



# CITY OF LONG BEACH

## DEPARTMENT OF PUBLIC WORKS

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May 22, 2018

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary for the First Amendment to Parking Structure Lease DT 383 with SRE-OW 100 Broadway Owner, LLC, a Delaware limited liability company, for full-time operation and management of the parking structure located at 100 W. Broadway. (District 2)

### DISCUSSION

On December 1, 1992, the Redevelopment Agency of the City of Long Beach (RDA) entered into a Parking Structure Lease agreement with IDM Corporation for the rights to 150 parking spaces and after hour operations at the parking structure located at 100 W. Broadway (Attachment A). During this agreement, the City of Long Beach (City) has utilized its parking operator to manage the staffing booth, which is the last non-automated facility within the Public Works Department's oversight. Subsequent to the 1992 agreement, IDM's interest was transferred to SRE-OW 100 Broadway Owner, LLC (Landlord).

On January 24, 2018, the Successor Agency to the RDA assigned the City all of its right, title, and interest in the Parking Structure Lease so that the City may amend the existing lease with the Landlord.

The City and Landlord desire to amend Parking Structure Lease DT 383 to allow for enhancement and maximization of operations, revenues, and efficiencies (Attachment B). In doing so, the City agrees to allow the Landlord to manage and operate the garage on a 24-hour, seven days a week basis. In exchange, the Landlord agrees to upgrade the parking equipment technology with a revenue share agreement. This amendment will save the City money within its current Citywide Parking Operations and Management Services agreement as the current staffing costs to support the booth operations are not fully offset by revenue collected at this facility.

The proposed amended Parking Structure Lease contains the following major terms and provisions:

- Landlord: SRE-OW 100 Broadway Owner, LLC, a Delaware limited liability company.
- Tenant: City of Long Beach, a municipal corporation.
- Premises: Parking structure with approximately 625 parking stalls at 100 W. Broadway.

- Lease Term: The amended Parking Structure Lease shall commence approximately June 1, 2018.
- Revenue Share: Revenue collected Monday through Friday from 5:00 a.m. through 6:00 p.m. shall be the sole property of the Landlord. Revenue collected Monday through Friday from 6:00 p.m. through 5:00 a.m. and all day Saturday and Sunday shall be shared equally between the Landlord and Tenant.

The Landlord shall be responsible for all costs associated with the implementation of automated pay-on-foot stations and any necessary gate arms upon entry and exit of the garage, as well as all operating and maintenance costs.

This matter was reviewed by Deputy City Attorney Richard F. Anthony and by Budget Analysis Officer Julissa José-Murray on May 7, 2018.

#### TIMING CONSIDERATIONS

City Council action is requested on May 22, 2018, to allow the Landlord to commence necessary operations and maintenance of the parking garage as soon as possible.

#### FISCAL IMPACT

The agreement will allow for automation of the parking garage, which will provide efficiencies in user experience, reduce the need for physical staffing, and increase revenue potential. Currently, the cost to support after-hour and weekend operations of the parking garage at 100 W. Broadway is operating at a structural deficit as the City's cost for contract staffing is not fully offset by the revenue received. This recommendation will eliminate the City's operating expenses and allow the City to recognize a net increase of approximately \$70,000 in annual revenue. There is no local job impact associated with this recommendation.

#### SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CRAIG A. BECK  
DIRECTOR OF PUBLIC WORKS

CB:AW

ATTACHMENTS: A – PARKING STRUCTURE LEASE  
B - ASSIGNMENT AND ASSUMPTION AGREEMENT

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER

ORIGINAL DT383

PARKING STRUCTURE LEASE

by and between

IDM CORPORATION

and the

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH

Dated as of December 1, 1992

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LIST OF EXHIBITS

<u>Exhibit</u>	<u>Title</u>
A	Legal Description of the Parking Structure Property
B	Confirmation of Term of Lease
C	Memorandum of Lease

PARKING STRUCTURE LEASE

THIS PARKING STRUCTURE LEASE (the "Lease") is made as of this 1st of December, 1992, by and between IDM CORPORATION, a California corporation ("Landlord"), and the REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic ("Tenant"), who agree as follows:

RECITALS

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

A. Landlord is the owner of those certain premises consisting of a free-standing parking structure containing approximately 645 parking spaces located on real property commonly described as 100 Broadway and legally described as:

Parcel 3 of Parcel Map No. 16945, in the City of Long Beach, as per map filed in Book 181, Pages 58 and 59 of Parcel Maps, in the Office of the County Recorder of said County,

(the "Parking Structure"). A reduced copy of page 2 of Parcel Map No. 16945 showing the property on which the Parking Structure is situated outlined in yellow is attached to this Lease as Exhibit A.

B. Tenant is willing to lease the Parking Structure from Landlord pursuant to the Provisions stated in this Lease.

C. Landlord is willing to lease the Parking Structure to Tenant pursuant to the Provisions of this Lease.

1. DEFINITIONS

As used in this Lease, the following words and phrases shall have the following meanings:

1.1 Alteration - any addition or change to, or modification of, the Parking Structure made by Tenant after the fixturing period, including, without limitation, fixtures, but excluding trade fixtures as defined here, and Tenant's Improvements.

1.2 Authorized Representative - any officer, agency, employee, or independent contractor retained or employed by either party, acting within authority given by that party.

1.3 Building - that certain office and retail building commonly known as 100 West Broadway, Long Beach, California, and appurtenant to the Parking Structure.

1.4 Damage - injury, deterioration, or loss to a Person or property caused by another Person's acts or omissions. Damage includes death.

1.5 Damages - a monetary compensation or indemnity that can be recovered in the courts by any Person who has suffered damage to his Person, property, or rights through another's act or omission.

1.6 Destruction - any Damage to or disfigurement of the Parking Structure.

1.7 Encumbrance - any deed of trust, mortgage, or other written security device or agreement affecting the Parking Structure or the underlying fee, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.

1.8 Expiration - the coming to an end of the time specified in the Lease as its duration, including any extension of the Term resulting from the exercise of an option to extend.

1.9 Good Condition - the good physical condition of the Parking Structure and each portion of the Parking Structure, including, without limitation, signs, windows, show windows, appurtenances, and Tenant's personal property as defined here. "In Good Condition" means first-class, neat, clean and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.

1.10 Hold Harmless - to defend and indemnify from all liability, losses, penalties, Damages, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims, or judgments arising out of or related to any Damage to any Person or property.

1.11 Landlord's Hours of Operation - see definition in § 10.1.

1.12 Law - any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the

parties or the Parking Structure, or both, in effect either at the time of execution of the Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).

1.13 Lender - the beneficiary, mortgagee, secured party, or other holder of an Encumbrance.

1.14 Maintenance - repairs, replacement, repainting, and cleaning.

1.15 150 Monthly Parking Spaces - see definition in § 4.1.

1.16 Parking Passes - see definition in § 4.1.

1.17 Person - one or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.

1.18 Provision - any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the Lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

1.19 Purchase, Sale and Lease Agreement - that certain Purchase, Sale and Lease Agreement by and between Landlord as "IDM," and Tenant as "Agency," dated as of December 1, 1992.

1.20 Rent - prepaid rent and other charges payable by Tenant to Landlord.

1.21 Restoration - the reconstruction, rebuilding, rehabilitation, and repairs that are necessary to return destroyed portions of the Parking Structure and other property to substantially the same physical condition as they were in immediately before the Destruction.

1.22 Successor - assignee, transferee, personal representative, heir, or other Person or entity succeeding lawfully, and pursuant to the Provisions of this Lease, to the rights or obligations of either party.

1.23 Tenant's Hours of Operation - see definition in § 10.2.

1.24 Tenant's Improvement - any addition to or modification of the Parking Structure made by Tenant before, at, or near the

Structure as provided in Section 4.2 during the Term of this Lease, Tenant, its assigns and designees, shall be entitled to occupy one hundred and fifty (150) parking spaces within the Parking Structure (the "150 Monthly Parking Spaces"). Users of the Parking Structure, including users of the 150 Monthly Parking Spaces, shall be issued parking passes (the "Parking Passes") mutually acceptable to Landlord and Tenant evidencing their right to use a parking space.

4.2 Entire Parking Structure. Tenant shall be entitled to occupy the entire Parking Structure during the following days and times:

Monday through Friday ("Business Days")	5:30 p.m. to 3:30 a.m. (next day)
Saturday, Sunday and Holidays on which Long Beach City Hall or the Office of the Building is closed ("Non-Business Days")	10:00 a.m. to 3:30 a.m. (next day)

Notwithstanding the foregoing, Tenant acknowledges that the Parking Structure is primarily used to provide parking for occupants of the Building during daytime business hours and that: (a) some of the vehicles parked for such business purposes will not have vacated the Parking Structure by 5:30 p.m. on Business Days, and (b) some of the occupants of the Building will make incidental use of the Parking Structure on Non-Business Days. Therefore, provided that use of the Parking Structure by occupants of the Building after 5:30 p.m. on Business Days and at all times on Non-Business Days is incidental only (i.e., occupying not more than fifteen percent (15%) of the parking spaces in the Parking Structure at 5:30 p.m. on Business Days, and not more than five percent (5%) of said parking spaces at and after 6:30 p.m. on Business Days and at all times on Non-Business Days), Tenant agrees that Landlord shall not be in default of this Lease. Further, Landlord acknowledges and agrees that the Parking Passes will not gain the holders thereof admittance to the Parking Structure during the times that the Tenant is entitled to occupy the entire Parking Structure.

#### 5. PREPARATION OF PARKING STRUCTURE

On commencement of the Term the Parking Structure shall be in good order, condition and repair in accordance with the standards of Maintenance required by the Theatre Space Offsite Parking Agreement.

commencement of the Term, including, without limitation, fixtures.

1.25 Term - the period of time during which Tenant has a right to occupy the Parking Structure, as set forth in Article 3.

1.26 Termination - the ending of the Term for any reason before Expiration.

1.27 Theatre Space Offsite Parking Agreement - that certain Theatre Space Offsite Parking Agreement by and between Tenant in its capacity as "Agency," and Tenant in its capacity as "Beneficiary," dated as of July 23, 1991.

## 2. PREMISES

Landlord leases to Tenant and Tenant leases from Landlord the Parking Structure and the appurtenant rights set forth in Section 2.1 on the days and during the hours set forth in Article 4.

2.1 Ingress and Egress. Tenant, its licensees, assigns and successors shall have full and unimpaired access to the Parking Structure at all times during which Tenant is entitled to occupy the Parking Structure.

## 3. TERM (1) = 7/23/91

The Term shall commence on the execution hereof by both parties, and extend until sixty-five (65) years after the earlier of (i) the commencement date of the Theatre Space Offsite Parking Agreement, or (ii) December 31, 1995, unless this Lease has been terminated by Tenant as provided in the following paragraph. When the expiration date has been ascertained the parties shall immediately execute a confirmation of Term of Lease in form and content as set forth in Exhibit B.

If the "Opening Date" as defined in the Theatre Space Offsite Parking Agreement has not occurred by December 31, 1993, at any time after that date until the "Opening Date" (but in no event later than December 31, 1995), Tenant can elect to terminate this Lease by giving notice to Landlord. In the event of such Termination, Landlord shall, within thirty (30) days after receipt of Tenant's written notice to terminate, refund to Tenant the Rent (as the Rent is adjusted pursuant to Section 18.2.3) paid under this Lease pursuant to Article 6.

## 4. DAYS AND HOURS OF OCCUPANCY

4.1 One Hundred and Fifty Monthly Parking Spaces. At all times Tenant does not have the right to occupy the entire Parking

6. RENT

On the date of close of escrow under the Purchase, Sale and Lease Agreement, Landlord shall receive from Tenant consideration as the total rental for the entire Term in the amount of Two Million Two Hundred Fifty-Four Thousand and Eighty-Two Dollars (\$2,254,082) (the "Rent"). The Rent shall be offset against an equal portion of the "Purchase Price" (as defined in Section 1.2 of the Purchase, Sale and Lease Agreement) payable by Landlord to Tenant for the Parking Structure Property. Rent includes pre-payment of all obligations to be performed by Landlord pursuant to the Lease, including but not limited to, Landlord's obligation to maintain and operate the Parking Structure as set forth in Articles 9, 10, 12 and 13.

6.1 Refund of Prepaid and Unearned Rent. If this Lease terminates before the expiration date for reasons other than Tenant's default, the Rent (as the Rent is adjusted pursuant to Section 18.2.3) shall be prorated to the date of Termination, and Landlord shall within thirty (30) days repay to Tenant all Rent then prepaid and unearned.

7. TAXES

7.1 Real Property Taxes. Landlord shall pay before delinquency all real property taxes and general and special assessments levied and/or assessed against the Parking Structure.

7.2 Personal Property Taxes. Landlord shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed against personal property installed or located in or on the Parking Structure, and that become payable during the Term. That notwithstanding, if Tenant installs or locates any personal property in or on the Parking Structure for Tenant's sole and exclusive use, Tenant shall pay before delinquency all taxes, assessments, license fees and other charges that are levied and assessed against said personal property, and that become payable during the Term.

7.3 Landlord's Right to Contest Real and Personal Property Taxes. Landlord at its cost shall have the right, at any time, to seek a reduction in the assessed valuation of the Parking Structure or to contest any real property taxes that are to be paid by Landlord. If Landlord seeks a reduction or contests the real property taxes, the failure on Landlord's part to pay the real property taxes shall not constitute a default as long as Landlord complies with the Provisions of this Section.

Landlord, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered, together with all costs, charges, interest, and penalties incidental to the decision or judgment.

If Landlord does not pay the real property taxes when due and Landlord seeks a reduction or contests them as provided in this Section, before the commencement of the proceeding or contest Landlord shall furnish to Tenant a surety bond issued by an insurance company qualified to do business in California. The amount of the bond shall equal one hundred and twenty-five percent (125%) of the total amount of real property taxes in dispute. The bond shall hold Tenant and the Parking Structure harmless from any Damage arising out of the proceeding or contest and shall insure the payment of any judgment that may be rendered.

7.4 Transfer Tax. If a transfer tax is payable to any governmental agency or agencies as a result of this Lease, Landlord shall pay such transfer tax when it is due.

## 8. USE

8.1 Use. Tenant shall use the Parking Structure for vehicular parking, and vehicular and pedestrian ingress and egress, and for no other use without Landlord's consent. Landlord hereby expressly consents that Tenant may use the Parking Structure to satisfy its obligations under the Theatre Space Offsite Parking Agreement.

8.2 Compliance with Laws. Tenant shall comply with all Laws concerning the Parking Structure or Tenant's use of the Parking Structure; except that Tenant shall not be obligated to comply with any Law that requires alterations, maintenance or restoration to the Parking Structure. Landlord shall make any alterations, maintenance or restoration to the Parking Structure required by such Laws.

8.3 Nondiscrimination. Tenant herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all Persons claiming under or through it, and this Lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Parking Structure, or any part thereof, nor shall Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location,

number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Parking Structure herein leased.

9. MAINTENANCE

Landlord at its cost shall maintain the Parking Structure in good order, condition and repair in accordance with the standards of Maintenance required by the Theatre Space Offsite Parking Agreement. Landlord hereby acknowledges receipt of a copy of the Theatre Space Offsite Parking Agreement certified to be true and complete by Tenant.

Without limiting the generality of the foregoing, Landlord shall observe the following standards:

- a. Make all repairs and replacements (structural or otherwise) to, and otherwise maintain, the Parking Structure, including, without limitation, the elevators and stair-wells;
- b. Maintain all surface and storm lateral drainage systems, sewer laterals, water mains, storage drains and other water drainage lines underlying the Parking Structure in order to keep the Parking Structure properly drained;
- c. Maintain the surface of all parking and pedestrian areas level, smooth and evenly covered with the type of material originally installed thereon or such substitute thereof as shall be in all respects equal thereto or better in quality;
- d. Paint and maintain stripes to designate parking spaces;
- e. Remove all paper, debris, filth and refuse, and sweep, wash down and/or clean all hard surfaces, including brick, metal, concrete, glass, wood and other permanent poles, walls or structural members as required;
- f. Maintain landscaping and irrigation systems as necessary to keep in a first-class, thriving condition;
- g. Maintain such appropriate entrance, exit and directional signs, markers and lights as shall be reasonably required and which are in accordance with the practices prevailing in the operation of similar facilities;
- h. Clean lighting fixtures and relamp and/or reballast as needed;
- i. Maintain signs, including relamping and/or reballasting and/or repairing as required;

j. Maintain and keep In Good Condition and repair all benches, shelters, planters, trash containers and other exterior elements;

k. Clean, repair and maintain all common utility systems to the extent that the same are not cleaned, repaired and maintained by public utilities;

l. Provide adequate security lighting in all areas during periods of unrestricted public access, and maintain all light fixtures and associated wiring systems; and

m. Maintain public right-of-way items on all streets, including sidewalks, curbs, gutters, driveways, signs, poles, curb paintings and markings.

In the event that Landlord, after receipt of notice of default and opportunity to cure, fails to perform the Maintenance and operation of the Parking Structure as provided herein, Tenant shall have the right to undertake or cause to be undertaken such Maintenance and operational activities. In such event, Landlord shall reimburse Tenant for all reasonable sums incurred by it for such Maintenance and operational services.

## 10. OPERATION

10.1 Landlord Operation. On Business Days, Landlord at its cost shall operate the Parking Structure from a customary commercial opening time (e.g., 7:00 a.m.) until 5:30 p.m. (the "Landlord's Hours of Operation"). Landlord's cost of operating the Parking Structure during the Landlord's Hours of Operation includes all costs associated with such operation.

10.2 Tenant Operation. Tenant at its cost shall operate the Parking Structure during all of the days and times that Tenant is entitled to occupy the entire Parking Structure pursuant to Section 4.2. (the "Tenant's Hours of Operation"). Tenant's cost of operating the Parking Structure during the Tenant's Hours of Operation shall include all direct operating costs such as gatekeepers and security, but does not include maintenance or utilities.

10.3 Standard of Operation. Landlord and Tenant shall operate the Parking Structure in a first-class manner, but in no event at less than the standard required by the Theatre Space Offsite Parking Agreement.

## 11. PARKING RATES AND REVENUES

11.1 Parking Rates. For all but the 150 Monthly Parking Spaces, Landlord shall set all parking rates (i.e., hourly,

daily, monthly, validated, etc.) for use of the Parking Structure during the Landlord's Hours of Operation. Tenant shall set all parking rates for use of the 150 Monthly Parking Spaces and for use of the Parking Structure during the Tenant's Hours of Operation.

11.2 Parking Revenues. Landlord shall be entitled to keep as its sole property all of the parking revenues attributable to use of the Parking Structure during the Landlord's Hours of Operation. Tenant shall be entitled to keep as its sole property all of the parking revenues attributable to Parking Passes for the 150 Monthly Parking Spaces actually issued, and all of the parking revenues attributable to use of the Parking Structure during the Tenant's Hours of Operation.

## 12. ALTERATIONS

Without the prior written consent of Tenant, Landlord shall not make any Alterations to the Parking Structure. Without the prior written consent of Landlord, Tenant shall not make any Alterations to the Parking Structure. Each party agrees to give such consent in the event that the Alteration proposed by the other party will not materially interfere with the use and enjoyment of the Parking Structure by the party from whom such consent is requested.

## 13. UTILITIES AND SERVICES

Landlord at its cost shall furnish to the Parking Structure reasonable quantities of gas, water, electricity, sewer and all other services and utilities as required for Tenant's use.

## 14. INDEMNITY AND EXCULPATION; INSURANCE

14.1 Exculpation of Tenant. Tenant shall not be liable to Landlord for any Damage to Landlord or Landlord's property from any cause occurring outside of the Tenant's Hours of Operation. Landlord waives all claims against Tenant for Damage to Person or property arising for any reason and occurring outside of Tenant's Hours of Operation, except that Tenant shall be liable to Landlord for Damage to Landlord resulting from the acts or omissions of Tenant or its Authorized Representatives.

14.2 Exculpation of Landlord. Landlord shall not be liable to Tenant for any Damage to Tenant or Tenant's property from any cause occurring during Tenant's Hours of Operation. Tenant waives all claims against Landlord for Damage to Person or property arising for any reason and occurring during Tenant's Hours of Operation, except that Landlord shall be liable to Tenant for Damage to Tenant resulting from the acts or omissions of Landlord or its Authorized Representatives.

14.3 Indemnity for Tenant. Landlord shall defend, indemnify and hold Tenant and the City of Long Beach harmless from and against any and all claims and Damages arising out of any Damage to any Person or property occurring in, on, or about the Parking Structure outside of Tenant's Hours of Operation, except that Tenant shall be liable to Landlord for Damage resulting from the acts or omissions of Tenant or its Authorized Representatives. Tenant shall hold Landlord harmless from all Damages arising out of any such Damage. A party's obligation under this paragraph to indemnify and hold the other party harmless shall be limited to the sum that exceeds the amount of insurance proceeds, if any, received by the party being indemnified.

14.4 Indemnity for Landlord. Tenant shall defend, indemnify, and hold Landlord harmless from and against any and all claims and Damages arising out of any Damage to any Person or property occurring in, on, or about the Parking Structure during Tenant's Hours of Operation, except that Landlord shall be liable to Tenant for Damages resulting from the acts or omissions of Landlord or its Authorized Representatives. Landlord shall hold Tenant and the City of Long Beach harmless from all Damages arising out of any such Damage. A party's obligation under this paragraph to indemnify and hold the other party harmless shall be limited to the sum that exceeds the amount of insurance proceeds, if any, received by the party being indemnified.

14.5 Public Liability and Property Damage Insurance. Landlord at its cost shall maintain at all times during the Term of this Lease public liability and property damage insurance with a single combined liability limit of not less than One Million Dollars (\$1,000,000) and property damage limits of not less than Two Hundred Thousand Dollars (\$200,000), insuring against liability for personal injury, death or property Damage of any Person or Persons occasioned in, on or about the Parking Structure or any portion thereof.

All public liability and property damage insurance shall insure performance by Landlord of the indemnity Provisions of Section 14.3. Tenant and the City of Long Beach shall be named as additional insureds, and the policy shall contain cross-liability endorsements.

14.5.1 Increase in Amount of Public Liability and Property Damage Insurance. Not less frequently than each three (3) years the amount of public liability and property damage insurance coverage shall be reviewed by Landlord and the Risk Manager for the City of Long Beach. Coverage limits shall be revised to reflect the prevailing practice of insuring similar properties in the Los Angeles metropolitan area. Any dispute with respect to any adjustment of public liability and property

damage insurance limits and coverage shall be decided by arbitration in accordance with the rules of the American Arbitration Association

14.5.2 Tenant's Operator. Tenant's agreement with Tenant's Operator shall require Tenant's Operator to (i) procure and maintain in full force and effect insurance coverage identical in types and amounts to that provided by the operator who operates the Parking Structure during the Landlord's Hours of Operation, (ii) name Landlord as a named insured on all such policies, (iii) provide Landlord with proof of such insurance prior to entry by Tenant's Operator into the Parking Structure during Tenant's Hours of Operation, and (iv) provide that Tenant's Operator's insurance policies contain an endorsement requiring thirty (30) days written notice from the insurance company to Tenant and Landlord before cancellation or change in the coverage, scope or amount of any policy.

14.6 Fire and Extended Coverage Insurance. Landlord shall procure and maintain, or cause to be procured and maintained, in full force and effect at all times during the Term of this Lease, a policy or policies of fire and extended coverage insurance, including all risks (special form), covering the Parking Structure against loss or Damage in an amount equal to not less than one hundred percent (100%) of the replacement cost, with such deductible as shall be reasonable in comparison with similar properties. Landlord is responsible to pay any deductibles.

The insurance policy shall be issued in the names of Landlord, Tenant and Landlord's Lender, as their interests appear.

14.6.1 Determination of Replacement Value. The "full replacement value" of the Parking Structure to be insured under Section 14.4 shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

14.7 Waiver of Subrogation. The parties release each other, and their respected Authorized Representatives, from any claims for Damage to any Person or to the Parking Structure, and to the fixtures, personal property, Tenant's Improvements, and Alterations of either Landlord or Tenant in or on the Parking

Structure that are caused by or result from risks insured against under any insurance policies carried by the parties and in force at the time of any such Damage.

Landlord shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against Tenant in connection with any Damage covered by any policy. Neither party shall be liable to the other for any Damage caused by fire or any of the risks insured against under any insurance policy required by this Lease.

14.8 General Insurance Policy Requirements. All the insurance required under this Lease shall:

a. Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least an A + 3A status as rated in the most recent edition of Best's Insurance Reports.

b. Be issued as a primary policy.

c. Contain an endorsement requiring thirty (30) days written notice from the insurance company to Tenant before cancellation or change in the coverage, scope or amount of any policy.

d. Each insurance policy, or a certificate of the policy, together with evidence of payment of premiums, shall be deposited with Tenant at the commencement of the Term, and on renewal of the policy not less than twenty (20) days before Expiration of the Term of the policy.

14.9 Failure to Maintain Insurance. If Landlord fails to purchase, renew or maintain any insurance policies required herein, and such policies, or similar coverage, on the terms and conditions herein required are available at commercially available rates, such failure shall constitute a material breach of this Lease and Tenant shall have the right at its option to terminate this Lease, or to purchase any such insurance and be reimbursed by Landlord for the cost thereof within ten (10) business days of delivery to Landlord of a copy of the policy.

## 15. DAMAGE OR DESTRUCTION

15.1 Landlord to Repair. If, during the Term, the Parking Structure is totally or partially damaged or destroyed from any cause, rendering the Parking Structure totally or partially inaccessible or unusable, Landlord shall repair and restore the Parking Structure to the extent, condition and value thereof immediately prior to such Damage or Destruction. Landlord's

failure to make such full repair and Restoration shall constitute a default hereunder.

15.2 Insurance Proceeds. In the event of any Damage or Destruction, Landlord shall promptly make proof of loss and shall proceed promptly to collect, or cause to be collected, all valid claims which Landlord may have against insurers or others based upon any such Damage or Destruction. Amounts received on account of any losses pursuant to insurance policies shall be used and expended for the purpose of fully repairing or reconstructing the portions of the Parking Structure which have been destroyed or damaged. In the event that the proceeds of any casualty insurance policy described herein are paid to Landlord, Landlord shall deliver such proceeds to Bank of America N.T. & S.A., in trust, immediately upon receipt, to be disbursed for repair and Restoration.

15.3 Work of Repair and Restoration. Landlord shall commence and complete, in a good and workmanlike manner, the reconstruction or repair of any part of the Parking Structure damaged or destroyed. If Landlord, in violation of the terms of this Lease, but subject to force majeure, shall fail to thereafter pursue said repair and Restoration work with reasonable diligence to completion, such shall constitute a default hereunder.

15.4 Rent Refund. Inasmuch as the entire Rent under this Lease has been prepaid, Landlord shall refund to Tenant, on a pro rata basis, the Rent (as the Rent is adjusted pursuant to Section 18.2.3) for any period during which the Parking Structure shall be unusable due to any Damage or Destruction of the Parking Structure.

## 16. CONDEMNATION

### 16.1 Definitions.

a. "Condemnation" means (a) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and (b) a voluntary sale or transfer by Landlord to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

b. "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

c. "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

d. "Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

16.2 Parties' Rights and Obligations to be Governed by Lease. If, during the Term or during the period of time between the execution of this Lease and the date the Term commences, there is a taking of all or any part of the Parking Structure, the rights and obligations of the parties shall be determined pursuant to Section 16 et seq.

16.3 Total Taking. If the Parking Structure is totally taken by condemnation, this Lease shall terminate on the date of taking.

16.4 Partial Taking. If any portion of the Parking Structure is taken by condemnation, this Lease shall remain in effect, except that Tenant can elect to terminate this Lease if fifty percent (50%) or more of the parking spaces in the Parking Structure is taken.

If Tenant elects to terminate this Lease, Tenant must exercise its right to terminate pursuant to this paragraph by giving notice to Landlord within thirty (30) days after the nature and the extent of the taking have been finally determined. If Tenant elects to terminate this Lease as provided in this Section, Tenant also shall notify Landlord of the date of Termination, which date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the date of taking if the date of taking falls on a date before the date of Termination as designated by Tenant. If Tenant does not terminate this Lease within the thirty (30)-day period, this Lease shall continue in full force and effect.

16.5 Waiver of CCP § 1265.130. Each party waives the Provisions of Code of Civil Procedure section 1265.130 allowing either party to petition the superior court to terminate this Lease in the event of a partial taking of the premises.

16.6 Restoration of and Addition to Parking Structure.

16.6.1 Landlord's Election to Prevent Lease Termination. If, within thirty (30) days after the date that the nature and extent of the taking are finally determined, Landlord notifies Tenant that Landlord at its cost will add on to the remaining Parking Structure so that the number of parking spaces will be substantially the same after the date of taking as they were before the date of taking, and Landlord commences the Restoration immediately and completes the Restoration with one

(1) year after Landlord notifies Tenant, this Lease shall continue in full force and effect.

16.6.2 Restoration of Parking Structure. If there is a partial taking of the Parking Structure and this Lease remains in full force and effect, Landlord at its cost shall accomplish all necessary Restoration.

16.7 Award - Distribution. The award shall be apportioned between Landlord and Tenant in accordance with their interests in the Parking Structure.

## 17. ASSIGNMENT AND SUBLETTING

17.1 Assignment and Subletting. Tenant, its Successor, licensees and assigns, shall have the right to freely assign their respective interests in this Lease and to sublease all or any part of their interests in the Parking Structure without the consent of Landlord.

## 18. LANDLORD'S DEFAULT

18.1 Landlord's Default. Landlord's failure to perform any material Provision of this Lease, if the failure to perform is not cured within (a) five (5) days after notice has been given to Landlord if a consequence of the failure is such as to (i) deny Tenant the use and enjoyment of more than sixty-five (65) parking spaces in the Parking Structure, or (ii) materially impair ingress to, or egress from, the Parking Structure; (b) thirty (30) days after notice has been given to Landlord for any other failure, shall constitute a default by Landlord. If the default cannot reasonably be cured within the five (5) or thirty (30)-day period, whichever is applicable, Landlord shall not be in default of this Lease if Landlord commences to cure the default within the applicable period and diligently and in good faith continues to cure the default.

Notices given under this Section shall specify the alleged default and the applicable Lease Provisions, and shall demand that Landlord perform the Provisions of this Lease within the applicable period of time. No such notice shall be deemed a forfeiture or a Termination of this Lease unless Tenant so elects in the notice.

18.2 Tenant's Remedies -- Cumulative Nature. Tenant shall have the following remedies if Landlord commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by Law.

18.2.2 Retain Possession. Tenant can continue this Lease in full force and effect, retain possession, and sue for Damages. Additionally, at any time after Landlord commits a default, Tenant can cure the default at Landlord's cost. If Tenant at any time, by reason of Landlord's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Tenant shall be due immediately from Landlord to Tenant at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is permitted by Law to charge from the date the sum is paid by Tenant until Tenant is reimbursed by Landlord.

18.2.3 Terminate Lease -- Damages. Tenant can terminate the Lease at any time after Landlord's default. Termination in such event shall be effective immediately upon Landlord's receipt of written termination notice from Tenant. No act by Tenant other than giving notice to Landlord shall terminate this Lease. On Termination, in addition to any other Damages provided to Tenant hereunder, Tenant has the right to recover from Landlord the worth, at the time of the award, of the prepaid Rent for the balance of the Term from the date of Termination.

"The worth, at the time of the award," as used above, is to be computed by adjusting the total Rent for the Term (i.e., \$2,254,082) as of the date of Termination (the "Adjustment Date") to reflect its then present worth and by then multiplying the adjusted total Rent for the Term by a fraction, the numerator of which shall equal the number of days in the balance of the Term and the denominator of which shall be 23,725.

The base for computing the then present worth of the total Rent shall be the Consumer Price Index [All Urban Consumers] (base years 1982-1984 - 100) for Los Angeles-Anaheim-Riverside CMSA, published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is in effect on the date of close of escrow under the Purchase, Sale and Lease Agreement ("Beginning Index"). The Index published most immediately preceding the Adjustment Date ("Extension Index") shall be used in determining the amount of the adjustment.

If the Extension Index has increased over the Beginning Index, the adjusted total Rent for the Term shall be determined by multiplying the total Rent set forth in Section 6 (i.e., \$2,254,082) by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index.

If the Index is changed so that the base year differs from that used as of the month most immediately preceding the date of close of escrow under the Purchase, Sale and Lease Agreement, the

Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have obtained if the Index had not been discontinued or revised.

## 19. SIGNS

19.1 Tenant's Right to Signs. Tenant at its cost shall have the right to place, post, construct, and maintain in, on, or about the Parking Structure such signs as Tenant reasonably requires to satisfy the requirements of the Theatre Space Offsite Parking Agreement and to otherwise reasonably enjoy use and occupancy of the Parking Structure. That notwithstanding, if and to the extent consistent with the requirements of the Theatre Space Offsite Parking Agreement, Tenant shall reasonably attempt to conform new signs to the design of the signage then existing in, on or about the Parking Structure.

19.2 Compliance with Laws. Any sign that Tenant has the right to place, post, construct and maintain shall comply with all Laws, and Tenant shall obtain any approval required by such Laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.

## 20. LANDLORD'S ENTRY ON PARKING STRUCTURE

Landlord and its Authorized Representatives shall have the right to enter the Parking Structure at all reasonable times for any of the following purposes:

a. To determine whether the Parking Structure is in Good Condition and whether Tenant is complying with its obligations under this Lease;

b. To do any necessary Maintenance and to make any Restoration to the Parking Structure that Landlord has the right or obligation to perform.

Other than for routine and necessary Maintenance for the Parking Structure (e.g., periodic restriping), Tenant shall be entitled to a refund of Rent (as the Rent is adjusted pursuant to Section 18.2.3) if Landlord exercises any rights reserved in this Section to the extent that Landlord's entry and activities interfere with Tenant's use of the Parking Structure, except that if Landlord's entry and activities on the Parking Structure result from Tenant's default, Tenant shall not be entitled to any refund of Rent.

Landlord shall conduct its activities on the Parking Structure as allowed in this Section in a manner that will cause the least possible inconvenience, annoyance, or disturbance to Tenant. If the conduct by Landlord of such activities will (a) deny Tenant the use and enjoyment of more than sixty-five (65) parking spaces in the Parking Structure on any day, or (b) will cause any material inconvenience, annoyance or disturbance to Tenant, then Landlord shall so notify Tenant not less than thirty (30) days in advance of the conduct of such activities.

## 21. SUBORDINATION; ESTOPPEL

21.1 Lease to be Prior but Subject to Subordination. Pursuant to that certain "Subordination, Nondisturbance and Attornment Agreement" dated as of December 1, 1992, by and among Landlord, Tenant, and BA Mortgage and International Realty Corporation ("BAMIRCO"), and recorded on even date with recordation of the memorandum of this Lease (the "Subordination Agreement"), this Lease is and shall be subordinate to the "Construction Deed of Trust" (as defined in the Subordination Agreement), provided, however, as more particularly provided in the Subordination Agreement, BAMIRCO has agreed not to disturb this Lease in the event of a foreclosure of said Construction Deed of Trust.

This Lease is and shall be prior to any Encumbrance now of record, other than the Construction Deed of Trust referred to above, and any Encumbrance recorded after the date of this Lease affecting the Parking Structure.

If, however, a Lender requires that this Lease be subordinate to any such Encumbrance, this Lease shall be subordinate to that Encumbrance, if Landlord first obtains from the Lender a written agreement, in recordable form, that provides substantially the following:

"No foreclosure of, deed given in lieu of foreclosure of, or sale under the Encumbrance, and no steps or procedures taken under the Encumbrance, and no other matters contained in or related to such Encumbrance, shall affect Tenant's rights under this Lease.

The Provisions in Section 15 et seq. of this Lease concerning the disposition of insurance proceeds on Destruction of the Parking Structure, and the Provisions in Section 16 et seq. of this Lease concerning the disposition of any condemnation award, shall prevail over any conflicting Provisions in the Encumbrance."

Tenant shall attorn to any purchaser at any foreclosure sale, or to any grantee or transferee designated in any deed given in lieu of foreclosure.

Tenant shall execute the written agreement and any other documents reasonably required by the Lender to accomplish the purposes of this Section.

21.2 Right to Estoppel Certificates. Each party, within the (10) business days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified and stating the modifications. Failure to deliver the certificate within the 10-business days shall be conclusive upon the party failing to deliver the certificate for the benefit of the party requesting the certificate and any Successor to the party requesting the certificate, that this Lease is in full force and effect and has not been modified except as may be reasonably represented by the party requesting the certificate.

21.3 Landlord's Title to Parking Structure. Landlord represents to Tenant that Landlord has full authority to enter into this Lease and that Landlord has fee title to the Parking Structure.

## 22. NOTICE

If at any time after the execution of this Lease it shall become necessary or convenient for one of the parties hereto to serve any notice, demand or communication upon the other party, such notice, demand or communication shall be in writing and shall be served personally or by depositing the same in the registered or certified United States mail, return receipt requested, postage prepaid and (1) if intended for Landlord, addressed to:

IDM Corporation  
5150 East Pacific Coast Highway  
Long Beach, CA 90804  
Attn: Legal Department

and (2) if intended for Tenant, addressed to:

Redevelopment Agency of the  
City of Long Beach  
333 West Ocean Boulevard  
Third Floor  
Long Beach, CA 90802

with copy to:

City Attorney  
City of Long Beach  
333 West Ocean Boulevard  
Eleventh Floor  
Long Beach, CA 90802

or to such other address as either party may have furnished to the other in writing as a place for the service of notice. Any notice so mailed shall be deemed to have been given as of three (3) days after the time the same is deposited in the United States mail.

**23. WAIVER**

No waiver of any default under this Lease shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any right, privilege or option under this Lease shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege or option hereunder. No waiver of any Provision hereof by Landlord or Tenant shall be deemed to have been made unless and until such waiver shall have been reduced to writing and signed by Landlord or Tenant, as the case may be. The receipt and acceptance by Landlord of Rent with knowledge of any default under this Lease shall not constitute or operate as a waiver of such default. Failure by Landlord or Tenant, as the case may be, to enforce any of the terms, covenants or conditions of this Lease for any length of time or from time to time shall not be deemed to waive or decrease the right of either to insist thereafter upon strict performance by the other.

**24. RECORDATION**

This Lease shall not be recorded, except that the parties shall execute a memorandum of lease in recordable form such as Exhibit C.

**25. LANDLORD'S COVENANT OF QUIET ENJOYMENT**

Upon Tenant paying the Rent and observing and performing all of the covenants, conditions and Provisions on Tenant's part to be observed and performed hereunder, Tenant shall peaceably hold and quietly enjoy the Parking Structure for the entire Term hereof without hindrance, molestation or interruption by Landlord or any party claiming under or through Landlord.

26. ATTORNEYS' FEES

If either party becomes a party to any litigation or arbitration concerning this Lease or the Parking Structure by reason of any act or omission of the other party or its Authorized Representatives, and not by any act or omission of the party that becomes a party to that litigation or arbitration or any act or omission of its Authorized Representatives, the party that causes the other party to become involved in the litigation shall be liable to that party for reasonable attorneys' fees and court costs incurred by it in the litigation or arbitration.

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

27. THIRD PARTY BENEFICIARIES

Landlord expressly acknowledges and agrees that the Senior Benefitted Parties (as Senior Benefitted Parties is defined in the Theatre Space Offsite Parking Agreement) are intended third party beneficiaries of Tenant's rights under this Lease with the right to proceed directly against Landlord in the event of a breach or default of this Lease which impairs such Senior Benefitted Party's parking rights under the Theatre Space Offsite Parking Agreement.

28. REPRESENTATION AND WARRANTY

28.1 By Landlord. Landlord has taken and performed all corporate actions necessary to enter into this Lease, and the person executing this Lease is authorized by Landlord to bind Landlord to this Lease.

28.2 By Tenant. Tenant has taken and performed all corporate and political actions necessary to enter into this Lease, and the person executing this Lease is authorized by Tenant to bind Tenant to this Lease.

29. MISCELLANEOUS PROVISIONS

29.1 General Conditions.

29.1.1 Time of Essence. Time is of the essence of each Provision of this Lease.

29.1.2 Consent of Parties. Whenever consent or approval of either party is required, unless expressly provided

to the contrary that party shall not unreasonably withhold such consent or approval.

29.1.3 Further Assurances. Landlord shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Tenant all documents, and take all actions, reasonably required by Tenant from time to time to confirm and/or conform the rights created or now or hereafter intended to be created under this Lease to Tenant's obligations pursuant to the Theatre Space Offsite Parking Agreement as it may be amended from time to time, to protect and further the validity and enforceability of this Lease, or otherwise to carry out the purposes of this Lease and the transactions contemplated hereunder.

29.1.4 Corporate Authority. If either party is a corporation, that party shall deliver to the other party on execution of this Lease a certified copy of a resolution of its board of directors authorizing the execution of this Lease and naming the officers that are authorized to execute this Lease on behalf of the corporation.

29.1.5 Successors. This Lease shall be binding on and inure to the benefit of the parties and their Successors and assigns.

29.1.6 Real Estate Brokers; Finders. Each party represents that it has not had dealings with any real estate broker, finder, or other Person, with respect to this Lease in any manner. Each party shall Hold Harmless the other party from all Damages resulting from any claims that may be asserted against the other party by any broker, finder, or other Person, with whom the other party has or purportedly has dealt.

29.1.7 Exhibits - Incorporation in Lease. All exhibits referred to are attached to this Lease and incorporated by reference.

## 29.2 Interpretation of Lease.

29.2.1 California Law. This Lease shall be construed and interpreted in accordance with the Laws of the State of California.

29.2.2 Integrated Agreement; Modification. This Lease contains all the agreements of the parties and cannot be amended or modified except by written agreement.

29.2.3 Provisions are Covenants and Conditions. All Provisions, whether covenants or conditions, on the part of Landlord shall be deemed to be both covenants and conditions.

29.2.4 Use of Definitions. The definitions contained in this Lease shall be used to interpret this Lease.

29.2.5 Captions; Table of Contents; Section References. The captions and the table of contents of this Lease shall have no effect on its interpretation. References herein to Articles, Sections and Exhibits shall be construed as references to this Lease unless a different document is named.

29.2.6 Singular and Plural. When required by the context of this Lease, the singular shall include the plural.

29.2.7 Severability. The unenforceability, invalidity, or illegality of any Provision shall not render the other Provisions unenforceable, invalid, or illegal.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease by proper Persons thereunto duly authorized as of the date first hereinabove written.

"LANDLORD"

IDM CORPORATION, a California corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

"TENANT"

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic

By: \_\_\_\_\_

Its: \_\_\_\_\_

[Signatures continued]

Approved as to Form this  
14<sup>th</sup> day of December, 1992

JOHN R. CALHOUN, City Attorney of  
the City of Long Beach; General  
Counsel for the Redevelopment  
Agency of the City of Long Beach,  
California

By: \_\_\_\_\_

*[Signature]*  
Deputy

Approved as to Form this  
11<sup>th</sup> day of December, 1992

KING, WEISER, EDELMAN & BAZAR  
Agency Special Counsel

By: \_\_\_\_\_

*[Signature]*

CERTIFIED AS A TRUE AND CORRECT COPY

*[Signature]*  
CITY CLERK OF THE CITY OF LONG BEACH

BY \_\_\_\_\_

DATE: JAN 25 1993

Exhibit "A"

DESCRIPTION: THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 3 OF PARCEL MAP NO. 16945, IN THE CITY OF LONG BEACH, AS PER MAP FILED IN BOOK 181, PAGES 58 AND 59 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL CRUDE OIL, PETROLEUM, GAS ASPHALTUM, AND ALL KINDRED SUBSTANCES AND OTHER MINERALS UNDER AND IN SAID LAND LYING A DEPTH OF 200 FEET FROM THE SURFACE OF SAID LAND, PROVIDED GRANTORS SHALL HAVE NO RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND OR IN, OR TO SAID LAND TO A DEPTH OF 200 FEET FROM SURFACE THEREOF, AS RESERVED BY JULIAN M. SIEROTY AND JEAN SIEROTY, HUSBAND AND WIFE, AND RICHARD O. SUKMAN AND CAROLE J. SUKMAN, HUSBAND AND WIFE, IN DEED RECORDED MAY 23, 1974, AS DOCUMENT NO. 216, IN BOOK D62B1, PAGE 820, OFFICIAL RECORDS.

ALSO EXCEPT ALL MINERALS, GAS, OIL, PETROLEUM, NAPHTHA AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY DOROTHY PAWSON, A WIDOW, IN DEED RECORDED AUGUST 22, 1969 IN BOOK D4474, PAGE 618, OFFICIAL RECORDS, AS INSTRUMENT NO. 308.

ALSO EXCEPT ALL MINERALS, GAS, OIL, PETROLEUM, NAPHTHA AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT THE RIGHT OF SURFACE ENTRY, AS EXCEPTED AND RESERVED BY HELEN D. WOOD IN DEED RECORDED NOVEMBER 10, 1969, IN BOOK D4550, PAGE 244, OFFICIAL RECORDS, AS INSTRUMENT NO. 24.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH BELOW 200 FEET OF THE SURFACE OF SAID LAND, BUT WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING, OR EXTRACTING SUCH OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, AS RESERVED BY FRANCES J. BOARDMAN, A MARRIED WOMAN, WHO ACQUIRED TITLE AS FRANCES J. MALONEY, IN DEED RECORDED NOVEMBER 12, 1969, IN BOOK D4551, PAGE 553, OFFICIAL RECORDS, AS INSTRUMENT NO. 249.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND THAT MAY BE PRODUCED FROM A DEPTH BELOW 200 FEET OF THE SURFACE OF SAID LAND, BUT WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, AS EXCEPTED BY BUFFUMS', A CORPORATION, IN DEED RECORDED NOVEMBER 12, 1969, IN BOOK D4551, PAGE 555, OFFICIAL RECORDS, AS INSTRUMENT NO. 251.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH BELOW 200 FEET OF THE SURFACE, BUT WITHOUT RIGHT OF ENTRY, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING, OR EXTRACTING SUCH OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, AS RESERVED BY JOY MILDRED CLARK, IN DEED RECORDED DECEMBER 18, 1969, AS INSTRUMENT NO. 82, IN BOOK D4585, PAGE 279, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH BELOW 200 FEET OF THE SURFACE, BUT WITHOUT RIGHT OF SURFACE ENTRY, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING, OR EXTRACTING SUCH OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, AS RESERVED BY MARJORIE DUNHAM ALSO KNOWN AS MARJORIE BLAINE COONS, IN DEED RECORDED DECEMBER 18, 1969 AS INSTRUMENT NO. 53, IN BOOK D4585, PAGE 280, OFFICIAL RECORDS.

ALSO EXCEPT ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH BELOW 200 FEET OF THE SURFACE OF SAID LAND, BUT WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING, OR EXTRACTING SUCH OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES, AS RESERVED BY GEORGE P. BUNDY AND HELEN R. BUNDY, HUSBAND AND WIFE, IN DEED RECORDED NOVEMBER 12, 1969, AS INSTRUMENT NO. 250, IN BOOK D4551, PAGE 554, OFFICIAL RECORDS.



Exhibit B

Confirmation of Term of Lease

Free Recording Requested  
Government Code § 6103

Recording Requested by  
and When Recorded  
Return to:

Redevelopment Agency  
of the City of Long Beach  
333 West Ocean Boulevard  
3rd Floor  
Long Beach, California 90802  
Attn: Fred Solomon

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ADDENDUM TO MEMORANDUM OF LEASE  
CONFIRMATION OF TERM

The undersigned, IDM CORPORATION, a California corporation ("Landlord"), and the REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic ("Tenant"), are parties to that certain Parking Structure Lease (the "Lease") dated as of \_\_\_\_\_, 1992. A Memorandum of said Lease was recorded in the official records of Los Angeles County on \_\_\_\_\_, 199\_\_, as instrument number \_\_\_\_\_.

Pursuant to Article 3 of the Lease, the Term of the Lease is to commence on the execution thereof by both parties, and extend until sixty-five (65) years after the earlier of (i) the commencement date of the Theatre Space Offsite Parking Agreement, or (ii) December 31, 1995, unless the Lease has been earlier terminated as provided therein.

By this instrument, the undersigned confirm that the date from which the sixty-five (65) years of the Term is to be calculated is \_\_\_\_\_, 199\_\_; accordingly, the Term of the Lease shall expire on \_\_\_\_\_, 20\_\_.

"LANDLORD"

IDM CORPORATION, a California corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

"TENANT"

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic

By: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to Form this  
\_\_\_ day of \_\_\_\_\_, 1992

JOHN R. CALHOUN, City Attorney of the City of Long Beach; General Counsel for the Redevelopment Agency of the City of Long Beach, California

By: \_\_\_\_\_  
Deputy

[Signatures continued]

Approved as to Form this  
\_\_\_\_ day of \_\_\_\_\_, 1992

KING, WEISER, EDELMAN & BAZAR  
Agency Special Counsel

By: \_\_\_\_\_

Exhibit C

Recording Requested by  
and When Recorded  
Return to:

Redevelopment Agency  
of the City of Long Beach  
333 West Ocean Boulevard  
3rd Floor  
Long Beach, California 90802

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MEMORANDUM OF PARKING STRUCTURE LEASE

This is a memorandum of an unrecorded parking structure lease dated as of December 1, 1992, between IDM CORPORATION, 5150 East Pacific Coast Highway, Long Beach, California 90804, "Landlord", and the REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, 333 West Ocean Boulevard, Long Beach, California 90802, "Tenant," concerning the property in Los Angeles County, California commonly known as 100 Broadway, Long Beach, California, which property is more particularly described in Exhibit A attached hereto and made a part hereof by reference. The unrecorded lease is on file with the secretary of the Redevelopment Agency of the City of Long Beach at the address noted above, and may be viewed during normal business hours.

For good and valuable consideration, Landlord has leased, and hereby leases to Tenant, the above-described property, for the term and under the provisions contained in the above-mentioned unrecorded parking structure lease, such unrecorded parking structure lease being incorporated in this memorandum by this reference.

This parking structure lease will commence on the date of its execution and will run for a term of sixty-five (65) years after the earlier of (i) the commencement date of the Theatre Space Offsite Parking Agreement (as defined in the parking structure lease), or (ii) December 31, 1995; there are no option periods.

This memorandum is not a complete summary of the parking structure lease. Provisions of this memorandum shall not be used in interpreting the parking structure lease provisions. In the

event of conflict between this memorandum and the unrecorded parking structure lease, the unrecorded parking structure lease shall control.

Executed as of \_\_\_\_\_, 1992.

"Landlord"

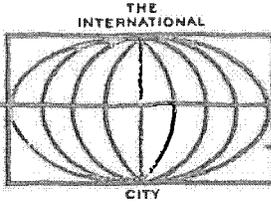
IDM CORPORATION, a California corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

"Tenant"

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a public body, corporate and politic

By: \_\_\_\_\_  
Its: \_\_\_\_\_



## LONG BEACH REDEVELOPMENT AGENCY

CITY HALL, LONG BEACH, CALIFORNIA 90802  
(AREA CODE 310) 590-6841

January 27, 1993

IDM Corporation  
5150 East Pacific Coast Hwy  
Long Beach, CA 90804

Attn: Legal Department

Enclosed please find your copy of the Contract/Agreement between your firm and the Redevelopment Agency of the City of Long Beach, dated 12-1-92, DT 383 & DT 384.

If you have any questions call your Redevelopment Agency Project Manager.

Sincerely,

RUSSELL NEGLIA  
Community Development Analyst

RN:bp  
Enclosure

ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT ("Assignment") is made and entered into on January 24, 2018 ("Effective Date") by and among the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, a municipal corporation ("Assignor"), the CITY OF LONG BEACH, a municipal corporation ("Assignee") and SRE-OW 100 BROADWAY OWNER, LLC, a Delaware limited liability company ("Landlord").

Section 1. Assignor hereby assigns to Assignee all of its right, title and interest in that certain Parking Structure Lease dated as of December 1, 1992 (Agreement No. 383) executed by the Redevelopment Agency of the City of Long Beach (Assignor's predecessor-in-interest), as tenant, and IDM Corporation (Landlord's predecessor-in-interest), as landlord (the "Lease"), a copy of which is attached hereto as Exhibit A. Assignee hereby accepts the assignment from Assignor and unconditionally assumes all of the obligations of Assignee under the Lease. As of the Effective Date, Assignor shall have no further rights or obligations under the Lease.

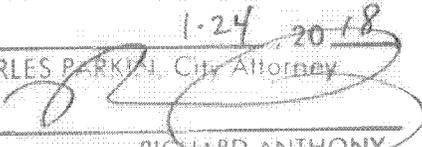
Section 2. Landlord hereby consents to the assignment of the Lease by Assignor to Assignee, and acknowledges and agrees that the Assignee shall be solely liable for all obligations under the Lease arising before the Effective Date.

Section 3. This Assignment constitutes the entire understanding between the parties and supersedes all other agreements, oral or written, with respect to the subject matter herein, and the interpretation and enforcement of this Assignment shall be governed by California law. This Assignment is meant to effect and acknowledge the transfer of the tenant's interest in the Lease, and shall not otherwise amend any provision of the Lease.

THE PARTIES have executed this Assignment as of the day and year first indicated above.

"Assignor"

SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE  
CITY OF LONG BEACH, a public agency

APPROVED AS TO FORM  
1-24-2018  
CHARLES PARKER, City Attorney  
By   
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY

By:   
Lisa Fall  
Manager

APPROVED AS TO FORM

1-24, 2018  
CHARLES FAR... by Attorney  
By [Signature]  
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY

"Assignee"

CITY OF LONG BEACH

By: [Signature]  
Patrick H. West  
City Manager

"Landlord"

SRE-OW 100 BROADWAY OWNER, LLC,  
a Delaware limited liability company

By: [Signature]  
Name: TEA BISCHAK  
Title: MANAGING MEMBER

EXHIBIT A

LEASE