

SECOND LEASE EXTENSION AGREEMENT FOR LEASE NO. 27103
27103

This SECOND LEASE EXTENSION AGREEMENT ("Extension") is made and entered, as of April 27, 2011 dated for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on January 24, 2006, by and between PCH PROPERTIES, a California general partnership ("Lessor") and the CITY OF LONG BEACH, a municipal corporation ("Lessee").

WHEREAS, a Standard Industrial/Commercial Single Tenant Lease – Net (including all addenda thereto, the "Lease") was entered into by and between Lessor and Lessee for certain property located at 1400 Canal Avenue, Long Beach, California. Thereafter, Lessor and Lessee entered into a First Lease Extension Agreement dated January 24, 2006 ("First Lease Extension"). The term of the First Lease Extension expires on January 31, 2011.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions contained in the Lease and this Extension, the parties agree as follows:

1. All of the terms and conditions of the Lease and First Lease Extension Agreement, except where specifically modified by this Extension, shall apply. Capitalized terms contained herein and not otherwise defined shall have the definitions given them in the Lease. The following modifications correspond to the paragraph numbers being modified in the Lease.

1.3 Term: Five (5) years commencing February 1, 2011 and ending January 31, 2016.

1.5 Base Rent: Fifteen thousand two hundred and twenty one dollars and no/100 (\$15,221.00) per month payable on the first (1st) day of each month commencing February 1, 2011. **Base Rent** includes amortization of annual property insurance premiums (approximately \$375.00 per month) and annual Real Property Taxes (approximately \$1,336.00 per month).

1.6 Base Rent Paid Upon Execution by Both Parties: This paragraph is hereby deleted.

1.9 Insuring Party: The annual Base Premium is \$4,500.00.

1.10(a) Representation: Cresa Partners represents Lessee exclusively ("Broker").

1.10(b) Payment to Broker: Lessee shall pay for its representation in accordance with whatever agreement was reached by and between Lessee and Broker at Lessee's sole cost and expense.

59.A.I.a.: February 1, 2012, February 1, 2013, February 1, 2014, February 1, 2015.

Initials: ymd

Initials: SE

60A. Option to Extend: Lessor hereby grants to Lessee the option to extend the term of this Lease for one (1) additional consecutive sixty (60) month period, commencing when the prior term expires upon each and all of the following terms and conditions: . . .

- (iii) Except for the provisions of this Lease and First Lease Extension Agreement granting an option to extend the term, all of the terms and conditions of this Lease and First Lease Extension Agreement except where specifically modified by this option shall apply. . . .
- (v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below:
 - I. **Cost of Living Adjustment(s) (COLAS):** On February 1, 2017, February 1, 2018, February 1, 2019 and February 1, 2020, the Base Rent shall be adjusted and calculated in accordance with the provisions of paragraph 59.A.I., as modified by the First Lease Extension.
 - II. **Market Rental Value Adjustment(s) (MRV):** On February 1, 2016, the Base Rent shall be adjusted to the "Market Rental Value", which term shall include a monthly amortization of the annual property insurance premiums in effect on the MRV Adjustment Date and a monthly amortization of the annual Real Property Taxes in effect for the year in which the MRV Adjustment Date occurs, and shall be calculated pursuant to the provisions of paragraph 60.A.II of the Lease.

2. The work listed below as items a-d ("Building Improvement Work") shall be performed by a mutually-agreed upon licensed, bonded and insured contractor. In order of priority, the painting of the building shall be completed first, and the remaining items may be completed at Lessee's discretion. Lessor shall contribute to the cost of said Building Improvement Work up to a maximum sum of twenty thousand, three-hundred dollars and no cents (\$20,300.00). Lessee shall be solely responsible for the payment of any costs or expenses that exceed said sum of \$20,300.00.

- a. Repaint the exterior of the Building. The painting work may be done in May-June of 2011.
- b. Provide and install a 4x6 foot awning at entry door from parking lot.
- c. Remove soil between the parking lot gate and sidewalk, fill with concrete, and prepare soil to prevent weeds from growing.
- d. Re-stripe the parking lot.

Lessor shall enter into the contract directly with the contractor for the completion of the Building Improvement Work, which shall be completed according to California Labor Code Sections 1720 and 1771 regarding the payment of prevailing wages. Prior to commencement of work, the mutually-approved contractor shall provide Lessor and Lessee with certificates of insurance naming both parties as additional insureds.

Initials: JM

Initials: JK

3. **Non-Discrimination.** Lessor agrees, subject to all applicable laws, rules, regulations, that no person shall be subject to discrimination in the performance of this Agreement on the basis of race, color, religion, national origin, sex, sexual orientation, AIDS, gender identity, HIV status, age, disability, handicap, or Vietnam Era veteran status. Lessor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any of these bases, including, but not limited to, employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection of training, including apprenticeship. Lessor agrees to post in conspicuous places available to employees and applicants for employment notices provided by the City setting out the provisions of the nondiscrimination clause. Lessor shall in all solicitations or advertisements for employees state that all qualified applicants will receive consideration for employment without regard to these bases.

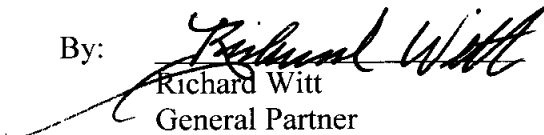
Executed at: Encino, California
on 4/27, 2011

Executed at: Long Beach, California
on May 31, 2011

By LESSOR:

PCH PROPERTIES,
a California general partnership

By:



Richard Witt
General Partner

P.O. Box 19250
Encino, California 91416
Phone: 818-935-0909
Fax: 818-907-0557

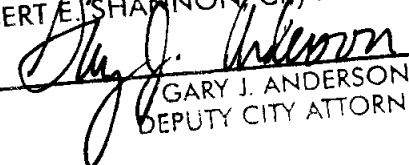
By LESSEE:

CITY OF LONG BEACH
a municipal corporation
Assistant City Manager

By:


Patrick H. West
City Manager
EXECUTED PURSUANT
TO SECTION 901 OF
THE CITY CHARTER.

333 W. Ocean Boulevard, Third Floor
Long Beach, California 90802
Phone: 562-570-6705
Fax: 562-570-6380

APPROVED AS TO FORM
May 5, 2011
ROBERT E. SHANNON, City Attorney
By 
GARY J. ANDERSON
DEPUTY CITY ATTORNEY

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