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

SUBLEASE

THIS SUBLEASE is made and entered, in duplicate, as of December 9, 2009 pursuant to a minute order of the City Council of the City of Long Beach adopted at its meeting held on December 8, 2009, by and between the CITY OF LONG BEACH, a municipal corporation ("Sublandlord"), whose address is 333 W. Ocean Boulevard, 3rd Floor, Long Beach, California 90802, Attention: Property Services Bureau Manager, and LONG BEACH RESCUE MISSION, a California non-profit corporation, whose address is 1430 Pacific Avenue, Long Beach, California 90813 ("Subtenant").

Sublandlord and Subtenant, in consideration of the mutual terms, covenants, and conditions herein, agree as follows:

- 1. Master Lease. Sublandlord, as tenant, and Discount Storage Facilities, LLC, a California limited liability company ("Master Landlord"), as landlord, have executed a Lease covering the Premises, as defined below (including any amendments and addenda thereto, the "Master Lease"). A copy of the Master Lease is attached hereto as Exhibit "B". Subtenant shall have all the rights and obligations of Sublandlord under the Master Lease as though Subtenant was the tenant under the Master Lease, except as otherwise specifically stated in this Lease. The Master Lease is hereby incorporated by reference.
- 2. Premises. Sublandlord hereby leases to Subtenant and Subtenant hereby accepts and leases from Sublandlord those certain premises containing approximately 12,000 rentable square feet (the "Premises") located within the building located at 1405 Lewis Avenue (the "Building"), such premises being more particularly depicted in Exhibit "A" attached hereto. The Premises shall be leased in "as is" condition.
- 3. Term. The term of this Lease shall commence on the date on which both parties have executed this Lease, and shall terminate at midnight on March 31, 2010. The term of this Lease may be extended to April 30, 2010 on the terms and conditions contained in this Lease if upon the mutual agreement by Sublandlord and

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Master Landlord the term of the Master Lease is extended. In that event, the parties shall execute an amendment to this Lease that extends the term.

- 4. Rent. Subtenant shall pay to Sublandlord a monthly rental payment equal to Seven Thousand and No/100 Dollars (\$7,000.00), such rent to be prorated for any partial month. The monthly rental payment reflects a \$0.58 per square foot rental rate.
 - 5. Insurance.
- A. General. Within five (5) days after the execution of this Sublease, and as a condition of obtaining occupancy of the Premises, Subtenant shall procure and maintain at Subtenant's expense for the duration of this Lease including any extensions, renewals, or holding over thereof, from insurance companies that are admitted to write insurance in the State of California or that have ratings of or equivalent to an A:VIII by A.M. Best and Company the following insurance:
- Commercial general liability insurance equivalent in coverage scope (a) to ISO CG 00 01 11 85, including contractual coverage, naming the City of Long Beach, its officials, employees, and agents and Master Landlord as additional insureds from and against claims, demands, causes of action, expenses, costs, or liability for injury to or death of persons, or damage to or loss of property arising out activities performed by or on behalf of Sublessee in an amount not less than One Million Dollars (US \$1,000,000) per occurrence and Two Million Dollars (US \$2,000,000) in aggregate. Said insurance shall be primary insurance with respect to City and Master Landlord and shall include cross liability protection.
- If applicable, commercial automobile liability insurance equivalent in (b) coverage scope to ISO CA 00 01 06 92, covering Symbol 1 ("any auto) in an amount not less than One Million Dollars (US \$1,000,000) combined single limits.
- (c) Special perils property insurance in an amount sufficient to cover the full replacement value of Subtenant's personal property, improvements, and equipment on the Premises.

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B. Self Insurance. Any self-insurance program or self-insurance retention must be approved separately in writing by Sublandlord and shall protect the City of Long Beach, its officials, employees, and agents and Master Landlord in the same manner and to the same extent as they would have been protected had the policy or policies not contained retention provisions.

- C. Cancellation. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, changed, or canceled by either party except after thirty (30) days prior written notice (ten (10) days for nonpayment only) to Sublandlord, and shall be primary and not contributing to any other insurance or selfinsurance maintained by City or Master Landlord.
- D. Property Insurance Waiver of Subrogation. With respect to damage to property, Sublandlord, Subtenant and Master Landlord hereby waive all rights of subrogation, one against the other, but only to the extent that collectible commercial insurance is available for said damage.
- E. Documentation. Subtenant shall deliver to Sublandlord certificates of insurance and original endorsements for approval as to sufficiency and form prior to occupancy of the new improvements. The certificates and endorsements for each insurance policy shall contain the original signature of a person authorized by that insurer to bind coverage on its behalf. "Claims-made" policies are not acceptable unless Sublandlord's Risk Manager determines that "Occurrence" policies are not available in the market for the risk being insured. In a "Claims-made" policy is accepted, it must provide for an extended reporting period of not less than one hundred eighty (180) days.
- F. No Limitations on Liability. Such insurance as required herein shall not be deemed to limit Subtenant's liability relating to performance under this Lease. Sublandlord reserves the right to require complete certified copies of all said policies at any time. The procuring of insurance shall not be construed as a limitation on liability or as full performance of the indemnification and hold harmless provisions of this Lease. Subtenant understands and agrees that, notwithstanding any insurance, Subtenant's

- G. Subtenant's Failure to Provide. If Subtenant fails to procure any coverage required by be maintained by Sublandlord hereunder, or renewal thereof, or to provide written evidence the procurement or renewal thereof on a timely basis, Sublandlord may (but is not required to), after having given five (5) working days written notice to Subtenant, procure such coverage and charge its cost to Subtenant as additional rent payable in full on the next rent payment date. Subtenant shall not do or permit to be done any thing that shall invalidate insurance policies to be maintained by Subtenant hereunder.
- H. Waivers and Modifications. Any modification or waiver of the insurance requirements herein shall be made only with the written approval of the Sublandlord's Risk Manager or designee.

LONG BEACH RESCUE MISSION, a California non-profit corporation RESIDEN CITY OF LONG BEACH, a municipal **Assistant City Manager** City Managerecuted PURSUANT TO SECTION 301 OF THE CITY CHARTER. day of December ROBERT E. SHANNON, City Attorney

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EXHIBIT "A" PREMISES

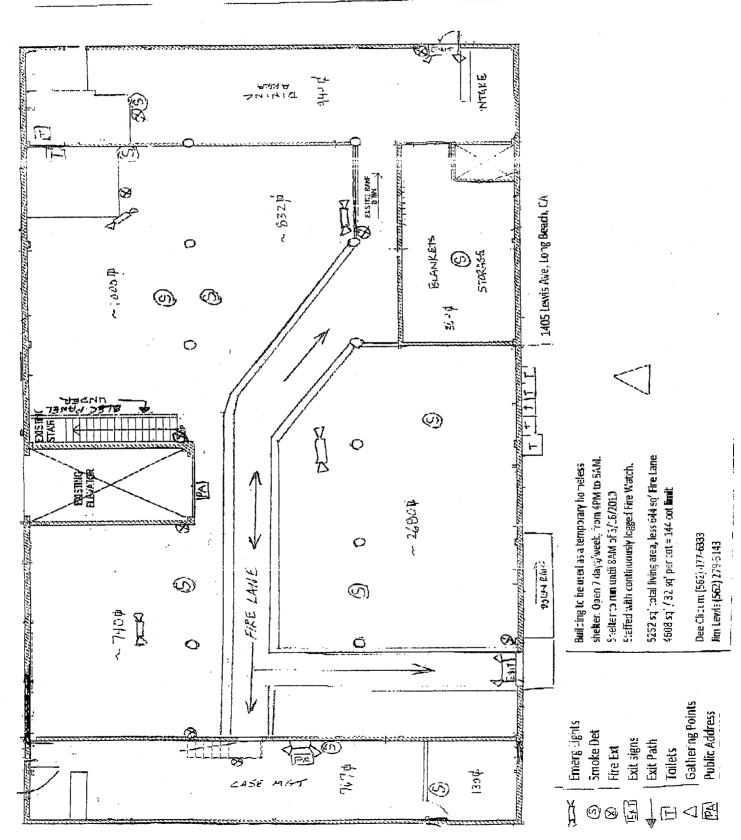


EXHIBIT "B" MASTER LEASE

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

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

LEASE

THIS LEASE is made and entered, in duplicate, as of December 9, 2009 pursuant to a minute order of the City Council of the City of Long Beach adopted at its meeting held on December 8, 2009, by and between DISCOUNT STORAGE FACILITIES, LLC, a California limited liability company, whose address is 11989 Deathy Size Los Ayeles, CA. 90049 ("Landlord"), and the CITY OF LONG BEACH, a municipal corporation, whose address is 333 W. Ocean Boulevard, 3rd Floor, Long Beach, California 90802, Attention: Property Services Bureau Manager ("Tenant").

Landlord and Tenant, in consideration of the mutual terms, covenants, and conditions herein, agree as follows:

- 1. Premises. Landlord hereby leases to Tenant and Tenant hereby accepts and leases from Landlord those certain premises containing approximately 12,000 rentable square feet (the "Premises") located within the building located at 1405 Lewis Avenue (the "Building"), such premises being more particularly depicted in Exhibit "A" attached hereto. The Premises shall be leased in "as is" condition.
- 2. Term. The term of this Lease shall commence on the date on which both parties have executed this Lease, and shall terminate at midnight on March 31, 2010. The term of this Lease may be extended to April 30, 2010 on the terms and conditions contained in this Lease upon the mutual agreement by Tenant and Landlord, and, in that event, the parties shall execute an amendment to this Lease that extends the term.
- 3. Rent. Tenant shall pay to Landlord a monthly rental payment equal to Seven Thousand and No/100 Dollars (\$7,000.00), such rent to be prorated for any partial month. The monthly rental payment reflects a \$0.58 per square foot rental rate.
 - 4. Use. The Premises shall be used as a winter homeless shelter.
- 5. Tenant's Maintenance Obligations. Tenant shall keep the Premises in a neat, safe and sanitary condition. Tenant acknowledges that the Premises are industrial

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space and that certain modifications may need to be made to the Building HVAC system to make the Premises inhabitable for its intended purpose. Tenant agrees to make such modifications to the HVAC system at its own cost and expense and Landlord shall provide Tenant with reasonable access to the Building in order to make such modifications. At the expiration of the term and at Landlord's request, Tenant shall return the HVAC system to its original condition. All other maintenance and repairs not specifically described immediately above shall be the responsibility of Landlord pursuant to Section 6.

- 6. Landlord's Maintenance Obligations. Landlord shall, at its own cost and expense, manage and maintain the Building and make all necessary repairs to the Premises, including without limitation all surface and structural elements of the roof, bearing walls and foundations of the Building, all electrical, plumbing, HVAC systems (other than those modifications to be made by Tenant pursuant to Section 5) and all other elements of the Building. If Landlord fails to maintain the Premises as required herein, Tenant shall notify Landlord of such failure in writing.
- 7. Utilities. Landlord shall pay the monthly costs associated with all utilities to the Premises. Tenant shall reimburse Landlord within sixty (60) days of receipt from Landlord of reasonable documentation showing utility charges for the Premises during the term.
- 8. Taxes. Landlord shall be responsible for payment of all real property taxes.
- 9. In the event any Hazardous Materials are Hazardous Materials. detected during the Lease term, such materials shall be removed promptly in accordance with applicable law at the sole cost and expense of Landlord. In the event Landlord determines it is cost prohibitive to remove such materials, Tenant shall have the option of terminating this Lease by giving written notice.

No goods, merchandise, supplies, personal property, materials, or items of any kind shall be kept, stored, or sold in or on the Premises which are in any way

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explosive or hazardous. Tenant shall comply with California Health and Safety Code Section 25359.7 or its successor statute regarding notice to Landlord on discovery by Tenant of the presence or suspected presence of any hazardous material on the Premises. "Hazardous Materials" means any hazardous or toxic substance, material or waste which is or becomes regulated by the City, the County of Los Angeles, the State of California or the United States government.

- 10. Insurance. Within five (5) days after the execution of this Lease and in partial performance of Tenant's obligations hereunder, Tenant shall deliver to Landlord a Certificate of Self-Insurance on Tenant's standard form providing evidence of coverage for:
- a. Commercial general liability self-insurance equivalent in coverage scope to ISO CG 00 01 10 93 in an amount not less than One Million Dollars (US \$1,000,000) per occurrence and Two Million Dollars (US \$2,000,000) in aggregate and
- Special perils property coverage in an amount sufficient to b. cover the full replacement value of Tenant's personal property, improvements, and equipment on the Premises.

The self-insurance program shall not be suspended, voided, changed, or canceled by either party except after thirty (30) days prior written notice to Landlord, and shall be primary and not contributing to any other insurance or self-insurance maintained by Landlord.

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

Such self-insurance as required herein shall not be deemed to limit Tenant's liability relating to performance under this Lease. Evidence of self-insurance shall not be construed as a limitation on liability or as full performance of the indemnification and hold harmless provisions of this Lease.

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Landlord shall provide Tenant with evidence of equivalent liability insurance.

Any modification or waiver of the insurance requirements herein shall be made only with the written approval of the Tenant's Risk Manager or designee.

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

Such self-insurance as required herein shall not be deemed to limit Landlord's or Tenant's liability relating to performance under this Lease. Evidence of self-insurance shall not be construed as a limitation on liability or as full performance of the indemnification and hold harmless provisions of this Lease

Any modification or waiver of the insurance requirements herein shall be made only with the written approval of the Landlord and Tenant's Risk Manager or designee.

- 11. Default by Tenant. The occurrence of any of the following acts shall constitute a default by Tenant:
 - a. Failure to pay rent when due after ten (10) days written notice;
- b. Failure to perform any of the terms, covenants, or conditions of this Lease if said failure is not cured within thirty (30) days after written notice of said failure; or
- Any attempted assignment, transfer, or sublease except as approved by Landlord or otherwise authorized pursuant to Section 16.

If Tenant does not comply with each provision of this Lease or if a default occurs, then Landlord may terminate this Lease and Landlord may enter the Premises and take possession thereof provided, however, that these remedies are not exclusive but cumulative to other remedies provided by law in the event of Tenant's default, and the exercise by Landlord of one or more rights and remedies shall not preclude Landlord's exercise of additional or different remedies for the same or any other default by Tenant.

a. Failure to perform any of the terms, covenants, or conditions of this Lease if said failure is not cured within thirty (30) days after written notice of said failure.

If Landlord does not comply with each provision of this Lease or if a default occurs, then Tenant may terminate this Lease, provided, however, that this remedy is not exclusive but cumulative to other remedies provided by law in the event of Landlord's default, and the exercise by Tenant of one or more rights and remedies shall not preclude Tenant's exercise of additional or different remedies for the same or any other default by Landlord.

- 13. Right of Entry. Landlord shall have the right of access to the Premises during normal business hours and with reasonable advance notice to inspect the Premises, to determine whether or not Tenant is complying with the terms, covenants, and conditions of this Lease, to serve, post, or keep posted any notice, and for any other legal purpose. Landlord shall also have the right to enter in case of emergencies.
- 14. Parking. Tenant shall have the exclusive right to use the parking lot behind the Premises.
- 15. Condemnation. If the whole or any part of the Premises shall be taken by any public or quasi-public authority under the power of eminent domain, then this Lease shall terminate as to the part taken or as to the whole, if taken, as of the day possession of that part or the whole is required for any public purpose, and on or before the day of the taking Tenant shall elect in writing either to terminate this Lease or to continue in possession of the remainder of the Premises, if any. All damages awarded for such taking shall belong to Landlord, whether such damages be awarded as compensation for diminution in value to the leasehold or to the fee provided, however, that Landlord shall not be entitled to any portion of the award made for loss of Tenant's business.

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- 16. Assignment. Landlord acknowledges that Tenant intends to sublease the Premises to the Long Beach Rescue Mission concurrently with its execution of this Lease. Landlord hereby approves of such sublease. Tenant shall not otherwise assign or transfer this Lease or any interest herein, nor sublease the Premises or any part thereof (collectively referred to as "transfer") without the prior written approval of Landlord.
- Signs. Tenant may, at its own cost, install exterior signage on the 17. Premises subject to Landlord's reasonable approval as to design, size and location.
- 18. Access. Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week.
- 19. Holding Over. If Tenant holds over and remains in possession of the Premises or any part thereof after the expiration of this Lease with the express or implied consent of Landlord, then such holding over shall be construed as a tenancy from month to month at the monthly rent then in effect and otherwise on the same terms, covenants, and conditions contained in this Lease.
- 20. Surrender of Premises. On the expiration or sooner termination of this Lease Tenant shall deliver to Landlord possession of the Premises in substantially the same condition that existed immediately prior to the date of execution hereof, reasonable wear and tear excepted.
- 21. Any notice required hereunder shall be in writing and Notice. personally served or deposited in the U.S. Postal Service, first class, postage prepaid to Landlord and Tenant at the respective addresses first stated above. Notice shall be deemed effective on the date of mailing or on the date personal service is obtained, whichever first occurs. Change of address shall be given as provided herein for notice.
- 22. Waiver of Rights. The failure or delay of Landlord to insist on strict enforcement of any term, covenant, or condition herein shall not be deemed a waiver of any right or remedy that Landlord may have and shall not be deemed a waiver of any subsequent or other breach of any term, covenant, or condition herein. The receipt of

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and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default but shall only constitute a waiver of timely payment of rent. Any waiver by Landlord of any default or breach shall be in writing. Landlord's approval of any act by Tenant requiring Landlord's approval shall not be deemed to waive Landlord's approval of any subsequent act of Tenant.

- 23. Successors in Interest. This Lease shall be binding on and inure to the benefit of the parties and their successors, heirs, personal representatives, transferees, and assignees, and all of the parties hereto shall be jointly and severally liable hereunder.
- 24. Force Majeure. Except as to the payment of rent, in any case where either party is required to do any act, the inability of that party to perform or delay in performance of that act caused by or resulting from fire, flood, earthquake, explosion, acts of God, war, strikes, lockouts, or any other cause whether similar or dissimilar to the foregoing which is beyond the control of that party and not due to that party's fault or neglect shall be excused and such failure to perform or such delay in performance shall not be a default or breach hereunder. Financial inability to perform shall not be considered cause beyond the reasonable control of the party.
- 25. Partial Invalidity. If any term, covenant, or condition of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
 - 26. Time. Time is of the essence in this Lease, and every provision hereof.
- 27. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of California.
- 28. Integration and Amendments. This Lease represents and constitutes the entire understanding between the parties and supersedes all other agreements and communications between the parties, oral or written, concerning the subject matter herein. This Lease shall not be modified except in writing signed by the parties and referring to this Lease.

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- 29. Joint Effort. This Lease is created as a joint effort between the parties and fully negotiated as to its terms and conditions and nothing contained herein shall be construed against either party as the drafter.
 - 30. No Recordation. This Lease shall not be recorded.
- 31. Attorney's Fees. In any action or proceeding relating to this Lease, the prevailing party shall be entitled to its costs, including a reasonable attorney's fee.
- 32. Captions and Organization. The various headings and numbers herein and the grouping of the provisions of this Lease into separate sections, paragraphs and clauses are for convenience only and shall not be considered a part hereof, and shall have no effect on the construction or interpretation of this Lease.
- 33. Relationship of Parties. The relationship of the parties hereto is that of Landlord and Tenant, and the parties agree that nothing contained in this Lease shall be deemed or construed as creating a partnership, joint venture, association, principal-agent or employer-employee relationship between them or between Landlord or any third person or entity.
- 34. Tenant is represented in this transaction by INCO Company. Landlord, on behalf of Tenant, shall pay to INCO Company three percent (3%) of the total lease revenues to be paid by Tenant to Landlord hereunder. Landlord's broker shall be paid by Landlord in accordance with a separate written agreement with Landlord;

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IN WITNESS WHEREOF, the parties have executed this Lease with all of the formalities required by law as of the date first above written.

"Langlord"

DISCOUNT STORAGE FACILITIES, LLC, a California limited liability company

Date:	12/	0/09	, 200	9
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By: Name:

"Tenant"

CITY OF LONG BEACH, a municipal corporation

Date:	, 2009	Бу
•		City Manager

This Lease is hereby approved as to form this ____ day of

ROBERT E. SHANNON, City Attorney

Ву_

A09-03891

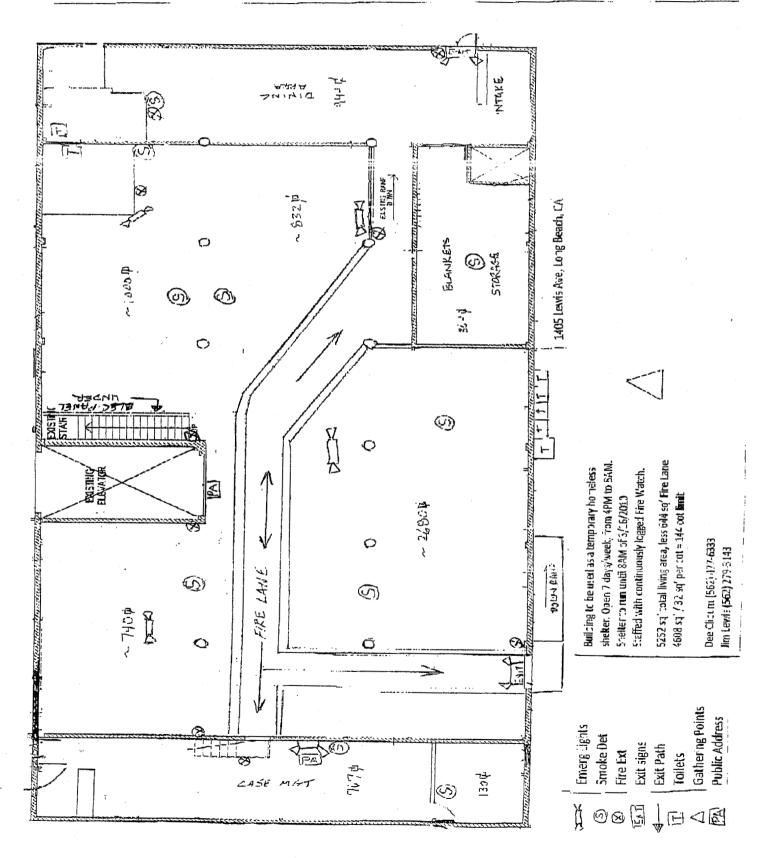
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OFFICE OF THE CITY ATTORNEY ROBERT E. SHANNON, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach, CA 90802-4664

IN WITNESS WHEREOF,	the parties have executed this Lease with all of			
the formalities required by law as of the date first above written.				
	"Landlord"			
	DISCOUNT STORAGE FACILITIES, LLC, a California limited liability company			
Date:, 2009	By: Name: Title:			
·	"Tenant"			
	CITY OF LONG BEACH, a municipal corporation			
Date: <u>12.15</u> , 2009	Assistant City Manager EXECUTED PURSUANT City Manager SECTION 301 OF THE CITY CHARTER.			
This Lease is hereby app 2009.	proved as to form this // day of December			
	ROBERT E. SHANNON, City Attorney			
	By Deputy			
A09-03891				

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

EXHIBIT "A" PREMISES



13:23 12/18/2009

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PROPERTY CENTER

PAGE 02/02

ADDENDUM TO THE LEASE

This is an addendum to the lease between DISCOUNT STORAGE FACILITIES, LLC. And the CITY OF LONG BEACH deted December 9, 2009. The original terms of the above mentioned lease is modified as follows;

- 1) Landlord has no responsibility for any repair and maintenance except the roof. the first floor is reuted as is. Tenent has the right for any inspection and has no right for any claims after signing of the contract. (Items 5, 6 and 9 of the original contract).
- 2) Landlord has California Fair Flan Policy Insurance and he will present a copy to the tonant and he will notify his agent of the now tenancy. (Item 10 b of the original contract).
- 3) There is a 10% penalty if the rant is not paid by the 5th of the month. (Item 11a of the original contract).
- Tenant shall pay first and last month rent before possession of the property.
- 5) Landlord shall be able to use the existing elevator to go and use the other floors as needed during term of this LEASE. Tenant shall cooperate with the proper access at any time. Tapant and his employees, agent and affiliate of them can not use and go to other floors of the building at any time.

Date: 12.15

"Landlord"

DISCOUNT STORAGE FACILITIES, INC. A California Limited liability company

Name:

"Tenant"

CITY OF LONG BEACH, a municipal

Curparation

Assistant City Manager

EXECUTED PURSUANT City Man Ser SECTION 301 OF THE CITY CHARTER.

ROBERT E