

LEASE AGREEMENT
28338

This Lease Agreement is made as of the 14th day of May 2003, by and between **COUNTY SANITATION DISTRICT NO. 3 OF LOS ANGELES COUNTY**, a special District organized under the County Sanitation District Act (Health and Safety Code Section 4700 et. seq.), hereinafter referred to as "**LESSOR**," and **CITY OF LONG BEACH**, a municipal corporation organized under the laws of the State of California, hereinafter referred to as "**LESSEE**."

R E C I T A L S

WHEREAS, LESSOR is the owner of following described real property in the City of Long Beach, County of Los Angeles, State of California:

That portion of the Rancho Los Cerritos, described as follows:

Beginning at the most easterly corner of Lot 8 in Block "F" of Knoll Park, recorded in Book 3, page 89 of Maps; thence northeasterly along the northwesterly line of Loma Vista Drive, 196.31 feet to the most southerly corner of Lot 5 of Tract 4211, recorded in Book 45, page 54 of Map Records; thence northwesterly along the southwesterly line of said Lot 5, a distance of 22.32 feet more or less to its intersection with the southeasterly line of the 60 foot strip of land described in Parcel 48 in the deed to the Pacific Electric Railway Company, recorded in Book 5017, page 16 of Deeds; thence southwesterly along said last mentioned line on a curve concave to the northwest having a radius of 985.37 feet, a distance of 120.55 feet to the most easterly corner of the strip of land described in Parcel 50 in the last mentioned deed; thence along the southeasterly line of said last mentioned strip of land South 50°4'30" West, 91.90 feet, more or less to the northeasterly line of Lot 8 in Block "F" of Knoll Park above referred to; thence southeasterly along said northeasterly line, 51.39 feet more or less to the point of beginning.

and shown in Exhibit "A" as an irregular parcel of land located west of Daisy Avenue and adjacent and northwesterly to Loma Vista Drive in the City of Long Beach, County of Los Angeles and State of California ("Leased Premises"); and

WHEREAS, LESSOR has two Joint Outfall sewers with one structure which has two manholes extending across and beneath the Leased Premises; and

WHEREAS, LESSOR holds title to the Leased Premises in accordance with an Amended Joint Outfall Agreement dated July 1, 1980, pursuant to which County Sanitation District No. 2 of Los Angeles County has been delegated authority to manage and operate the Joint Outfall System described therein; and

WHEREAS, LESSEE desires to lease the Leased Premises for the purpose of establishing a park or open space; and

WHEREAS, the Leased Premises is not currently used by **LESSOR**, nor does **LESSOR** contemplate that it will have need for said property provided **LESSEE** provides **LESSOR** access to the existing structure with two manholes at all times for the term of this Lease; and

WHEREAS, LESSOR will benefit from the proposed Lease by rent paid and the proper maintenance of the Leased Premises by **LESSEE** for the term of the Lease; and

NOW, THEREFORE, LESSOR AND LESSEE mutually agree as follows:

1. **LEASED PREMISES**

LESSOR leases to **LESSEE** and **LESSEE** hires from **LESSOR** that certain property described above and shown on Exhibit "A," which is attached hereto and by reference made a part hereof.

2. **LIMITATION OF THE LEASEHOLD**

This Lease and the rights and privileges granted **LESSEE** in and to the Leased Premises are subject to all covenants, conditions, restrictions, and exceptions of record or apparent. Nothing contained in this Lease or in any document related hereto shall be construed to imply the conveyance to **LESSEE** of rights in the Leased Premises which exceed those owned by **LESSOR**, or any representation or warranty, either expressed or implied, relating to the nature or condition of the Leased Premises or **LESSOR's** interest therein. **LESSEE** acknowledges that **LESSEE** has conducted a complete and adequate investigation of the Leased Premises and that **LESSEE** has accepted the Leased Premises in its "as is" condition. Further, **LESSOR** reserves the right for the term of this Lease to enter into the Leased Premises at any time, in order to conduct any work involving the manhole/sewerage facilities located on the Leased Premises.

3. **USE**

LESSEE'S use of the Leased Premises shall be limited to park or open space use. **LESSEE** agrees not to use the Leased Premises for any other purpose nor to engage in or permit any other activity within or from the Leased Premises. **LESSEE** agrees not to conduct or permit to be conducted any public or private nuisance in, on or from the Leased Premises, or to commit or permit to be committed any waste within the Leased Premises. In particular, **LESSEE** agrees to make every effort to maintain the Leased Premises in as aesthetically pleasing a condition as possible and shall have the sole responsibility to maintain the Leased Premises in accordance with all legal requirements for the full term of this Lease. **LESSEE** shall maintain unobstructed access to **LESSOR'S** structure with two manholes by **LESSOR'S** employees and contractors. **LESSEE** must submit, for the prior written approval of **LESSOR'S** Chief Engineer and General Manager (Chief Engineer), complete development plans, a minimum of sixty (60) days prior to making use of any of the Leased Premises. **LESSEE** must submit, for the Chief Engineer's prior written approval, plans for any modifications to such development.

4. **TERM**

The term of this Lease shall commence on the date first above written and will be in effect for a term of 20 years unless terminated earlier by the Chief Engineer in his or her sole discretion, by giving at least 30 days prior written notice to **LESSEE**.

5. **RENT**

LESSEE agrees to pay as rent for the Leased Premises the sum of One Thousand Dollars (\$1,000) for the term of 20 years upon the execution and delivery of this Lease Agreement as full monetary consideration for the full term of this Lease Agreement.

6. **INDEMNIFICATION**

LESSEE shall indemnify and hold **LESSOR**, the other County Sanitation Districts of Los Angeles County, their officers, agents and employees, free and harmless from any and all liability, claims, loss, damages, or expenses resulting from **LESSEE'S** occupation or use of said Leased Premises, specifically including, without limitation, any liability, claim, loss, damage, or expense arising by reason of:

- A. The death or injury of any person, including **LESSEE** or any person who is an employee or agent of **LESSEE**, or by reason of the damage to or destruction of any property, including property owned by **LESSEE** or by any person who is an employee or agent of **LESSEE**, from any cause whatever while such person or property is in or on said Leased Premises or in any way connected with said Leased Premises or with any of the improvements made by or personal property belonging to **LESSEE** on said Leased Premises;
- B. The death or injury of any person, including any person who is an employee or agent of **LESSEE**, or the destruction of any property, including property owned by **LESSEE**, caused or allegedly caused by either (1) the condition of said Leased Premises or some improvement made by **LESSEE** on said Leased Premises, or (2) some act or omission on said Leased Premises of **LESSEE** by any person in, on or about said Leased Premises with the permission and consent of **LESSEE**;
- C. Any work performed on said Leased Premises or materials furnished to said Leased Premises at the request of **LESSEE** or any person or entity acting for or on behalf of **LESSEE**; or
- D. **LESSEE**'s failure to perform any provision of this Lease or to comply with any requirement of law or any requirement imposed on **LESSEE** or said Leased Premises by any duly authorized governmental agency or political subdivision.

7. INSURANCE

LESSEE shall maintain insurance or self-insurance reasonably acceptable to **LESSOR**'s Chief Engineer or designee in full force and effect throughout the term of this Lease. The insurance or self-insurance maintained by **LESSEE** shall provide the following limits and coverages:

LIABILITY INSURANCE

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability (equivalent in coverage scope to ISO form CG 00 01)	1,000,000 Per Occurrence and In Aggregate

Insurance shall be in force the first day of the term of this Lease. Coverage required by this Lease shall contain the following two paragraphs:

- A. "This insurance or self-insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the County Sanitation Districts of Los Angeles County, Planning & Property Management Section, P.O. Box 4998, Whittier, CA 90607-4998."
- B. "County Sanitation District No. 3 of Los Angeles County and all other County Sanitation Districts of Los Angeles County, their officers, agents and employees are added as additional insureds with respect to acts or omissions arising from this Lease Agreement."

LESSEE agrees to deposit with the Chief Engineer, on or before the effective date of this Lease, a certificate of insurance or self-insurance necessary to satisfy the insurance provisions of this Lease and to keep such insurance or self-insurance in effect during the entire term of this Lease.

If **LESSEE**'s insurance or self-insurance has lapsed, been canceled, expired, or otherwise been terminated, this Lease shall be in default.

At any time, the Chief Engineer shall have the right to review the coverage, form, and amount of the insurance required herein. If, in the opinion of the Chief Engineer, the insurance provisions in this Lease do not provide adequate protection for **LESSOR**, the Chief Engineer may require **LESSEE** to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. When the Chief Engineer exercises his or her right to review the required insurance, the **LESSEE** shall have the option to accept the changes in the required insurance or to terminate the Lease. In reviewing this insurance, the Chief Engineer's requirements shall be reasonable.

The Chief Engineer shall notify **LESSEE** in writing of changes in the insurance requirements and if **LESSEE** does not deposit copies of acceptable insurance certificates with the Chief Engineer incorporating such changes or does not notify the **LESSOR** of its intent to terminate the Lease within 30 days after receipt of notice, this Lease shall be in default, and **LESSOR** shall be entitled to all legal remedies.

The procuring of such required insurance or self-insurance shall not be construed to limit **LESSEE**'s liability hereunder nor to fulfill the hold harmless provisions and requirements of this Lease.

8. **ASSIGNING, SUBLETTING, AND ENCUMBERING PROHIBITED**

Any mortgage, pledge, hypothecation, encumbrance, transfer, merger, sublease or assignment (hereinafter in this Paragraph referred to collectively as "Encumbrance") of **LESSEE's** interest in the Leased Premises, or any part or portion thereof is prohibited. Any attempted Encumbrance shall be null and void and shall confer no right, title, or interest in or to this Lease.

9. **HAZARDOUS MATERIALS**

LESSEE shall not cause or permit any "Hazardous Material," as hereinafter defined, to be brought upon, kept or used in or about the Leased Premises. If **LESSEE** breaches the obligations stated herein, or if contamination of the Leased Premises by Hazardous Materials otherwise occurs for which **LESSEE** is legally liable to **LESSOR** for damage resulting therefrom, then **LESSEE** shall indemnify, defend and hold **LESSOR** harmless from any and all claims, judgements, damages, penalties, fines, costs, liabilities or losses (including without limitation, diminution in value of the Leased Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Leased Premises, damages arising from any adverse impact on marketing of space in the Leased Premises or portion of any building of which the Leased Premises is a part, and sums paid in settlement of claims, attorneys fees, consultant fees and expert witness fees) which arise during or after the Lease term as a result of such contamination provided, however, that **LESSEE** shall not be liable hereunder with respect to **LESSOR'S** personal property, facilities, and manholes on the Leased Premises. This indemnification includes without limitation, costs incurred by **LESSOR** in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental entity because of Hazardous Material being present in the soil or in ground water on or under the Leased Premises. **LESSEE** shall promptly take all actions at its sole cost and expense as are necessary to clean, remove and restore the Leased Premises to its condition prior to the introduction of such Hazardous Material by **LESSEE**, provided **LESSEE** shall first have obtained the approval of **LESSOR's** Chief Engineer and the approval of any necessary governmental entities.

LESSEE acknowledges that **LESSOR** may become legally liable for the costs of complying with laws relating to Hazardous material which are not the responsibility of **LESSOR** hereunder, including the following:

- A. Hazardous Material present in the soil or ground water on the Leased Premises of which **LESSOR** has no knowledge as of the Effective Date;

- B. A change in laws, statutes, ordinances, and other governmental regulations which relate to Hazardous Material which could cause any material now or hereinafter located on the Leased Premises to be deemed hazardous, whether known or unknown to **LESSOR**, or a violation of any such laws;
- C. Hazardous Material that migrates, flows, percolates, defuses or in any way moves on to or under the Leased Premises after the Effective Date of this Lease;
- D. Hazardous Material present on or under the Leased Premises as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the Leased Premises by **LESSEE** or its agents, employees, contractors or invitees, or by others.

LESSOR and **LESSEE** agree that the cost of complying with such laws, statutes, ordinances or governmental regulations relating to such matters for which **LESSEE** is legally liable under this Lease shall be paid by **LESSEE** to **LESSOR**, within 30 days following the receipt by **LESSEE** of a written demand from **LESSOR** to do so. In the event **LESSOR** subsequently recovers or is reimbursed from a third party of all or any portion of the sums paid by **LESSEE**, **LESSOR** shall reimburse **LESSEE** to the extent of any such recovery or reimbursement.

As used herein the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or shall become regulated by any governmental entity, including without limitation, **LESSOR** acting in its governmental capacity, the County of Los Angeles, the State of California or the United States government.

LESSEE agrees to comply with all statutes, orders and governmental regulations relating to said Hazardous Materials and all amendments and/or modifications thereto, whether now in effect or hereinafter enacted, relating to its use of the Leased Premises and to promptly take such remedial action or actions as may be required to place the Leased Premises in compliance with such statutes, orders and governmental requirements in a manner and pursuant to plans and specifications for such work approved by **LESSOR's** Chief Engineer. Subject to force majeure, all such remedial work required to comply with said statutes, orders and governmental requirements in effect as of the date of this Lease shall be completed by **LESSEE** in a good and workmanlike manner and in compliance with plans and specifications for such work approved by **LESSOR's** Chief Engineer and within such time as **LESSOR's** Chief Engineer determines in his reasonable discretion to be appropriate provided the period shall be at least 30 days. **LESSEE** further agrees to waive any and all claims, demands, liabilities and/or obligations arising out of or resulting from the presence of Hazardous Materials upon or within the Leased Premises including without limitation reasonable attorney's fees and costs, but excluding any such claims, demands,

liabilities and/or obligations to the extent based upon causes of action for damages arising solely because of the activities of LESSOR.

10. NOTICES

All notices pursuant to this Lease shall be in writing and personally delivered or addressed to the parties as set forth below or as either party may hereafter designate by notice and shall be sent through the United States mail, in the State of California, duly registered or certified, return receipt requested with postage prepaid. If any notice is sent by registered or certified mail, as aforesaid, the same shall be deemed to have been delivered on the date shown on the return receipt.

TO: LESSOR

County Sanitation District No. 3
of Los Angeles County
1955 Workman Mill Road
P.O. Box 4998
Whittier, CA 90607-4998

Attn: Planning & Property Management Section

LESSEE

City of Long Beach
Department of Parks, Recreation and Marine
2760 Studebaker Road
Long Beach, CA 90815-1697
Attention: Director

11. ATTACHMENTS TO LEASE

This Lease includes the following, which are attached hereto and made a part hereof:

- I. GENERAL CONDITIONS
- II. EXHIBIT "A" — MAP SHOWING LEASED PREMISES

IN WITNESS WHEREOF, the parties hereto have hereunto executed this document the day and year first above written.

APPROVED AS TO FORM

4/1, 2003
ROBERT E. SHANNON, City Attorney
By: [Signature]
DEPUTY CITY AT.

LESSEE:

CITY OF LONG BEACH
a municipal corporation

By: [Signature]

Title: Acting City Manager

APPROVED AS TO FORM:

LEWIS, BRISBOIS, BISGAARD & SMITH, LLP

By: [Signature]
District Counsel

ATTEST:

By: [Signature]
Secretary to the Board

LESSOR:

COUNTY SANITATION DISTRICT NO. 3
OF LOS ANGELES COUNTY

By: [Signature]
Chairperson, Board of Directors
MAY 14 2003

ATTEST:

By: [Signature]
Secretary to the Board

APPROVED:

COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY

By: [Signature]
Chairperson, Board of Directors
MAY 14 2003

GENERAL CONDITIONS

1. INSTALLATION OF FACILITIES

LESSEE must obtain written approval from the **LESSOR's** Chief Engineer for the installation of any facilities, including subsequent modifications. Facilities must be constructed and made of materials sufficient and safe for their intended use. **LESSEE** will maintain the facilities in a safe condition at all times.

2. PARKING

LESSEE will not park, store, repair or refuel any motor vehicles or allow parking, storage, repairing or refueling of any motor vehicles on the Leased Premises unless specifically approved in writing by the **LESSOR's** Chief Engineer.

3. FLAMMABLES, WASTE AND NUISANCES

LESSEE will not, nor allow others to, place or store any flammable waste or other materials on the Leased Premises or commit any waste or damage to the Leased Premises or allow any to be done. **LESSEE** will keep the Leased Premises clean, free from weeds, rubbish and debris, and in a condition satisfactory to **LESSOR**. **LESSEE** will be responsible for the control of and will be liable for any damage or disturbance, caused by dust, odor, flammable or waste materials, noise or other nuisance disturbances, except if same is caused by **LESSOR's** facilities and manholes on the Leased Premises.

4. UNDERGROUND TANKS

LESSEE will not install underground or above-ground storage tanks, as defined by any and all applicable laws or regulations, without the **LESSOR's** Chief Engineer's prior written approval.

5. UTILITIES

LESSEE will pay all charges and assessments for, or in connection with, water, electric current or other utilities which may be furnished to or used on the Leased Premises, excluding those utilities which are provided to **LESSOR's** facilities and manholes.

6. SIGNS

LESSEE agrees not to construct, maintain, or allow any sign upon the Leased Premises except as approved by the Chief Engineer. Unapproved signs, banners, flags, etc., may be removed by the Chief Engineer after five (5) business days notice to **LESSEE**.

7. **EQUIPMENT**

Any equipment located on the Leased Premises prior to the commencement of this Lease, including but not limited to pipelines and other structures, is the property of **LESSOR** and will remain on and be surrendered with the Leased Premises upon termination of this Lease.

8. **PERMITS AND LICENSES**

LESSEE shall be required to obtain any and all approvals, permits and/or licenses which may be required in connection with the permitted use as set out herein. No permit, approval or consent given hereunder by **LESSOR** under its authority shall affect or limit **LESSEE**'s obligations hereunder, nor shall any approvals or consents given by **LESSOR**, as a party to this Lease, be deemed approval as to compliance or conformance with applicable governmental codes, laws, rules or regulations.

9. **LEASE ORGANIZATION**

The various headings and numbers herein, the grouping of provisions of this Lease into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not be considered otherwise.

10. **AMENDMENTS**

This Lease sets forth all of the agreements and understandings of the parties with regard to its subject matter and any modification must be written and properly executed by both parties.

11. **UNLAWFUL USE**

LESSEE agrees no improvements shall be erected, placed upon, operated, nor maintained within the Leased Premises, nor any business conducted or carried on therein or therefrom, in violation of the terms of this Lease, or of any regulation, order of law, statute, bylaw, or ordinance of a governmental agency having jurisdiction.

12. **INSPECTION**

LESSOR or its authorized representative shall have the right at all reasonable times to inspect the Leased Premises to determine if the provisions of this Lease are being complied with.

13. **WAIVER**

LESSEE hereby waives all claims and recourse against **LESSOR** and the other County Sanitation Districts of Los Angeles County, including the right of contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or related to this Lease except claims arising from the negligence or willful misconduct of **LESSOR**, its officers, agents, and employees.

14. **TAXES AND ASSESSMENTS**

This Lease may create a possessory interest which is subject to the payment of taxes levied on such interest. It is understood and agreed that all taxes and assessments (including but not limited to said possessory interest tax) which become due and payable upon the Leased Premises or upon fixtures, equipment, or other property installed or constructed thereon, shall be the full responsibility of **LESSEE**, and **LESSEE** shall cause said taxes and assessments to be paid promptly.

15. **CIRCUMSTANCES WHICH EXCUSE PERFORMANCE**

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, restrictive governmental, or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. However, nothing in this Paragraph shall excuse **LESSEE**, from the prompt payment of any rents or other charge required of **LESSEE**, except as may be expressly provided elsewhere in this Lease.

16. **PARTIAL INVALIDITY**

If any term, covenant, condition, or provision 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.

17. **WAIVER OF RIGHTS**

The failure of **LESSOR** or **LESSEE** to insist upon strict performance of any of the terms, covenants, or conditions of this Lease shall not be deemed a waiver of any right or remedy that **LESSOR** or **LESSEE** may have, and shall not be deemed a waiver of the right to require strict performance of all the terms, covenants, and conditions of this Lease thereafter, nor a waiver of any remedy for the subsequent breach or default of any term, covenant, or condition of the Lease. Any waiver, in order to be effective, must be signed by the party whose right or remedy is being waived.

18. **DEFAULT IN TERMS OF THE LEASE BY LESSEE**

The occurrence of any one or more of the following events shall constitute a default hereunder by **LESSEE**:

- A. The abandonment or vacation of the Leased Premises by **LESSEE**.

- B. The failure or inability by **LESSEE** to observe or perform any of the provisions of this Lease to be observed or performed by **LESSEE**, other than specified in A. above, where such failure shall continue for a period of 5 days after written notice thereof from Chief Engineer to **LESSEE**, which identifies the failure or inability provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 et seq. If the nature of such failure is such that it can be cured by **LESSEE** but that more than 5 days are reasonably required for its cure (for any reason other than financial inability), then **LESSEE** shall not be deemed to be in default if **LESSEE** shall commence such cure within said 5 days, and thereafter diligently prosecutes such cure to completion.

- C. In the case of or in anticipation of bankruptcy, insolvency, or financial difficulties:
 - (1) The making by **LESSEE** of any general assignment for the benefit of creditors;

 - (2) A case is commenced by or against **LESSEE** under Chapters 7, 11, or 13 of the Bankruptcy Code, Title 11 of the United States Code as now in force or hereafter amended and if so commenced against **LESSEE**, the same is not dismissed within 60 days;

 - (3) The appointment of a trustee or receiver to take possession of substantially all of **LESSEE**'s assets located at the Leased Premises or of **LESSEE**'s interest in this Lease, where such seizure is not discharged within 30 days; or

 - (4) **LESSEE**'s convening of a meeting of its creditors or any class thereof for the purpose of effecting a moratorium upon or composition of its debts.

In the event of any such default, neither this Lease nor any interests of **LESSEE** in and to this Lease shall become an asset in any of such proceedings and, in any such event and in addition to any and all rights or remedies of the **LESSOR** hereunder or by law provided, it shall be lawful for the **LESSOR** to declare the term hereof ended and to remove all persons from the Leased Premises, and **LESSEE** and its creditors (other than **LESSOR**) shall have no further claim thereon or hereunder.

- D. In the event of any default by **LESSEE**, **LESSOR** may exercise any remedies available in law or in equity.
- (1) **LESSOR** may terminate this Lease and all rights of **LESSEE** hereunder by giving written notice of such termination to **LESSEE**. In the event that **LESSOR** shall so elect to terminate this Lease, then **LESSOR** may recover from **LESSEE**:
- a. The worth at the time of award of the unpaid rent which had been earned at the time of termination;
 - b. The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that **LESSEE** proves could have been reasonably avoided;
 - c. Subject to Civil Code Section 1951.2(c), the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that **LESSEE** proves could be reasonably avoided;
 - d. Any other amount necessary to compensate **LESSOR** for all the detriment proximately caused by **LESSEE**'s failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom;
 - e. The "worth at the time of award" of the amount referred to in paragraph (c) is computed by discounting such amount at the discount rate of the "worth at the time of award" of the amounts referred to in paragraphs (a) and (b) is computed by allowing interest at such lawful rate as may be specified in this Lease or, if no such rates is specified in this Lease, at the legal rate. If the Federal Reserve Bank of San Francisco at the time of award plus 1 percent; and
 - f. Any other amount which **LESSOR** may by law hereafter be permitted to recover from **LESSEE** to compensate **LESSOR** for the detriment caused by **LESSEE**'s default.
- (2) Continue this Lease in effect without terminating **LESSEE**'s right to possession even though **LESSEE** has breached this Lease and abandoned the Leased Premises and to enforce all of **LESSOR**'s rights and remedies under this Lease, at law or in equity, including the right to recover the rent as it becomes due under the Lease; provided, however, that **LESSOR** may at any time thereafter elect to terminate this Lease for such previous breach by notifying **LESSEE** in writing that **LESSEE**'s right to possession of the Leased Premises has been terminated.

- E. Nothing in this Section shall be deemed to affect **LESSEE's** indemnity of **LESSOR**, for liability or liabilities based upon occurrences prior to the termination of this Lease for personal injuries or property damage under the indemnification paragraph or paragraphs contained in this Lease.
- F. No delay or omission of **LESSOR** to exercise any right or remedy shall be construed as a waiver of such right or remedy of any default by **LESSEE** hereunder. The acceptance by **LESSOR** of rent or any other sums hereunder shall not be:
- (1) A waiver of any preceding breach or default by **LESSEE** of any provision thereof, other than the failure of **LESSEE** to pay the particular rent or sum accepted, regardless of **LESSOR's** knowledge of such preceding breach or default at the time of acceptance of such rent or sum or,
 - (2) A waiver of **LESSOR's** right to exercise any remedy available to **LESSOR** by virtue of such breach or default. No act or thing done by **LESSOR** or **LESSOR's** agents during the term of this Lease shall be deemed an acceptance of a surrender of the Leased Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by **LESSOR**.

All covenants and agreements to be performed by **LESSEE** under any of the terms of this Lease shall be performed by **LESSEE** at **LESSEE** sole cost and expense and without any abatement of rent.

19. **COST OF SUSTAINING AN ACTION FOR BREACH OR DEFAULT**

In the event of a dispute between **LESSOR** and **LESSEE** concerning claims arising out of this Lease, the prevailing party in such dispute shall be entitled to recover from the other costs of prevailing in such dispute including reasonable attorney's fees, as may be fixed by the Court.

20. **RESERVATIONS TO LESSOR**

The Leased Premises are accepted as is and where is by **LESSEE** subject to any and all existing easements and encumbrances. **LESSOR** reserves the right to install, lay, construct, maintain, repair, and operate such sanitary sewers, drains, storm sewers, pipelines, manholes, and connections; water, oil, and gas pipelines; telephone and telegraph power lines; and the appliances and appurtenances necessary or convenient in connection therewith, in, over, upon, through, across, and along the Leased Premises or any part thereof, and to enter the Leased Premises for any and all such purposes. **LESSOR** also reserves the right to grant franchises, easements, rights of way, and permits in, over, upon, through, across, and along any and all portions of the Leased Premises. No right reserved by **LESSOR** in this Paragraph shall be so exercised as to interfere unreasonably with **LESSEE**'s use hereunder or to impair the security of any secured creditor of **LESSEE**.

LESSOR agrees that rights granted to third parties by reason of this Paragraph shall contain provisions that the surface of the land shall be restored as nearly as practicable to its original condition upon the completion of any construction. **LESSOR** further agrees that should the exercise of these rights temporarily interfere with the use of any or all of the Leased Premises by **LESSEE**, the rental shall be reduced in proportion to the interference with **LESSEE** use of the Leased Premises.

21. **HOLDING OVER**

In the event **LESSEE** shall continue in possession of the Leased Premises after the term of this Lease, such possession shall not be considered a renewal of this Lease but a tenancy from month to month and shall be governed by the conditions and covenants contained in this Lease.

22. **DISPOSITION OF ABANDONED PERSONAL PROPERTY**

Title to any personal property belonging to **LESSEE** and left on the Leased Premises 15 days after **LESSEE**'s occupancy ceased for any reason shall be deemed to have been transferred to **LESSOR**. **LESSOR**, at **LESSEE**'s cost, shall have the right to remove and to dispose of such property without liability therefor to **LESSEE** or to any person claiming under **LESSEE**, and shall have no need to account therefor.

23. **QUITCLAIM OF LESSEE'S INTEREST UPON TERMINATION**

Upon termination of this Lease for any reason, including but not limited to termination, because of default by **LESSEE**, **LESSEE** shall execute, acknowledge, and deliver to **LESSOR**, within 30 days after receipt of written demand therefor, a good and sufficient deed whereby all right, title and interest of **LESSEE** in the Leased Premises is quitclaimed to **LESSOR**. Should **LESSEE** fail or refuse to deliver the required deed to **LESSOR**, **LESSOR** may prepare and record a notice reciting the failure of **LESSEE** to execute,

acknowledge, and deliver such deed and said notice shall be conclusive evidence of the termination of this Lease and of all rights of **LESSEE** or those claiming under **LESSEE** in and to the Leased Premises.

24. **EMINENT DOMAIN**

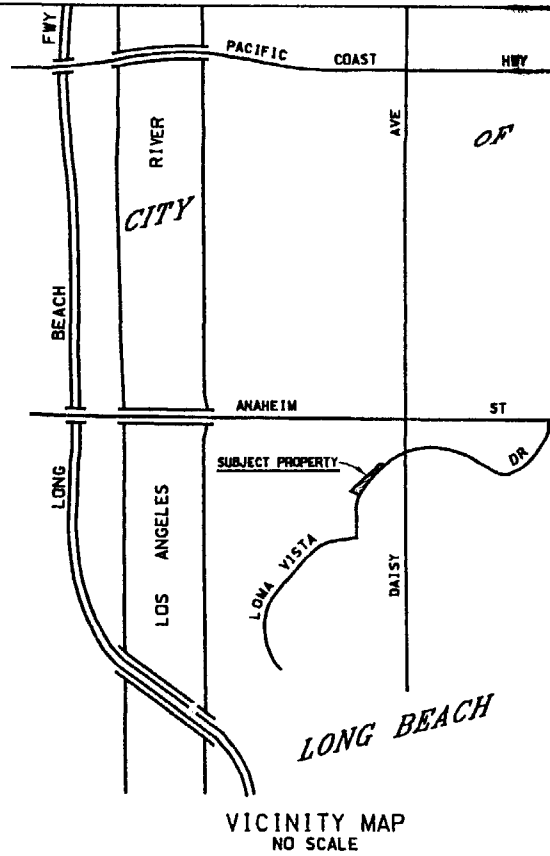
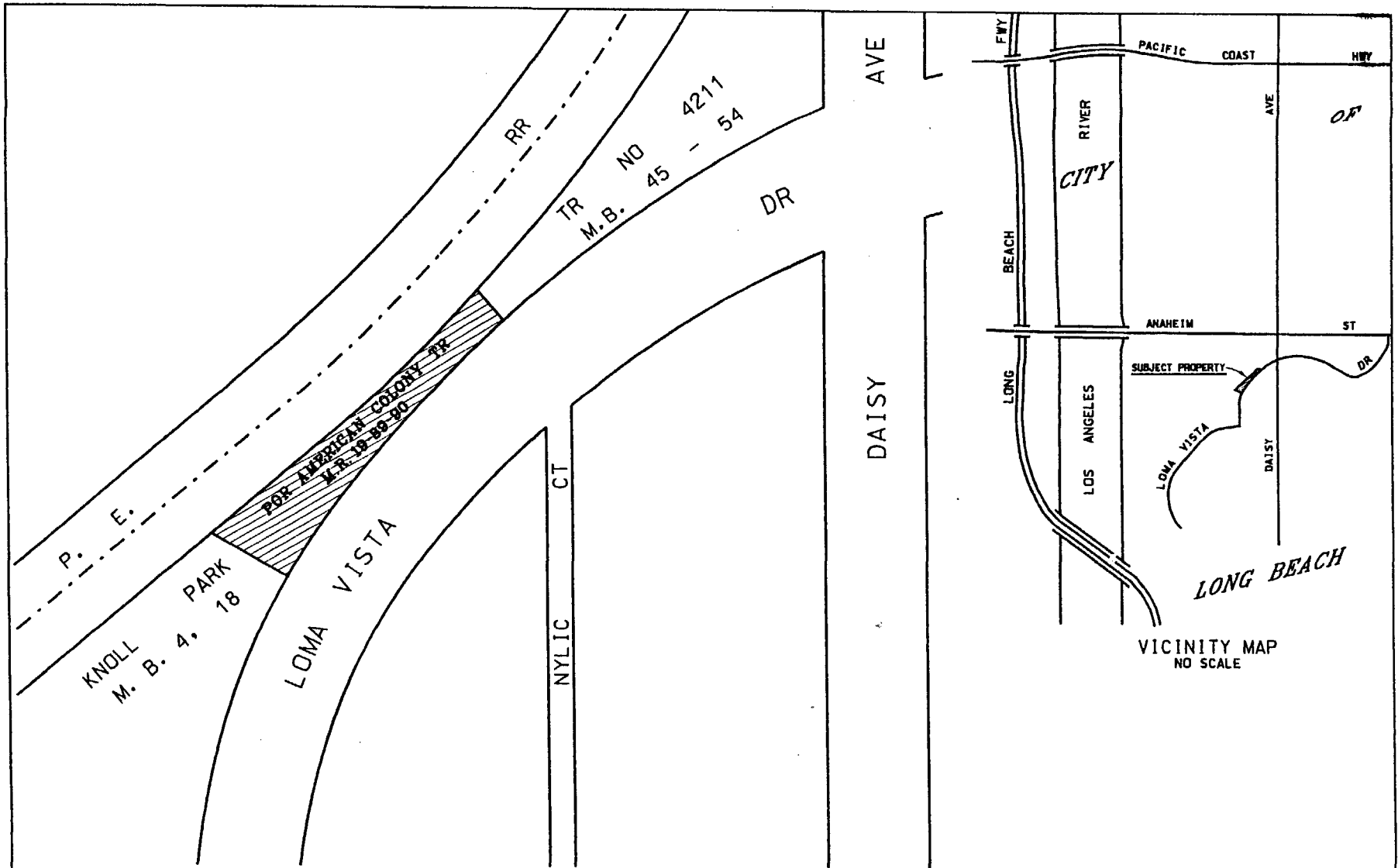
In the event the whole of the Leased Premises shall be taken from **LESSOR** under the power of eminent domain, this Lease shall terminate as of the day possession shall be so taken.

In the event that a portion of the Leased Premises shall be taken from **LESSOR** under power of eminent domain, and the portion not so taken is deemed by **LESSEE** to be inadequate for the continuation of **LESSEE**'s business, **LESSEE** shall have the right to terminate this Lease by notifying **LESSOR** in writing within 10 days after the taking of possession by the condemnor.

In the event a portion of the Leased Premises shall be taken under the power of eminent domain and **LESSEE** does not elect to terminate, the rent payable by **LESSEE** shall be proportionately reduced.

In the event this Lease is terminated as provided in this paragraph, then all rent shall be paid up to the date that possession is taken by public authority, and **LESSOR** shall make an equitable refund of any rent prepaid by **LESSEE** and not yet earned.

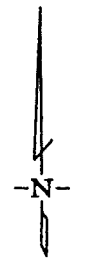
Each party hereto reserves the right to make claim in any condemnation proceedings against the condemnor for the fair market value of its interest in the Leased Premises, and any other compensation otherwise due and payable to the respective parties hereto by virtue of the taking of such property for public use.



COUNTY SANITATION DISTRICT NO.3 OF LOS ANGELES COUNTY	
THOMAS GUIDE: 795, C6	CITY OF LONG BEACH
ASSESSOR'S PARCEL NO. 7271-019-900	DATE: AUGUST 7, 2001



C.S.D. PROPERTY
(0.137±ACRES)



NO SCALE

EXHIBIT "A"