

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

GROUND LEASE

34381

THIS GROUND LEASE ("Lease") is entered into as of November 4, 2015, pursuant to a minute order of the City Council of the City of Long Beach, at its meeting on November 3, 2015, by and between the CITY OF LONG BEACH, a California municipal corporation ("Landlord" or "City"), and 100 LBB REAL ESTATE, LLC, a California limited liability company ("Tenant"). This Lease is executed in connection with Tenant's development of a mixed-use residential and retail building at 100 Long Beach Boulevard commonly known as The Edison (the "Development").

In consideration of the faithful performance of the terms, covenants and conditions herein, the parties agree as follows:

1. Leased Premises. Landlord hereby leases to Tenant and Tenant leases from Landlord that certain public right-of-way located on the north side of East First Street between Long Beach Boulevard and Elm Avenue, Long Beach, CA, and more particularly described and depicted in Exhibits "A" and "B" attached hereto (the "Premises").

2. Use. Tenant shall use the Premises solely to construct a raised footing to be used as an entrance to and outdoor patio dining for a retail/restaurant facility (the "Retail Space") open to the public located immediately adjacent to the Premises within the Development, and as more particularly depicted in Exhibit "C" attached hereto (the "Patio"). If after initial opening the Retail Space ceases to be operated as a retail/restaurant facility open to the public for more than ninety (90) days, then upon fourteen (14) days advance notice to Tenant and failure of Tenant to cure such default within fourteen (14) days after receipt of notice from City, City may thereafter terminate this Lease without compensation to Tenant or Tenant's subtenant of the Retail Space. Notwithstanding the foregoing, City may not terminate this Lease during any period where Tenant is actively marketing the Retail Space, or during any period where the construction of improvements to the Retail Space are being actively undertaken. The

1 Patio shall be constructed in such a manner as to be removable within a reasonable
2 amount of time, and otherwise in accordance with plans and specifications reasonably
3 approved by the Landlord's City Engineer.

4 3. Term. The term of this Lease shall commence on the date that the
5 Tenant is able to secure the necessary approvals/permits from the City (acting in its
6 regulatory capacity) to commence construction of the Patio (the "Commencement Date").
7 Landlord and Tenant shall promptly execute a Memorandum of Commencement in the
8 form noted in Exhibit "D" attached hereto to memorialize the Commencement Date. The
9 term of the Lease shall be for a period of ten (10) years (the "Initial Term"), subject to the
10 termination rights described in Section 2 and in this Section. Tenant shall have two (2)
11 options to extend the Initial Term for a five (5)-year period each (each, an "Extended
12 Term"), and promptly thereafter both parties shall execute an amendment to this Lease
13 evidencing the then-current expiration date. Landlord shall have the right, upon at least
14 ninety (90) days advance written notice to Tenant prior to the end of the Initial Term or
15 any Extended Term, and without payment of compensation to Tenant or Tenant's
16 subtenant of the Retail Space, to terminate this Lease at the end of the Initial Term or
17 Extended Term, as applicable, if in Landlord's reasonable discretion the Premises, or a
18 portion thereof, are needed for a public right-of-way improvement or expansion project.
19 Upon the failure of the Landlord to exercise the termination right provided for herein,
20 Tenant shall retain, without limitation the right to exercise the extended term option rights
21 at, and in its sole discretion.

22 4. Rent. As consideration for its occupancy of the Premises, on or
23 before the date of recordation of the Memorandum of Commencement, Tenant shall pay
24 to Landlord, annually in advance, an amount equal to One Thousand One Hundred
25 Dollars (\$1,100) ("Rent") for the first full year of the Initial Term. Thereafter, annual Rent
26 payments shall be due on each anniversary of the Commencement Date in the amounts
27 outlined in Exhibit "E" attached hereto.

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1 5. Operating Covenants.

2 A. Tenant's operations on the Premises will not now or at any
3 time interfere with continued public use of the adjacent public street right-of-way;
4 and

5 B. The minimum width of the public walkway adjacent to the
6 Premises shall be seven (7) feet and one (1) inch without obstructions of any kind.

7 C. All personal property, including without limitation planters,
8 tables, chairs, umbrellas, awnings and other sun shade devices, outdoor heating
9 devices and other accessories or equipment as may be necessary for the
10 operation of outdoor patio dining (collectively, the "Personal Property"), shall at all
11 times be kept within the Premises and shall not obstruct traffic on the public street
12 right-of-way.

13 D. The height of the patio to be located within the Premises will
14 be approximately five (5) feet above the adjacent sidewalk plus the height of any
15 required railing (per Section 5.G.) and any Personal Property.

16 E. The Premises shall be kept in a good state of repair and in a
17 safe, sanitary, and attractive condition.

18 F. The entrance to the Retail Space shall not be obstructed by
19 barricades, chairs, tables or other furniture.

20 G. The Premises shall be defined by placement of sturdy fencing,
21 railing or other suitable barriers, as properly permitted by the City acting in its
22 regulatory capacity and as generally shown in Exhibit "C".

23 H. Tenant shall place all Personal Property located within the
24 Premises, in strict accordance with Fire Department and Health and Human
25 Services Department standards and contained within Chapter 14.14 of the City of
26 Long Beach Municipal Code.

27 I. Tenant shall not allow cleaning chemicals, or other foreign
28 matter to flow into the adjacent public right-of-way, and shall otherwise protect the

1 health of adjacent street trees, and shall likewise prevent the discharge of litter,
2 cleaning chemicals and all other foreign matter to the storm drain system.

3 J. Tenant shall protect any parkway trees in the immediate
4 vicinity of the Premises from damage due to Tenant's cleaning or other activities
5 on the public walkway. Tenant shall not interfere with Landlord's access to
6 parkway trees for maintenance purposes. Any special maintenance of the
7 parkway trees is the responsibility of Tenant and must be performed by a qualified
8 landscape contractor acting under a permit from City's Street Landscaping
9 Division. Unless such damages occur due to the Landlord's negligence, Landlord
10 shall not be held financially responsible for damage to Tenant's Personal Property
11 occurring in the course of regular street tree maintenance.

12 K. All Personal Property and other accessories to dining or
13 entertainment uses such as plants or planter boxes, umbrellas, podiums, menu
14 boards, musical equipment and heaters must be located inside the Patio.

15 L. All dining and entertainment which takes place on the
16 Premises shall conform to the requirements of Chapter 8.80 of the Long Beach
17 Municipal Code regarding noise.

18 M. No tents or windbreaks may be used in, over, or around the
19 Premises.

20 N. Temporary banners, not exceeding the height of the barrier
21 and attached to the barrier are permitted for a two (2) week period no more than
22 four (4) times per year.

23 O. Menu boards must be portable, located within the dining area,
24 and must not exceed five (5) feet, six (6) inches tall. Menu boards may be either a
25 single pole pedestal of painted metal or a board attached to the inside of the
26 barrier, parallel to the barrier.

27 P. The following are prohibited on the Premises: speakers,
28 television monitors, canopies and A-frame signs, except for the overhang that is

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1 attached to the adjacent building and not a part of the Premises.

2 Q. Tenant shall otherwise comply with all of the requirements of
3 Section 14.14 of the Long Beach Municipal Code, except insofar as the
4 requirements of this Lease conflict with the requirements of Section 14.14, in
5 which case this Lease shall control.

6 6. Termination. Upon termination of this Lease, whether by revocation
7 or otherwise, Tenant, at its own expense, shall remove all improvements existing on the
8 Premises and shall otherwise restore the public street right-of-way to a condition
9 substantially the same as existed immediately prior to the occupancy provided for by this
10 Lease, unless instructed otherwise by Landlord acting in its sole discretion. Should
11 Tenant fail or refuse to remove the obstructions and improvements, Landlord may
12 remove the obstructions and improvements and Tenant shall reimburse Landlord for all
13 costs thereof. In the event of removal by Landlord of all or any portion of the
14 obstructions, Landlord shall not be liable for any damage to or loss of any property of
15 Tenant or Tenant's subtenant of the Retail Space.

16 7. Default. The occurrence of any one or more of the following acts
17 shall constitute a material default by Tenant:

18 A. Failure to pay rent when due, subject to a five (5) day cure
19 period;

20 B. Abandonment of the Premises, in whole or in part, for a period
21 of ninety (90) days or more, except as otherwise provided in Section 2;

22 C. Any attempted assignment, transfer, or sublease of this
23 Lease, except as provided in Section 13;

24 D. Failure to maintain the insurance required herein, subject to
25 the thirty-day cure period described in Subsection "H" of this Section;

26 E. Failure to pay when due all fees and charges for any
27 municipal service or commodity provided by the City of Long Beach in its
28 municipal capacity, including but not limited to water, sewer, gas, electricity, refuse

1 collection, or recycling, subject to a sixty (60) day cure period;

2 F. To the extent permitted by the United States Bankruptcy
3 Code, insolvency of Tenant, which shall be deemed to include an assignment by
4 Tenant for the benefit of creditors; the filing by Tenant of a voluntary petition in
5 bankruptcy; an adjudication that Tenant is bankrupt; the appointment of a receiver
6 of the properties of Tenant if the receiver is not discharged within thirty (30) days;
7 the filing of an involuntary petition of bankruptcy and failure of Tenant to secure a
8 dismissal of the petition within sixty (60) days after filing; attachment of or the
9 levying of execution on the leasehold interest and failure of Tenant to secure
10 discharge of the attachment or release of the levy of execution within thirty (30)
11 days. In the event of any of the foregoing, no notice that an event of default has
12 occurred shall be required from Landlord;

13 G. Failure to comply with a legal determination and/or order
14 which creates a nuisance or waste on the Premises, subject to a ninety (90) day
15 cure period;

16 H. Any failure to perform any other material term, covenant, or
17 condition of this Lease not otherwise specifically described in this Section 7 shall
18 be enforced in accordance with the enforcement procedures described in Exhibit
19 "F" attached hereto and incorporated herein by this reference.

20 8. Remedies. Upon the occurrence of any material default and the
21 expiration of any applicable cure periods, in addition to any other rights or remedies of
22 Landlord hereunder, by law or in equity, Landlord shall have the following rights and
23 remedies:

24 A. Landlord may terminate this Lease by giving to Tenant written
25 notice of termination. If Tenant fails to promptly surrender possession of the
26 Premises as described elsewhere herein, then Landlord may commence eviction
27 proceedings in accordance with applicable law. Termination hereunder shall not
28 relieve Tenant from the payment of any sum due to Landlord for damages or

1 indemnity. Landlord shall be entitled to recover from Tenant all damages
2 determined by the court in the eviction proceeding.

3 B. Landlord may continue the Lease in full force and effect and
4 enforce all of its rights and remedies hereunder.

5 C. Whether or not Landlord retakes possession, Landlord shall
6 have the right to recover all damages caused by Tenant's default. Damages shall
7 include but not be limited to all costs incurred by Landlord as a result of Tenant's
8 default, and all costs incurred by Landlord in restoring the Premises to the same
9 condition as of the Commencement Date.

10 D. Nothing in this Lease shall be deemed to require that Landlord
11 wait until the date on which the Lease term expires to bring or maintain any suit or
12 action relating to a material breach of this Lease after expiration of any applicable
13 cure periods.

14 These remedies are not exclusive but cumulative to other remedies provided by law in
15 the event of Tenant's material default and the exercise by Landlord of one or more rights
16 and remedies shall not preclude Landlord's exercise of additional or different remedies
17 for the same or any other material default by Tenant.

18 9. Condition of Premises. Tenant accepts the Premises in its present
19 condition and agrees to maintain the same in a safe, clean, and orderly condition. Any
20 and all uses made of the Premises shall be at the sole risk, cost, and expense of Tenant.
21 Tenant, by its acceptance of this Lease, agrees to indemnify, defend, save and keep City,
22 its officers, agents, and employees free and harmless from and against any and all
23 liability as well as from and against any and all loss, claims, demands, damages,
24 expenses and costs of whatsoever nature arising out of or in any manner resulting,
25 directly or indirectly, from Tenant's or its subtenant's operations on or the condition, use
26 or misuse of the Premises, including liability, claims or damages to or as a result of any
27 structures or fixtures on the Premises or appurtenances to it.

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1 10. Insurance. Concurrent with the execution of this Ground Lease and
2 as a condition of obtaining occupancy of the Leased Premises, Tenant shall:

3 A. Procure and maintain the following types of insurance at
4 Tenant's sole expense for the duration of this Lease, including any extensions,
5 renewals, or holding over thereof, from insurance companies that are admitted to
6 write insurance in the State of California or from non-admitted insurers that are on
7 California's List of Eligible Surplus Lines Insurers (LESLI) and that have ratings of
8 or equivalent to an A:VIII by A.M. Best Company:

9 (i) Commercial general liability equivalent in coverage scope to
10 Insurance Services Office, Inc. (ISO) form CG 00 01 11 85 or 10
11 93 in an amount not less than One Million Dollars (\$1,000,000)
12 per occurrence and Two Million Dollars (\$2,000,000) general
13 aggregate. Such insurance shall not exclude or limit coverage for
14 products and completed operations, contractual liability,
15 independent contractors, or cross liability. This insurance shall be
16 endorsed to add the City of Long Beach, its officials, employees,
17 and agents as additional insureds by endorsement equivalent in
18 coverage scope to ISO form CG 20 26 11 85 and shall contain no
19 special limitations on the scope of protection afforded to the City,
20 its officials, employees, and agents.

21 (ii) Liquor liability insurance in an amount not less than One Million
22 Dollars (\$1,000,000) per occurrence and Two Million Dollars
23 (\$2,000,000) general aggregate. The City of Long Beach, its
24 officials, employees, and agents shall be added as additional
25 insureds by endorsement and such endorsement shall protect the
26 City, its officials, employees, and agents from and against claims,
27 demands, causes of action, expenses, costs, or liability for injury
28 to or death of persons, or damage to or loss of property arising out

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activities performed by or on behalf of the Tenant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees, and agents.

(iii) All Risk property insurance in an amount sufficient to cover the full replacement value of Tenant's personal property, improvements and equipment on the Premises. With respect to damage to property, City 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.

(iv) Business interruption insurance providing that the rent due City shall be paid for a period of up to twelve (12) months if the Premises are destroyed or rendered inaccessible.

(v) Workers' compensation insurance required by the State of California and employer's liability insurance in an amount not less than One Million Dollars (\$1,000,000) per accident or illness with a waiver of its insurer's subrogation rights against the City.

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

C. Each insurance policy shall be endorsed to state that coverage shall not be cancelled, non-renewed or reduced in coverage or limits (except for reduction of limits by paid claims) except after thirty (30) days' prior written notice to City (ten (10) days prior written notice of cancellation for nonpayment of premium is acceptable) and that coverage shall be primary and not contributing to any other insurance or self-insurance maintained by the City of Long Beach or its officials, employees, and agents.

1 D. Tenant shall deliver to City certificates of insurance and the
2 endorsements required hereunder for approval as to sufficiency and form prior to
3 commencement of this Lease, including those of any subtenants, contractors, and
4 subcontractors. The certificates and endorsements for each insurance policy shall
5 contain the original signature of a person authorized by that insurer to bind
6 coverage on its behalf. Tenant shall, within (30) days of expiration of such
7 policies, furnish City with evidence of renewals. City reserves the right to require
8 complete certified copies of all said policies at any time.

9 E. Such insurance as required herein shall not be deemed to
10 limit Tenant's liability relating to performance under this Lease. The procuring of
11 insurance shall not be construed as a limitation on liability or as full performance of
12 the indemnification and hold harmless provisions of this Lease. City makes no
13 representation that the limits or forms of coverage of insurance specified herein
14 are adequate to cover Tenant's liability or obligations under this Agreement.

15 F. Not more frequently than every three (3) years, if in the
16 opinion of City the amount of the foregoing insurance coverages is not adequate,
17 Tenant shall amend its insurance coverage, as required by City's Risk Manager or
18 designee.

19 G. Any modification or waiver of the insurance requirements herein shall
20 be made only with the written approval of the City's Risk Manager or
21 designee.

22 11. Applicable Laws. Nothing in this Lease shall be construed to excuse
23 compliance by Tenant with any and all of the laws and ordinances of City and State;
24 neither shall this Lease be deemed to obviate the necessity of Tenant's and/or its
25 subtenant's obtaining such other permits or licenses as are required to conduct specific
26 activities within the Premises, including but not limited to entertainment or the sale,
27 service or consumption of alcoholic beverages.

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1 12. Attorneys' Fees. In case suit shall be brought for the recovery of
2 possession of all or any portion of the Premises or because of the breach of any
3 covenant contained in this Lease to be kept and performed on the part of Tenant, Tenant
4 shall pay to Landlord reasonable attorneys' fees which shall be fixed by the court.

5 13. Assignment. Tenant shall not assign this Lease, or any interest in it,
6 nor shall this Lease, or any interest in it, be subject to transfer or assignment by order of
7 any court. Any such transfer or assignment shall not create any right whatsoever in the
8 transferee or assignees and shall entitle the City Manager, at his discretion, to terminate
9 this Lease. Notwithstanding the foregoing, Tenant (and its assigns) shall have the right,
10 without the consent of City, to transfer or assign the entirety of its leasehold interest
11 under this Lease to any subsequent purchaser of the Development.

12 14. Notice. All notices required hereunder shall be in writing and
13 personally delivered or deposited in the U.S. Postal Service, first class, postage prepaid,
14 as follows:

15 To Tenant: 100 LBB Real Estate, LLC
16 1729 Abbot Kinney Boulevard
 Venice, CA 90291
 Attention: Fabian Iobbi

17 Erin H. Ankin, General Counsel
18 Waterton
19 30 South Wacker Drive, 36th Floor
 Chicago, Illinois 60606

20 To Landlord: City of Long Beach
21 333 W. Ocean Blvd., 13th Floor
22 Long Beach, CA 90802
 Attention: City Manager

23 Change of address shall be given in the same manner as stated for other
24 notices. Notice shall be deemed given on the date deposited in the mail or on the date
25 personal delivery is made, whichever first occurs.

26 15. Estoppel Certificates. At any time and from time to time, Landlord
27 and Tenant each agree, upon request in writing from the other, to execute, acknowledge
28 and deliver to the other or to any person designated by the other a statement in writing

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1 certifying that the Lease is unmodified and is in full force and effect, or if there have been
2 modifications, that the same is in full force and effect as modified (stating the
3 modifications), that the other party is not in default in the performance of its covenants
4 hereunder, or if there have been such defaults, specifying the same, and the dates to
5 which the rent and other charges have been paid.

6 IN WITNESS WHEREOF, the parties have caused this document to be duly
7 executed with all formalities required by law as of the date first stated above.

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100 LBB REAL ESTATE, LLC, a California
limited liability company

July 15, 2016

By [Signature]
Name Giff Rattkovich
Title President, Rattkovich Properties, LLC

_____, 2016

By _____
Name _____
Title _____

"TENANT"

CITY OF LONG BEACH, a municipal
corporation

9/8/16, 2016

By [Signature]
City Manager
"LANDLORD" Assistant City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

Approved as to form this 6 day of September, 2016.

CHARLES PARKIN, City Attorney
By [Signature]
Deputy City Attorney

EXHIBIT "A"
LEGAL DESCRIPTION

ELEVATED DECK AREA IN FIRST STREET

100 LONG BEACH BOULEVARD

APN: 7281-018-016

EASEMENT IN FIRST STREET IN THE CITY OF LONG BEACH, THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 19, BLOCK 102, TOWNSITE OF LONG BEACH, IN THE CITY OF LONG BEACH, AS PER MAP FILED IN BOOK 19, PAGE 91, et Seq, OF MISCELLANEOUS RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, SAID POINT ALSO BEING THE INTERSECTION OF THE NORTHERLY LINE OF FIRST STREET , 40 FEET IN WIDTH FROM CENTERLINE AND THE WESTERLY LINE OF ALAMO COURT, A PUBLIC WAY, 16 FEET IN WIDTH; THENCE, WEST ALONG THE SOUTHERLY LINE OF SAID LOT19, BLOCK 102, SAID LINE ALSO BEING THE NORTHERLY RIGHT OF WAY LINE OF SAID FIRST STREET 8.50 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE, CONTINUING WEST ALONG THE SOUTH LINE OF LOT 19 A DISTANCE OF 63.80 FEET, SAID LINE ALSO BEING THE NORTH LINE OF SAID FIRST STREET; THENCE LEAVING SAID LOT LINE SOUTH 15° 00' 00" EAST 7.21 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 0.75 FEET; THENCE, ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 75° , AN ARC DISTANCE OF 0.98 FEET; THENCE EAST 52.81 FEET, SAID LINE ALSO BEING PARALLEL TO THE SOUTH LINE OF SAID LOT 19; THENCE NORTH 2.40 FEET; THENCE EAST 7.84 FEET; THENCE, NORTH 5.10 FEET TO THE **TRUE POINT OF BEGINNING**, SAID POINT ALSO BEING ON THE SOUTH LINE OF SAID LOT 19 AND THE NORTH LINE OF FIRST STREET.

PARCEL CONTAINING SQUARE FEET; 0.019 ACRES,

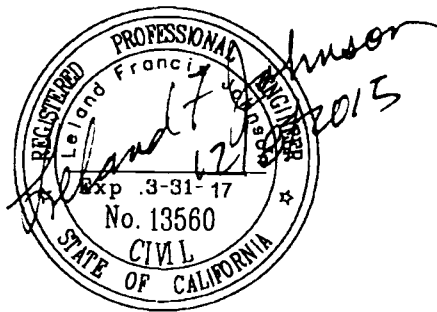
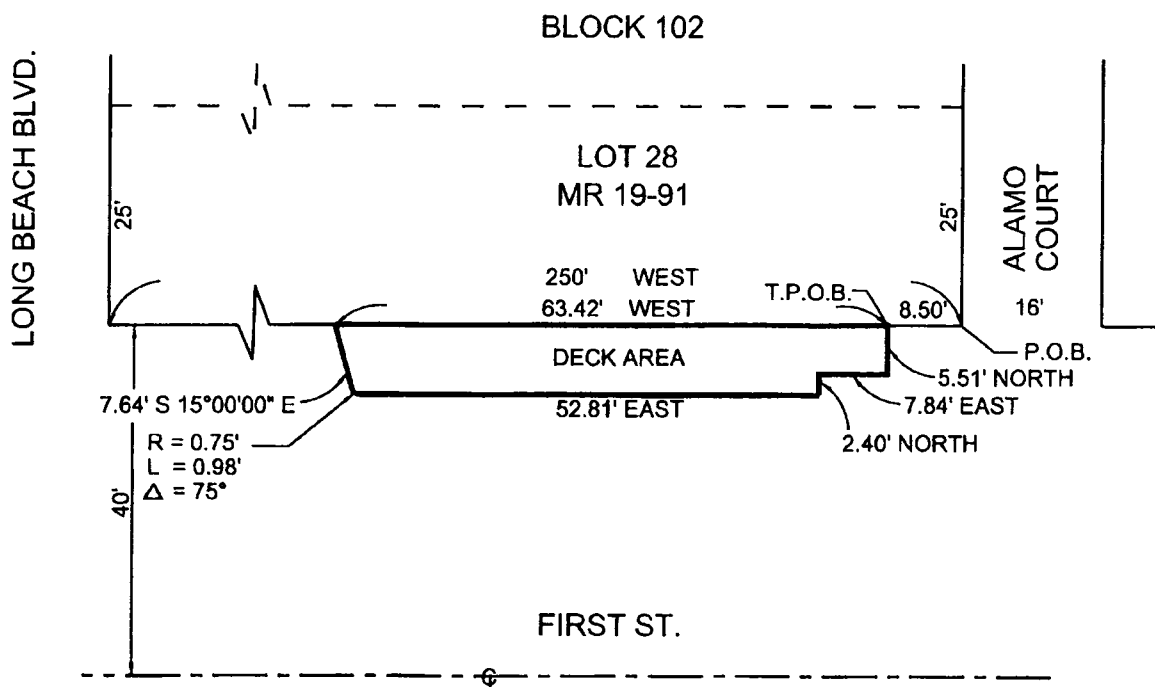


EXHIBIT "B"

ELEVATED DECK AREA IN FIRST ST. PLAT TO ACCOMPANY LEGAL DESCRIPTION



LEGEND

P.O.B. - POINT OF BEGINNING

T.P.O.B.- TRUE POINT OF BEGINNING

TITLE:

SKETCH OF ELEVATED DECK
AREA IN FIRST STREET
CITY OF LONG BEACH

PREPARED BY:

John M. Cruikshank Consultants, Inc.
411 N. Harbor Blvd, Suite 201
San Pedro, CA 90731
P: 310.241.6550
F: 310.320.8871
www.jmc-2.com



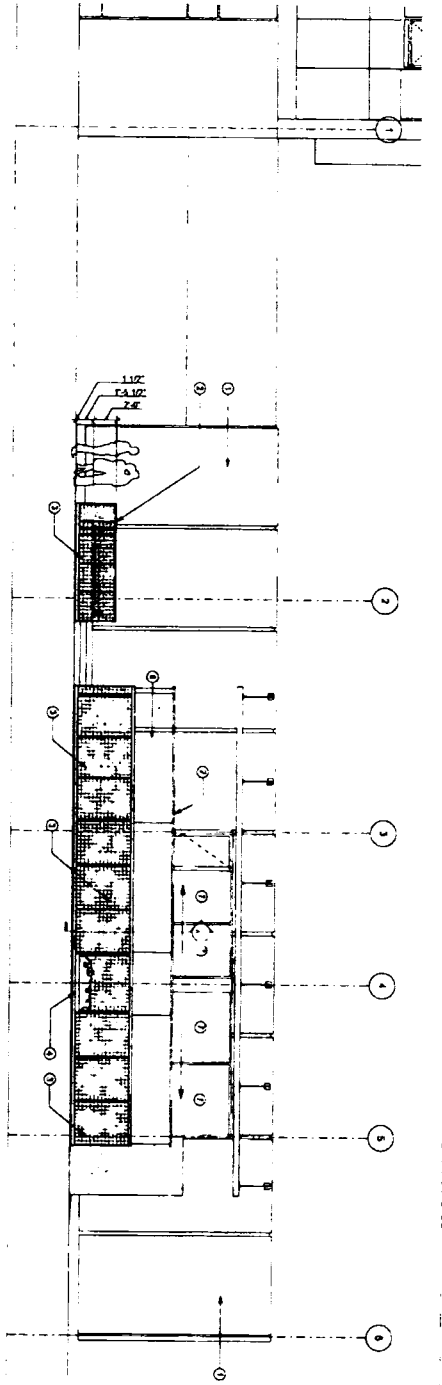
DATE PREPARED: 12/8/2015



SCALE: 1" = 20'

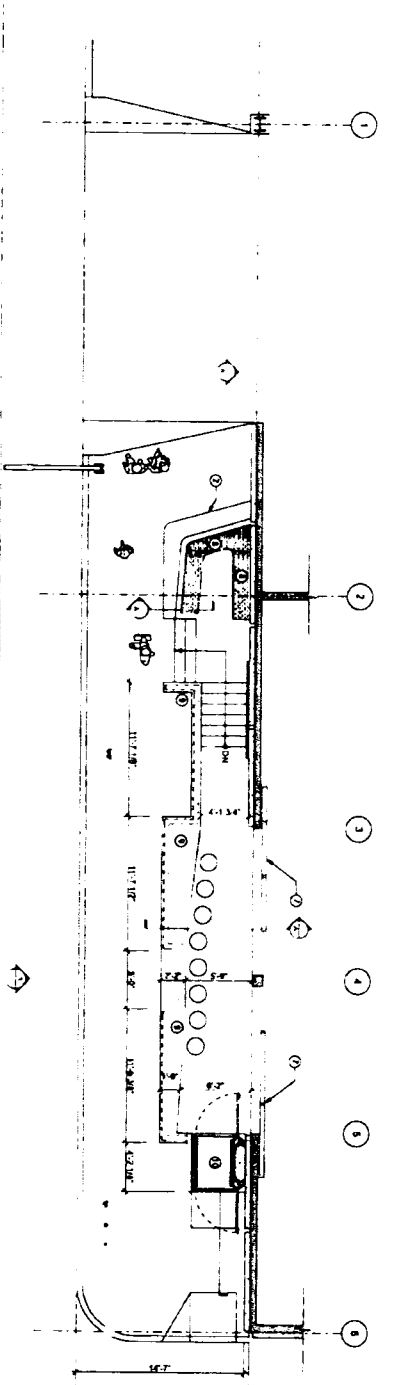


EXHIBIT "C"

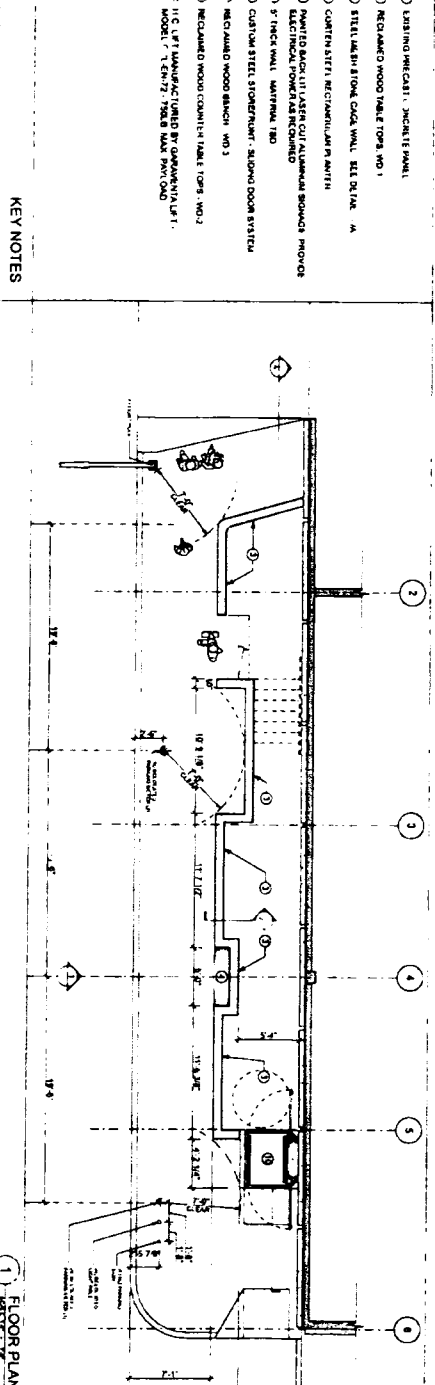


3 FRONT ELEVATION

GRADE P.A.
 EL. 112'-0"
 1'-0" = 1'-0"
 CL. 1'-0" = 0"



2 FLOOR PLAN



1 FLOOR PLAN @ 1'-0" ABOVE GROUND

- 1) EXISTING MISC. CAST: JACUITE WALL
- 2) RECLAIMED WOOD TRIM TABLE TOPS, NO. 1
- 3) STEEL WASH STONE, COCK WALL, SEE PLAN, A
- 4) CORTEN STEEL RECONSTRUCTION MATERIAL
- 5) PARTIAL RECONSTRUCTION OF EXISTING BRICK PORCH. ELECTRICAL POWER AS REQUIRED
- 6) 5" TRACK WALL, MATERIAL TBD
- 7) CUSTOM STEEL STOVE/FRONT - SLIDING DOOR SYSTEM
- 8) RECLAIMED WOOD SLAT - NO. 3
- 9) RECLAIMED WOOD DOWN IN TABLE TOPS, NO. 2
- 10) ITC LEFT MANUFACTURED BY CARMAN/ALPAC MODEL # 1-24-27 750000 WAX FINISHED

KEY NOTES

SALVAGE
DIVISION

425 East 4th St. Unit E
 Long Beach
 California, 90802
 Voice: (562) 456-0495
 Fax: (562) 456-5222

100 LONG BEACH BLVD.
ELEVATED DECK

100 LONG BEACH BLVD
 LONG BEACH, CA. 90805

Revision
 Number
 Description
 Date

Drawn By
**SALVAGE
 DIVISION**

Project No
 Date
A.01.00
 8/2/2015

Scale
 As noted

EXHIBIT "D"

MEMORANDUM OF COMMENCEMENT OF LEASE TERM

This Memorandum of Commencement of Lease Term, dated as of _____, 20____, by and between the CITY OF LONG BEACH, a California municipal corporation ("Landlord"), and 100 LBB REAL ESTATE, LLC, a California limited liability company ("Tenant"), and executed in connection with that certain Ground Lease dated as of November 4th, 2015, by and between Landlord and Tenant [or Tenant's predecessor-in-interest] (the "Lease"). The parties desire to mutually confirm the following:

1. The "Commencement Date" of the Lease is hereby established as _____, 20____, which is the date upon which Tenant received all approvals/permits necessary to commence construction of the Patio (as defined in the Lease).
2. Therefore, pursuant to Section 3 of the Lease, the termination date of the Lease shall be [10 years after commencement date].

_____, 20__

By _____
Name _____
Title _____

_____, 20__

By _____
Name _____
Title _____

"TENANT"

CITY OF LONG BEACH, a municipal corporation

_____, 20__

By _____
City Manager

"LANDLORD"

Exhibit "E"

ANNUAL LEASE RATE

YEAR 1	\$1,100
YEAR 2	\$1,100
YEAR 3	\$1,100
YEAR 4	\$1,400
YEAR 5	\$1,800
YEAR 6	\$2,100
YEAR 7	\$2,500
YEAR 8	\$2,500
YEAR 9	\$2,500
YEAR 10	\$2,500
YEAR 11	\$2,750
YEAR 12	\$2,750
YEAR 13	\$2,750
YEAR 14	\$2,750
YEAR 15	\$2,750
YEAR 16	\$3,000
YEAR 17	\$3,000
YEAR 18	\$3,000
YEAR 19	\$3,000
YEAR 20	\$3,000

EXHIBIT "F"

OPERATING COVENANT ENFORCEMENT PROCESS

1. Letter of information sent to Tenant regarding Lease requirements and request to correct an observed violation of Lease covenants.
 - If not remedied in ten (10) working days, send official Notice of Violation.

2. Notice of Violation
 - Indicates that Tenant can be found in default under the Lease.
 - Alerts Tenant that the Alcoholic Beverage Control (ABC) will be notified that the Lease will be declared in default.
 - If violation of Lease covenants is not corrected within ten (10) working days, send Second Notice of Violation by certified mail.
 - Copies of Notice of Violation to be sent to the City Manager and Downtown Long Beach Associates (DLBA).

3. Second Notice of Violation
 - Inform Tenant that "On (date 10 working days hence) you will receive a Notice of Default if Lease violations not corrected."
 - If Lease violations not corrected within ten (10) working days, send Notice of Default by certified mail.
 - Copies of Second Notice of Violation to be sent to the City Manager and DLBA.

4. Notice of Default by Department of Public Work
 - Provides Tenant ten (10) working days, or any longer cure period provided for in the Lease, to remedy violation.
 - If Tenant fails or refuses to remedy the violation within the time specified, City may immediately terminate the Lease.
 - If a Notice of Default is issued, the Security Deposit will be forfeited.
 - Second ABC notice of Lease status upon actual default.
 - City Manager and DLBA informed when final default occurs.

5. City removal of obstructions and improvements at Tenant's expense and/or possible legal action by City to restrain use of sidewalk.