured
28 within thirty (30) days, the party obligated to perform shall not be in default if such

1 party commences to cure the default within the thirty (30) day period and diligently
2 and in good faith continues to cure the default.

3 A. Notices given under this paragraph shall specify the alleged
4 default and the applicable Lease provisions and shall demand that the defaulting
5 party perform the provisions of this Lease or pay the rent that is in arrears, as the
6 case may be, within the applicable period of time or, in the case of a default by
7 Lessee, that Lessee quit the Premises. No such notice shall be deemed a
8 forfeiture or a termination of this Lease unless City so elects in its notice to
9 Lessee.

10 B. Upon any such termination by City, all improvements of
11 whatsoever character constructed, erected or installed upon the Premises by
12 Lessee shall, at City's option, and upon City's declaring a forfeiture, immediately
13 become the property of City.

14 C. The remedies of each party shall be cumulative and in
15 addition to any other remedies available.

16 D. For the purpose of this paragraph, each of the covenants,
17 conditions and agreements imposed upon or to be performed by one party shall, at
18 the option of the other party, be deemed to be either covenants or conditions,
19 regardless of how designated in this Lease.

20 15. Neither party to this Lease shall be deemed to be in default in the
21 performance of the terms, covenants or conditions of this Lease, if such party is
22 prevented from performing said terms, covenants or conditions hereunder by causes
23 beyond its control, including, without limitation, earthquake, flood, fire, explosion or
24 similar catastrophe, war, insurrection, riot or other civil disturbance, failure or delay in
25 performance by suppliers or contractors, or any other cause reasonably beyond the
26 control of the defaulting party, but excluding strikes or other labor disputes, lockouts or
27 work stoppages. In the event of the happening of any of such contingencies, the party
28 delayed from performance shall immediately give the other party written notice of such

1 contingency, specifying the cause for delay or failure. The party so delayed shall use
2 reasonable diligence to remove the cause of delay, and if and when the occurrence or
3 condition which delayed or prevented the performance shall cease or be removed, the
4 party delayed shall notify the other party immediately, and the delayed party shall
5 recommence its performance of the terms, covenants and conditions of this Lease.

6 A. If the Premises are not reasonably useable in whole or in part
7 for the uses delineated in paragraph 4 by reason of any cause contemplated by
8 this paragraph, for a period of three (3) weeks or longer, Lessee shall have the
9 option of terminating this Lease in its entirety by giving City written notice.

10 B. During any period in which the Premises are not reasonably
11 useable in whole or in part for the uses delineated in paragraph 4 by reason of any
12 cause contemplated by this paragraph, Lessee shall not be relieved of its
13 obligation to pay any sum already due to City at the time of the occurrence.

14 C. Notwithstanding the foregoing, the occurrence of any cause
15 contemplated by this paragraph shall not excuse or otherwise delay performance
16 by Lessee of its obligation to obtain all required permits, licenses, approvals and
17 consents from governmental agencies having jurisdiction for the operation and
18 conduct of permitted activities.

19 16. In the event the United States of America, the State of California, or
20 any agency or instrumentality of said governments other than the City of Long Beach
21 shall, by condemnation or otherwise, take title, possession or the right to possession of
22 the Premises, or any part thereof, or deny Lessee the right to use the Premises as
23 contemplated by this Lease, or if any court shall render a decision which has become
24 final and which will prevent the performance by City of any of its obligations under this
25 Lease, and if such taking, denial or decision substantially impairs the utility of the
26 Premises to Lessee, then either party may, at its option, terminate this Lease as of the
27 date of such taking, denial or decision, and all further obligations of the parties shall end,
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A. any award to which Lessee may be entitled from the condemning authority for loss or damage suffered by Lessee, including but not limited to relocation benefits and Lessee's interest in its building, improvements, trade fixtures and removable personal property;

B. obligations of indemnity which arise under the provisions of paragraph 12; or

C. any obligations or liabilities which shall have accrued prior to the date of taking.

17. Upon the termination of this Lease (whether by lapse of time or otherwise), Lessee, at its cost, shall restore the Premises to as good a state and condition as the same were upon the date Lessee originally took possession thereof, reasonable wear and tear and damage by the elements excepted, and shall thereafter peaceably surrender possession.

A. All improvements of any kind constructed, erected or installed upon the Premises by Lessee shall be and remain the property of Lessee during the term of this Lease. Prior to termination, Lessee shall remove all of its improvements and, at its cost, shall repair any damage caused by such removal; provided, the City, at its option, may elect to take title to said improvements in lieu of requiring Lessee to remove the same and restore the Premises. The obligations contained in this paragraph shall remain in full force and effect, notwithstanding the expiration or termination of this Lease.

B. Except as to property owned by City, or property in which City may have an interest, upon termination of this Lease (whether by lapse of time or otherwise) Lessee shall cause all other property upon the Premises, whether or not such property be owned by Lessee or by third parties, to be removed from the Premises prior to the termination date and shall cause to be repaired any damage occasioned by such removal; provided, however, that if any of such property is not with due diligence susceptible of removal prior to the termination date, Lessee's

1 obligation hereunder shall be to remove it in the most expeditious manner and as
2 rapidly as possible following the termination date. If the property is not so
3 removed from the Premises, City shall have the right to remove and/or sell and/or
4 destroy the same (subject to the interest of any person other than Lessee therein)
5 at Lessee's expense, and Lessee agrees to pay the reasonable cost of any such
6 removal, sale, or destruction.

7 18. Lessee understands and agrees that nothing contained in this Lease
8 shall create any right in Lessee for relocation assistance or payment from City upon the
9 termination of this Lease or upon the termination of any holdover period. Lessee
10 acknowledges and agrees that it shall not be entitled to any relocation assistance or
11 payment pursuant to the provisions of Title 1, Division 7, Chapter 16, of the Government
12 Code of the State of California (Sections 7260 et seq.) with respect to any relocation of its
13 business or activities upon the termination of this Lease as a result of the lapse of time or
14 Lessee's default or upon the termination of any holdover period.

15 19. Lessee shall not assign, sublet or otherwise transfer (whether
16 voluntary or involuntary) this Lease or any interest therein without the prior written
17 consent of the City Manager.

18 20. If Lessee shall hold over after the expiration of this Lease for any
19 cause, such holding over shall be deemed a tenancy from month-to-month only, upon the
20 same terms, conditions and provisions of this Lease, except as set forth below, unless
21 other terms, conditions and provisions be agreed upon in writing by City and Lessee.
22 The then-applicable rent payable by Lessee hereunder shall be increased by ten percent
23 (10%) on the first day of each month that Lessee holds over.

24 21. Any rental payment, notice, demand, request, consent, approval or
25 communication that either party desires or is required to give to the other party or to any
26 other person shall be in writing and either served personally or sent by prepaid, first-class
27 mail. The address of Lessee is that shown on the first page of the Agreement and the
28 address of City for the purpose of this Lease is: City of Long Beach, Attn: Kevin Tougas,

1 Gas & Oil Operations Bureau Manager, 2400 E. Spring Street, Long Beach, California
2 90806. Either party may change its address by notifying the other party in writing of such
3 change. Notice shall be deemed communicated within forty-eight (48) hours from the
4 time of mailing if mailed as provided in this subparagraph and as of the time of receipt if
5 personally served.

6 22. Lessee agrees, subject to applicable laws, rules and regulations, that
7 no person shall be subject to discrimination in the performance of this Lease on the basis
8 of race, color, religion, national origin, sex, sexual orientation, AIDS, HIV status, age,
9 disability, handicap, or Vietnam Era veteran status. Lessee shall take affirmative action
10 to ensure that applicants are employed and that employees are treated during
11 employment without regard to any of these bases, including but not limited to
12 employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff,
13 termination, rates of pay or other forms of compensation, and selection for training,
14 including apprenticeship. Lessee agrees to post in conspicuous places available to
15 employees and applicants for employment notices to be provided by City setting out the
16 provisions of this nondiscrimination clause. Lessee shall in all solicitations or
17 advertisements for employees state that all qualified applicants will receive consideration
18 for employment without regard to these bases.

19 23. The parties hereby waive all claims against the other for damage or
20 loss caused by any suit or proceeding commenced by a third party, directly or indirectly
21 attacking the validity of this Lease, or any part thereof, or by any judgment or award in
22 any suit or proceeding declaring this Lease null, void or voidable, or delaying the same,
23 or any part thereof, from being carried out, provided that Lessee shall not be liable for
24 payment of compensation hereunder to the extent that, during any period, it is so
25 prevented from exercising its rights hereunder.

26 24. This Lease shall be governed by the laws of the State of California,
27 both as to interpretation and performance.

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1 25. No waiver by either party at any time of any of the terms, conditions,
2 covenants or agreements of this Lease shall be deemed or taken as a waiver at any time
3 thereafter of the same or any other term, condition, covenant or agreement herein
4 contained nor of the strict and prompt performance thereof by the party obligated to
5 perform. No delay, failure or omission of either party to exercise any right, power,
6 privilege or option arising from any default nor subsequent acceptance of compensation
7 then or thereafter accrued shall impair any such right, power, privilege or option or be
8 construed to be a waiver of any such default or relinquishment thereof or acquiescence
9 therein. No option, right, power, remedy or privilege of either party hereto shall be
10 construed as being exhausted or discharged by the exercise thereof in one or more
11 instances. It is agreed that each and all of the rights, powers, options or remedies given
12 to the parties by this Lease are cumulative, and no one of them shall be exclusive of the
13 other or exclusive of any remedies provided by law, and that the exercise of one right,
14 power, option, or remedy by a party shall not impair its rights to any other right, power,
15 option or remedy.

16 26. This Lease shall be binding upon and shall inure to the benefit of the
17 successors and assigns of City and shall be binding upon and inure to the benefit of the
18 permitted successors and assigns of Lessee.

19 27. Should any of the covenants, conditions or agreements of this Lease
20 be held by a court of competent jurisdiction to be illegal or in conflict with any applicable
21 law, or with any provision of the Charter of the City of Long Beach, the validity of the
22 remaining portions or provisions shall not be affected thereby.

23 28. If either party commences an action against the other party arising
24 out of or in connection with this Lease, the prevailing party shall be entitled to have and
25 recover from the losing party reasonable attorneys' fees and costs of suit.

26 29. This Lease may be amended or terminated at any time by the written
27 mutual agreement of the parties.

28

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4684

1 30. All provisions, whether covenants or conditions on the part of
2 Lessee, shall be deemed to be both covenants and conditions.

3 31. This document constitutes the whole agreement between City and
4 Lessee. There are no terms, obligations or conditions other than those contained herein.
5 No modification or amendment of this Lease shall be valid and effective, unless
6 evidenced by a written agreement signed by the parties which makes specific reference
7 to this Lease.

8 32. Effective upon full execution of this Lease, the parties agree that the
9 Letter Agreement is null and void and has no force or effect and the parties agree to
10 waive any claims related to the Letter Agreement.

11
12
13 2/18, 2014

14
15 12/15, 2014

SOCAL HOLDING, LLC, a Delaware
limited liability company

By: [Signature]
Name: F.E. Komin

Title: VP Southern Ops, Co.

By: [Signature]
Name: Barbara Zimmerman

Title: Act GC

"LESSEE"

CITY OF LONG BEACH, a municipal
corporation

19
20 December 15, 2014

By: [Signature]
EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

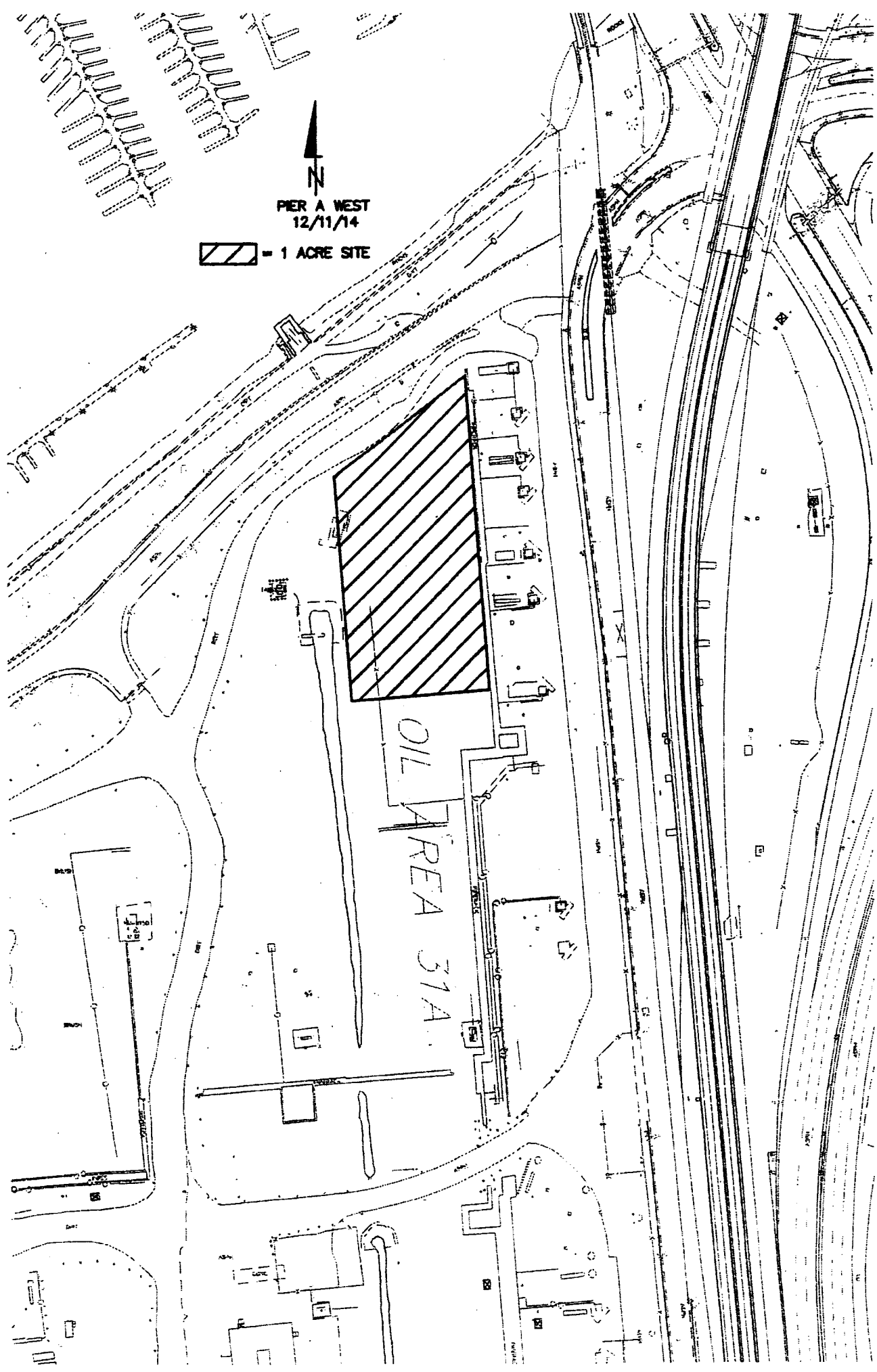
City Manager
Assistant City Manager

"CITY"


23 This Lease is approved as to form on 12/15, 2014.

24 CHARLES PARKIN, City Attorney

25 By: [Signature]
26 Deputy



PIER A WEST
12/11/14

 = 1 ACRE SITE

OIL AREA 31A