

23269

SECOND AMENDMENT TO LEASE NO. 23269

This Second Amendment to Lease No. 23269 ("Amendment") is made and entered, in duplicate, pursuant to a minute order adopted by the City Council of the City of Long Beach on December 2, 2008, by and between the CITY OF LONG BEACH, a municipal corporation ("City" or "Lessor") and JOHN MILLER, dba COAST STORAGE CO. ("Lessee").

WHEREAS, City and Lessee previously entered into (i) a Lease dated September 14, 1993, and (ii) an Amendment to Lease dated July 2, 2003 (collectively, the "Lease"); and

WHEREAS, City and Lessee now desire to further amend the Lease to extend the term, among other things;

NOW, THEREFORE, Lessor and Lessee mutually agree as follows:

1. Effective Date. This Amendment shall be effective as of September 14, 2008 (the "Effective Date").

2. Term. The term of the Lease shall be and hereby is extended for a period of three (3) years and sixteen (16) days ("Extended Term") commencing September 15, 2008 and expiring on September 30, 2011.

3. Rent. Commencing on October 1, 2008, Lessee shall pay monthly rent ("Monthly Rent") in the amount of Ten Thousand Five Hundred Thirty Dollars (\$10,530.00). Monthly Rent shall increase annually thereafter by four percent (4%), so that effective October 1, 2009 the Monthly Rent shall be Ten Thousand Nine Hundred Fifty-One Dollars (\$10,951), and effective October 1, 2010, the Monthly Rent shall be Eleven Thousand Three Hundred Eighty-Nine Dollars (\$11,389).

4. Termination Options. Lessee, for any reason, may terminate the Lease upon sixty (60) days advance written notice to Lessor. Lessor may terminate the Lease upon sixty (60) days advance written notice (or such longer period of time as allowed by the Federal Aviation Administration (FAA)) to Lessee if Lessor is directed by the FAA that the Leased Premises must be cleared in order to comply with guidelines

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

1 established by the FAA, including without limitation guidelines regarding the central
2 runway protection zone (collectively, the "FAA Requirements"). In lieu of terminating the
3 Lease as provided herein, Lessor and Lessee shall each have the right to decrease the
4 area of the Leased Premises if (i) such a decrease would bring the remaining Leased
5 Premises into compliance with FAA Requirements and (ii) the remaining Leased
6 Premises were still suitable for Lessee's operations. In such event Monthly Rent shall be
7 decreased proportionally with the decrease in the area of the Leased Premises, and
8 Lessor and Lessee shall execute an amendment to the Lease reflecting the reduction in
9 the Leased Premises and the reduction in Monthly Rent.

10 5. Condition of the Leased Premises. The parties acknowledge that
11 certain portions of the Leased Premises are subject to flooding by rainfall run-off from an
12 adjacent parcel owned by Lessor, which flooding may temporarily affect Lessee's ability
13 to use portions of the Leased Premises. Lessee acknowledges that the potential loss of
14 use is reflected in the Monthly Rent, and Lessee agrees that it shall have no right to
15 abate Monthly Rent or otherwise seek compensation or remedial action from Lessor with
16 respect to such flooding.

17 6. All terms, covenants, and conditions of the Lease and amendments
18 thereto, except as amended herein, shall remain unchanged and in full force and effect.

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