

**SECOND AMENDMENT TO LONG BEACH OFFICE LEASE**  
**(CITY OF LONG BEACH)**

**23033**

This Second Amendment to the Long Beach Office Lease ("Second Amendment") is made and entered into by and between the AUTOMOBILE CLUB OF SOUTHERN CALIFORNIA, ("Landlord"), and the CITY OF LONG BEACH ("Tenant"), with reference to the following facts:

WHEREAS, on or about October 8, 1993, Landlord and Tenant entered into that certain Long Beach Office Lease ("Lease") for a ten (10) year term of the Premises located at 4800 Los Coyotes Diagonal, Long Beach, California 90815-2898 ("Premises");

WHEREAS, on or about June 11, 2003, Landlord and Tenant entered into that certain First Amendment to Long Beach Office Lease ("First Amendment") pursuant to which Tenant exercised the first of two (2) five (5) year options to renew the Lease for an additional sixty (60) month term;

WHEREAS, Landlord and Tenant now desire to exercise Tenant's second and final five (5) year option to renew the Lease for an additional sixty (60) month term.

NOW THEREFORE, in consideration of the foregoing, and of the conditions, terms, covenants and agreements set forth herein and for other good and valuable consideration, the receipt of which is acknowledged, the parties agree that the Lease is amended as follows:

1. Term. The Term of the Lease shall hereby be extended for an additional five (5) year term commencing November 1, 2008 and terminating on October 31, 2013.
2. Rental Rate. The Basic Rent during the extended Term shall be as follows:

Months 01 – 12	\$12,953.70 per month (\$1.85/rsf/mo)
Months 13 – 24	\$13,342.31 per month (approximately \$1.91/rsf/mo)
Months 25 – 36	\$13,742.58 per month (approximately \$1.96/rsf/mo)
Months 37 – 48	\$14,154.86 per month (approximately \$2.02/rsf/mo)
Months 49 – 60	\$14,579.50 per month (approximately \$2.08/rsf/mo)

Article 4(c) of the Lease is hereby deleted. Tenant shall otherwise continue to pay Operating Expenses and Real Estate Taxes pursuant to the terms of the Lease.

3. Option to Renew. Provided Tenant is not in default of the lease, Tenant shall have one (1) three (3) year option to renew (the "Option") the Lease at the then fair market value for comparable space in the Long Beach area. Tenant shall provide Landlord with no less than nine (9) months prior written notice of its intent to exercise the Option. Such Option shall be subject to Tenant's City Council approval which approval shall be obtained or denied within sixty (60) days from the mutual acceptance in writing between Landlord and Tenant of the fair market value terms.
4. Landlord Improvements. Landlord, at Landlord's sole cost and expense, shall provide the following improvements ("Landlord Improvements") to the Premises:
  - Provide up to \$3,500 for the replacement of the exterior door to the entrance of the Premises in accordance with specifications provided by Tenant.

- Exterior patch and paint.

Landlord Improvements shall not be subject to the procedures set forth in Section 6 below.

5. Tenant Improvements. Landlord agrees to provide Tenant an allowance not to exceed Thirty One Thousand Five Hundred Nine Dollars (\$31,509.00) ("Tenant Improvement Allowance") solely for those improvements to the Premises listed below:
  - Install new carpet and VCT. (The flooring in the main lobby and restrooms will not be replaced).
  - Patch and paint interior walls.
  - Replace missing, stained and damaged ceiling tiles.

Tenant understands and agrees that it shall be responsible for any and all costs and expenses beyond the above Tenant Improvement Allowance regardless of the cause of said costs. Tenant agrees to promptly reimburse Landlord for said costs within thirty (30) days of Tenant's receipt of an invoice.

In addition, Landlord will provide up to Seventy Thousand Twenty Dollars (\$70,020.00) to be used solely for other improvements to the Premises to be determined by Tenant, at Tenant's election as approved by Landlord, and conducted concurrently with the above Tenant Improvements. This amount shall be amortized over the remaining term at nine percent (9%) interest and paid in addition to Base Rent.

6. Procedures for Tenant Improvements. All Tenant Improvements to the Premises ("Work") shall be coordinated between Landlord and Tenant, and shall be subject to Landlord's prior written approval, including without limitation Tenant's drawings, plans and bid packages. Landlord shall enter into a contract with a general contractor that is mutually agreed by Landlord and Tenant based on a bidding process involving at least three (3) bidders. Landlord and Tenant shall ensure that the Work is to be bid at prevailing wage rates in compliance with California Labor Code Section 1720. Tenant, at Tenant's sole cost and expense, may engage Heery International to prepare a site assessment report, develop a scope of work, prepare drawings, bid packages, and act as construction manager for the Work. In addition, Tenant shall provide Landlord with current certificates of insurance for all selected contractors, subcontractors, suppliers, planners and construction managers prior to any commencement of the Work.
7. Rooftop Communications Equipment. Subject to Landlord's prior approval, which such approval shall not be unreasonably conditioned, delayed or withheld, Tenant shall have the right at no additional Rent to install and use a microwave dish, antenna, or other telecommunications equipment (collectively, "Rooftop Communications Equipment") on a portion of the roof of the Premises. Tenant shall at all times maintain any installation of Rooftop Communications Equipment in good condition and, prior to the end of the Term, remove all Rooftop Communications Equipment. Tenant shall timely repair any damage caused by the installation, maintenance or removal of the Rooftop Communications Equipment.
8. Non-Discrimination Clause. Landlord agrees, subject to applicable laws, rules and regulations, that no person shall be subject to discrimination in the performance of this Second Amendment or future amendments to the Lease on the basis of race, color,

religion, national origin, sex, sexual orientation, gender identity, AIDS, HIV status, age, disability, handicap, or Vietnam Era veteran status. Landlord shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any of these bases, including, but not limited to, employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

9. Brokers. Landlord represents that The Staubach Company ("Landlord's Broker") represents Landlord in connection with this Second Amendment, and that Landlord has entered into a separate commission agreement with Landlord's Broker for payment of any commissions or fees that are payable to Landlord's Broker with respect to this Second Amendment. Landlord shall have no further or separate obligation for payment of commissions or fees to any other real estate broker, finder or intermediary. Tenant represents that Cushman & Wakefield of California, Inc. ("Tenant's Broker") represents Tenant in connection with this Second Amendment, and Tenant has not had any dealings with any real estate broker, finder or intermediary with respect to this Second Amendment, other than Landlord's Broker and Tenant's Broker. Any commissions or fees payable to Tenant's Broker with respect to this Second Amendment shall be paid exclusively by Landlord's Broker. Each party represents and warrants to the other, that, to its knowledge, no other broker, agent or finder (a) negotiated or was instrumental in negotiating or consummating this Second Amendment on its behalf, or/and (b) is or might be entitled to a commission or compensation in connection with this Second Amendment. Any broker, agent or finder of Tenant whom Tenant has failed to disclose herein shall be paid by Tenant.
10. Other Terms. Except as expressly provided herein, nothing in this Second Amendment shall be deemed to waive or modify any of the provisions of the Lease, or any amendment thereto. In the event of any conflict between the Lease, any other amendment, or this Second Amendment, the document later in time shall prevail.
11. Authority. Landlord and Tenant covenant that each individual executing this document by and on behalf of such party is duly authorized to execute leases for that party.
12. All other terms and conditions of the Lease and prior Amendments shall remain unchanged and in full force and effect.

LANDLORD:

AUTOMOBILE CLUB OF  
SOUTHERN CALIFORNIA

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

  
David M. Mattingly  
Senior Vice President, CFO & Treasurer

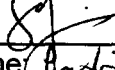
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10/31/08

TENANT:

CITY OF LONG BEACH

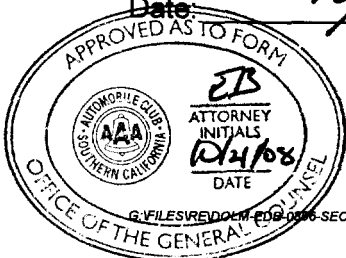
By: \_\_\_\_\_

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

Date: \_\_\_\_\_

12-8-08

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.




APPROVED AS TO FORM

November 10, 2008

ROBERT E. SHANNON, City Attorney

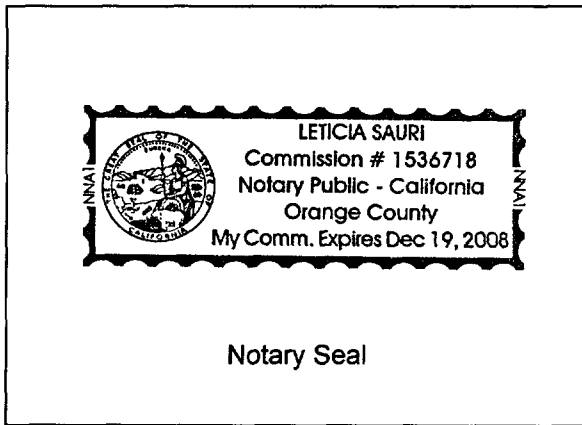
By: \_\_\_\_\_

  
GARY J. ANDERSON  
DEPUTY CITY ATTORNEY

State of California  
County of Orange

On October 31 --, 2008 before me, Leticia Sauri -----, Notary Public, personally appeared David M. Mattingly -----, who proved to me on the basis of satisfactory evidence to be the person(ε) whose name(ε) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(ε) on the instrument the person(ε), or the entity upon behalf of which the person(ε) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature: Leticia Sauri

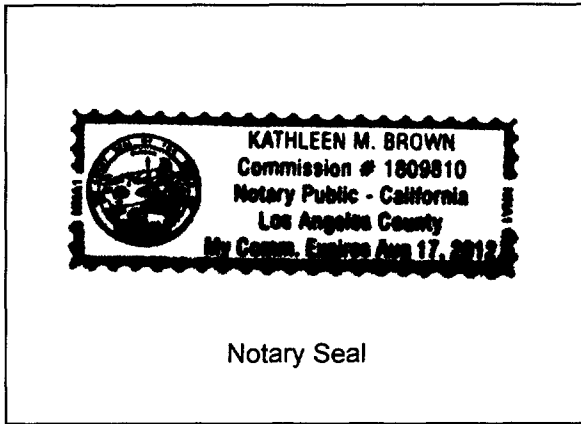
Printed Name: Leticia Sauri

My commission expires on: 12/19/2008

State of California  
County of Los Angeles

On December 8, 2008 before me, Kathleen M. Brown, Notary Public, personally appeared Suzanne Frick, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature: Kathleen M. Brown  
Printed Name: Kathleen M. Brown  
My commission expires on: August 17, 2012