

1 SECOND AMENDMENT TO LEASE NO. 27876

2 (3837 Atlantic Avenue)

3 **27876**

4 THIS SECOND AMENDMENT TO LEASE NO. 27876 is made and entered,
5 in duplicate as of July 1, 2008, for reference purposes only, pursuant to an order of the
6 City Council of the City of Long Beach at its meeting held on July 1, 2008, by and
7 between 3837 ATLANTIC REAL ESTATE, a general partnership, whose address is 110
8 Grand Avenue, Long Beach, California 90803, Attn: Lou Moreno ("Lessor"), and the
9 CITY OF LONG BEACH, a California municipal corporation, whose address is 333 W.
10 Ocean Blvd., Long Beach, California 90802, Attn: Property Services Bureau Manager
11 ("Lessee").

12 WHEREAS, the Lessee on July 9, 2002 authorized that certain Lease No.
13 27876 with Lessor dated June 17, 2002 (as amended, the "Lease"), which was later
14 amended by that certain letter amendment dated December 21, 2004, and further
15 amended by that certain letter amendment dated November 12, 2007. Pursuant to the
16 Lease, Lessee leases a portion (the "Premises") of Lessor's property located at 3837
17 Atlantic Avenue, Long Beach, California; and

18 WHEREAS, the term of the Lease, as extended by the letter amendments,
19 expires on June 30, 2008; and

20 WHEREAS, the parties wish to extend the term of the Lease and otherwise
21 amend certain terms and conditions of the Lease as described in this Amendment;

22 NOW, THEREFORE, in consideration of the mutual terms and conditions
23 contained herein, the receipt and sufficiency of which are hereby acknowledged, the
24 parties agree as follows:

25 1. Term. The term of this Lease shall be extended beginning July 1,
26 2008 and shall terminate at midnight on June 30, 2012, and Lessee shall have the option
27 to extend the term for one (1) additional two (2) year period by giving written notice of its
28 intention to exercise its option at least thirty (30) days prior to the expiration of the term.

1 2. Base Rent. The monthly base rent for the first twelve (12) months of
2 the extended term shall be \$1,500.

3 3. Rent Escalations. Monthly base rent shall be adjusted on July 1,
4 2009 and each anniversary thereafter during the term (including any option periods) in
5 accordance with Section 50 of the Lease as hereafter amended. Subsection 50(a) is
6 hereby amended so that rent escalations are based on the annual increase in the
7 Consumer Price Index (wage earners) for the greater Los Angeles-Anaheim-Riverside
8 areas. Subsection 50(e) is hereby amended so that the maximum annual increase is five
9 percent (5%).

10 4. Operating Expenses. Notwithstanding anything to the contrary in the
11 Lease, Lessee shall be responsible for all interior repairs to the Premises, including
12 plumbing and electrical, and Lessee shall be responsible for paying all monthly electric
13 costs up to Three Thousand Dollars (\$3,000) per year. Electrical costs paid by Lessee in
14 excess of Three Thousand Dollars (\$3,000) in any calendar year shall be reimbursed by
15 Lessor upon delivery to Lessor of reasonable evidence of amounts paid by Lessee.

16 5. Labor Code Compliance. Any work to the Premises which Lessee or
17 Lessee's counsel determines is subject to prevailing wage requirements shall be
18 performed by Lessee at its own cost and expense. Such work shall be performed in
19 compliance with applicable building rules and building codes and shall be performed in a
20 first-class, lien-free, workmanlike manner using materials not less than building standard,
21 and shall otherwise be subject to the prior approval of Lessor, which approval shall not be
22 unreasonably withheld.

23 6. Except as amended herein, the terms and conditions of the Lease
24 are ratified and confirmed and shall remain unchanged and in full force and effect.

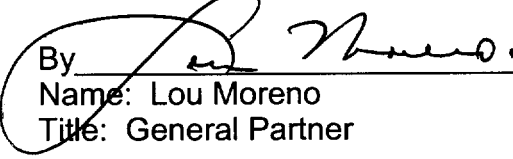
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IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.


3837 ATLANTIC REAL ESTATE

July 14, 2008

By 
Name: Lou Moreno
Title: General Partner

CITY OF LONG BEACH

August 8, 2008

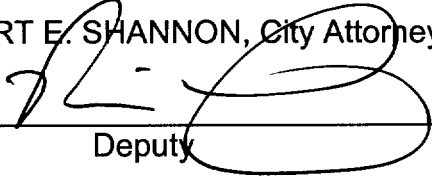
By  Assistant City Manager
City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

This Second Amendment to Lease No. 27876 is approved as to form on

7-22, 2008.

ROBERT E. SHANNON, City Attorney

By 
Deputy

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