

## THIRD LEASE EXTENSION FOR LEASE NO. 27103

# 27103

This THIRD LEASE EXTENSION AGREEMENT ("Extension") is made and entered as of January 20, 2016, dated for reference purposes only.

Whereas, a Standard Industrial/Commercial Single-Tenant Lease – Net dated January 8, 2001 was entered into by and between PCH Properties, a California general partnership ("Lessor") and the City of Long Beach, a municipal corporation ("Lessee") for certain property commonly known as 1400 Canal Avenue, Long Beach, California (hereinafter the Lease and all addenda thereto shall be referred to as the "Lease"). The term of the Lease expired on January 31, 2006. Thereafter, Lessor and Lessee entered into a First Lease Extension Agreement dated January 24, 2006 (the "First Lease Extension"). The term of the First Lease Extension expired on January 31, 2011. Subsequently, the parties entered into a Second Lease Extension Agreement dated April 27, 2011 (the "Second Lease Extension"). The term of the Second Lease Extension expires on January 31, 2016.

Now, therefore, in consideration of the mutual terms, covenants and conditions contained in the Lease, the First Lease Extension, the Second Lease Extension and this Extension, the parties agree as follows:

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


**1.1 Parties:** LALB Harbor LLC, a California limited liability company, "Lessor" and City of Long Beach, a municipal corporation, "Lessee".

**1.3 Term:** Five (5) years commencing February 1, 2016 and ending on January 31, 2021.

**1.5 Base Rent:** Sixteen thousand one hundred thirty-seven dollars and zero cents (\$16,137.00) per month payable on the first (1<sup>st</sup>) day of each month commencing February 1, 2016. Base rent includes amortization of annual property insurance premiums and annual real property taxes.

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**1.9 Insuring Party:** The annual Base Premium is \$4,920.00.

**1.10(a) Representation:** Lee & Associates Los Angeles Long Beach, Inc. represents Lessee exclusively ("Broker").

**1.10(b) Payment to Broker:** Lessee shall be solely responsible for the payment of Broker's commission of \$14,523.30. Lessor shall pay the commission on behalf of Lessee, which payment shall constitute an advance to the City. Lessor shall charge this advance, plus a 6.5% interest charge, back to the City at a monthly rate of \$284.00, which sum shall, for the duration of the extended term of the lease, be added to and included in the monthly rent payment.


**59.A.1.a.** February 1, 2017, February 1, 2018, February 1, 2019, February 1, 2020.

**60.A. 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, the First Lease Extension and the Second Lease Extension granting an option to extend the term, all of the terms and conditions of this Lease, the First Lease Extension and the Second Lease Extension, except where specifically modified by this Option shall apply . . .

The monthly rent for each month of the option period shall be calculated as follows, using the method indicated below:

- I. **Cost of Living Adjustment(s) (COLAs):** On February 1, 2022, February 1, 2023, February 1, 2024 and February 1, 2025, the Base Rent shall be adjusted and calculated in accordance with the provisions of paragraph 59.A.1, as modified by the First Lease Extension.
- II. **Market Rental Value Adjustment(s) (MRV):** On February 1, 2021, 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.

Initials: 

Initials: 

**Paragraph 2 of the Second Lease Extension Agreement:** If Lessee elects to perform the Tenant Improvements specified in said Paragraph 2, all provisions of that paragraph, excepting only the dates, shall apply.

The parties hereto have executed this Extension at the place and on the dates specified above their respective signatures.

Executed at: Encino, CA  
On: 1/8/2016  
By: LESSOR

LALB Harbor LLC  
a California limited liability company

By: Revell Management LLC, Manager

By: Richard Witt  
Richard Witt, Authorized Agent

5805 White Oak Avenue  
Unit 19250  
Encino, California 91416

Tel: 818.935.0909  
Fax: 818.907.0557

Executed at: Long Beach, CA  
On: 2/1/2016  
By: LESSEE

City of Long Beach  
a municipal corporation

By: Patrick H. West  
Patrick H. West  
City Manager  
Assistant City Manager

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

333 W. Ocean Boulevard  
Third Floor  
Long Beach, California 90802

Tel: 562-570-6705  
Fax: 562-570-6380

APPROVED AS TO FORM

1-19-2016  
CHARLES PARKIN, City Attorney

By: Richard Anthony  
RICHARD ANTHONY  
DEPUTY CITY ATTORNEY

Initials: RM

Initials: PHW