

1 **AMENDMENT TO GROUND LEASE**

2 **(Parcel 2 of Parcel Map 17454)**

3 **15383**

4 This Amendment to Ground Lease ("Amendment") is entered into this 16th day
5 of July, 2004 ("Effective Date"), by and between the City of Long Beach, a
6 municipal corporation ("City") and OC Investors, Inc., a California corporation, formerly
7 known as Carlton Browne and Company, Incorporated ("Tenant") with reference to the
8 following facts:
9

10 **RECITALS**

11 A. City and Long Beach Airport Business Park, a California general partnership
12 ("Original Tenant") entered into that certain Lease Agreement (Parcel 2 of Parcel
13 Map No. 17454 of Business Park) dated as of December 15, 1986, a short form of which
14 was recorded on December 16, 1986 as Instrument No. 86-1750031 in the Official Records
15 of Los Angeles County ("Official Records") ("Ground Lease"), pursuant to which City leased
16 to Original Tenant certain real property located in the City of Long Beach, County of Los
17 Angeles, State of California, and more particularly described in Exhibit "A" attached hereto
18 ("Property").
19

20 B. Tenant is the successor-in-interest to Original Tenant under the Ground
21 Lease and Sublease (as defined below).
22

23 C. Tenant and Long Beach Airport Business Park, II, a California limited
24 partnership ("LBABPII") entered into that certain Ground Sublease dated as of
25 March 30, 1988, a memorandum of which was recorded on March 31, 1988 as Instrument
26 No. 88-438765 in the Official Records ("Sublease") pursuant to which LBABPII leased the
27 Property from Tenant.
28

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1 D. The Property and Ground Lease are presently encumbered by those certain
2 covenants, conditions and restrictions set forth in the (i) "Maintenance Declaration"
3 recorded on March 8, 1983 as Instrument No. 83-256290 of Official Records, (ii)
4 "Declaration of Covenants, Conditions and Restrictions Long Beach Airport Business
5 Park a Planned Building Development Los Angeles County, California" recorded on
6 March 9, 1983 as Instrument No. 83-262462 of Official Records ("Declaration"), (iii) "First
7 Amendment to Declaration of Covenants, Conditions, and Restrictions Long Beach Airport
8 Business Park" recorded June 14, 1988 as Instrument No. 88-937726 of Official Records
9 ("First Amendment"), (iv) "Second Amendment to Declaration of Covenants, Conditions,
10 and Restrictions Long Beach Airport Business Park" recorded on May 30, 1990 as
11 Instrument No. 90-965276 of Official Records ("Second Amendment"), and (v) "Third
12 Amendment to Declaration of Covenants, Conditions and Restrictions Long Beach Airport
13 Business Park" recorded on June 27, 1996 as Instrument No. 96-1024334 of Official
14 Records ("Third Amendment"). The Declaration, First Amendment, Second Amendment
15 and Third Amendment are hereinafter referred to as the "CC&R's."

16
17
18 E. On or about May 25, 1990, Long Beach Airport Business Park III, a California
19 limited partnership ("LBABPIII") and LBABPII entered into that certain agreement entitled
20 "Parking Agreement" on May 30, 1990 ("Parking Agreement"), which was recorded on
21 May 30, 1990 as Instrument No. 90-965129 in the Official Records.

22
23 F. Pursuant to the Parking Agreements, LBABPII, as subtenant under the
24 Sublease has certain easements, vehicle parking rights and other rights and obligations
25 encumbering Parcel 3 of Parcel Map No. 17454 ("Parking Structure Parcel") which is for
26 the benefit of Parcel 2 of Parcel Map No. 17454 (collectively, the "Parking Rights"). The
27 Parking Structure Parcel is more particularly described in Exhibit "B" attached hereto.
28

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1 NOW, THEREFORE, in consideration of the mutual covenants and conditions set
2 forth below, City and Tenant agree as follows:

3 1. Capitalized Terms. Except as defined herein, capitalized terms shall have
4 the same meaning as set forth in the Ground Lease, CC&R's and Maintenance
5 Declaration.

6 2. Term. The term of the Ground Lease is hereby extended to and including
7 July 7, 2052 ("Term").

8 3. Rent. In addition to the base rental sum described in Article 3 of the Ground
9 Lease ("Rent") Tenant shall pay to City a total sum of Eight Hundred Sixteen Thousand
10 Dollars (\$816,000.00) ("Additional Rent") payable in accordance with this paragraph 3.1.
11 Concurrent with the execution of this Amendment, Tenant shall pay to City One Hundred
12 Sixty Three Thousand Two Hundred Dollars (\$163,200.00). The remaining balance of the
13 Additional Rent in the sum of Six Hundred Fifty Two Thousand Eight Hundred
14 Dollars (\$652,800.00) shall be fully amortized over ten (10) years and payable in annual
15 installments of principal and interest commencing July 1, 2005. The unpaid balance of the
16 Additional Rent shall bear interest at a rate equal to the yield on the ten (10) year Treasury
17 Note provided that in no event shall such rate be less than City's cost of funds. Said rate
18 shall be adjusted annually commencing one (1) year after the Effective Date and
19 continuing each year thereafter until the Additional Rent is paid in full. Tenant shall have
20 the right to prepay the Additional Rent at any time without penalty or bonus.

21 4. CC&R's and Maintenance Declaration. City hereby grants to Tenant all the
22 easement and other rights that Tenant presently has under the CC&R's and Maintenance
23 Declaration, including, without limitation, non-exclusive easements for access, ingress and
24 egress for pedestrian, cycle and passenger and delivery vehicle traffic, and vehicle parking.
25
26
27
28

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1 City's obligations under this grant shall include, providing for (i) the maintenance and repair
2 of all landscaping, drainage, flood control and parking facilities on the Subject Property (as
3 defined in the CC&R's) through the end of the Term, and (ii) the continued prohibition of
4 uses on the Subject Property, as listed in the CC&R's, through the end of the Term.
5 Tenant shall, in consideration of the easement and other rights granted, pay City a
6 fractional share of the maintenance, repair and capital costs of maintaining and repairing
7 the Common Areas. Tenant's fractional share of such costs shall be determined by
8 dividing the square footage of the buildings located on Parcel 2 of Parcel Map No. 17454
9 by the total square footage of all buildings (excluding free-standing parking structures)
10 located on the lots within Parcel Maps Nos. 15307 and 17454. The grant provided for
11 herein shall only become effective upon the expiration or termination of the CC&R's and/or
12 Maintenance Declaration and shall terminate upon the expiration or the earlier termination
13 of the Ground Lease.
14
15

16 5. Parking Rights. The Parking Rights shall continue to benefit the Property
17 through the end of the Term subject to the terms and provisions of the Parking Agreement.
18 City and Tenant understand and agree that Tenant shall not pay any additional rent or
19 consideration for the Parking Rights other than the Rent described above, and the rental
20 payments and charges, if any, described in the Parking Agreement. During the Term, the
21 City agrees that it shall not amend the Lease for the Parking Structure Parcel ("Parking
22 Lease") in any manner which materially affects the rental payment and charge, if any,
23 described in the Parking Agreement without the prior written consent of Tenant. In the
24 event the ground lease for the Parking Structure Parcel or the Parking Agreement is
25 terminated for any reason whatsoever, City hereby grants to Tenant during the Term, (i)
26 an easement over, across and on that portion of the Parking Structure Parcel depicted on
27
28

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1 Exhibit "C" attached hereto for up to up to 716 parking stalls ("Easement Area") for general
2 motor vehicle parking purposes, including without limitation valet, rental car, guest, visitor,
3 invitee, employee and other general parking and related purposes, (ii) a non-exclusive
4 easement during the Term for motor vehicle and pedestrian ingress and egress on, over
5 and across those portions of the Parking Structure Parcel (excluding the Easement Area)
6 such that there shall at all times be reasonable access to the Easement Area, (iii) the use
7 of the Parking Structure constructed and operated on the Parking Structure Parcel to
8 accommodate such general parking purposes (collectively "Extended Parking Rights").
9

10 6. Covenants to Run with the Land. The Property and the Parking Structure
11 Parcel shall be held, leased, conveyed, assigned, transferred, sold, hypothecated,
12 encumbered, rented, used and occupied subject to the easements, covenants, conditions,
13 restrictions and other limitations set forth in this Amendment (collectively, the
14 "Restrictions"). All the Restrictions are intended and shall be construed as covenants
15 running with the Property and the Parking Structure Parcel binding upon, and inuring to the
16 benefit of, the owners and tenants thereof and their successors and assigns.
17 Notwithstanding the foregoing, such grant shall only be effective upon the termination of
18 the Parking Agreement and shall terminate upon the expiration or earlier termination of the
19 Ground Lease.
20
21

22 7. Full Force and Effect. Except has herein provided, the Ground Lease shall
23 remain unchanged, modified or amended and in full force and effect.

24 IN WITNESS WHEREOF, City and Tenant have executed this Amendment as of

25 //
26 //
27 //
28 //

1 the date first written above.

2 CITY: CITY OF LONG BEACH, a municipal corporation

3 By: [Signature]
4 Print Name: _____
5 Title: _____

6 TENANT: OC INVESTORS, INC., a California corporation

7 By: [Signature]
8 Its: Vice President
9 By: _____
10 Its: _____

11 The foregoing Amendment is approved as to form this 12th day of June, 2004.

12 ROBERT E. SHANNON, City Attorney
13 By: [Signature]
14 Everett L. Glenn, Deputy

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

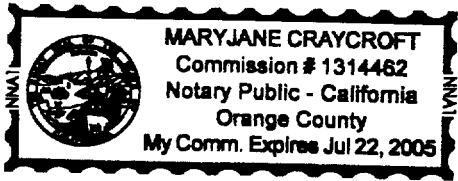
County of Orange

On July 2, 2004 before me, Mary Jane Craycroft

personally appeared R. Carlton Browne, II

personally known to me ~~OR~~ proved to me on the basis of satisfactory evidence to be the person(s)

whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Mary Jane Craycroft
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Amendment to Ground Lease

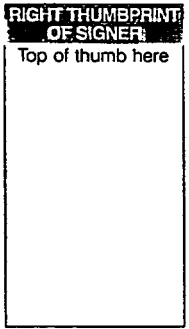
Document Date: _____ Number of Pages: 6

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

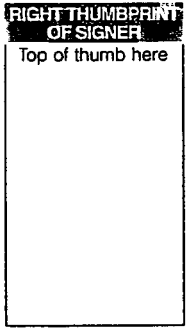
- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On July 12, 2004 before me, LINDA C. RAMSAY, N.P.
Date Name and Title of Officer (e.g., Jane Doe, Notary Public)

personally appeared GERALD R. MILLER
Name(s) of Signer(s)

personally known to me - ~~OR~~ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Linda C. Ramsay
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

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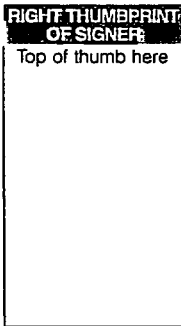
Document Date: _____ Number of Pages: 6, plus attachments

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

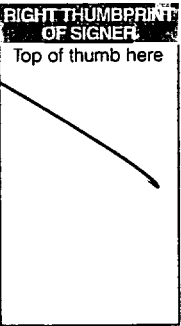
- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

Signer's Name: _____

- Individual
- Corporate Officer
Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

EXHIBIT "A"

LEGAL DESCRIPTION

Real property in the City of Long Beach, County of Los Angeles, State of California, described as follows:

PARCEL 2 OF PARCEL MAP 17454, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 191 PAGES 55 AND 56 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED OR SAVED FROM SAID LAND, WITHOUT RIGHT OF SURFACE ENTRY, AS TO LOT 9 OF TRACT NO. 10548.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND, WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSES OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE HEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATE WELLS AND PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094 PAGE 1, OFFICIAL RECORDS AND AS PROVIDED IN DECREE RECORDED IN BOOK 43923 PAGE 236, OFFICIAL RECORDS, NEXT HEREIN REFERRED TO AS TO LOT 66 OF TRACT NO. 8084.

EXHIBIT "B"

LEGAL DESCRIPTION

Real property in the City of Long Beach, County of Los Angeles, State of California, described as follows:

PARCEL 3 OF PARCEL MAP 17454, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 191 PAGES 55 AND 56 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND AS AMENDED BY A CERTIFICATE OF CORRECTION, RECORDED DECEMBER 18, 1987 AS INSTRUMENT NO. 87-2004117.

EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED OR SAVED FROM SAID LAND, WITHOUT RIGHT OF SURFACE ENTRY, AS TO LOT 9 OF TRACT NO. 10548.

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND, WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSES OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE HEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATE WELLS AND PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094 PAGE 1, OFFICIAL RECORDS AND AS PROVIDED IN DECREE RECORDED IN BOOK 43923 PAGE 236, OFFICIAL RECORDS, NEXT HEREIN REFERRED TO AS TO LOT 68 OF TRACT NO. 8034.

EXHIBIT "C"

LEGAL DESCRIPTION:

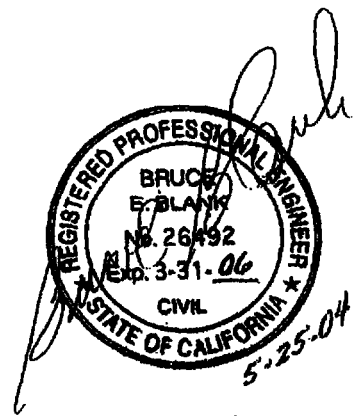
LONG BEACH AIRPORT BUSINESS PARK

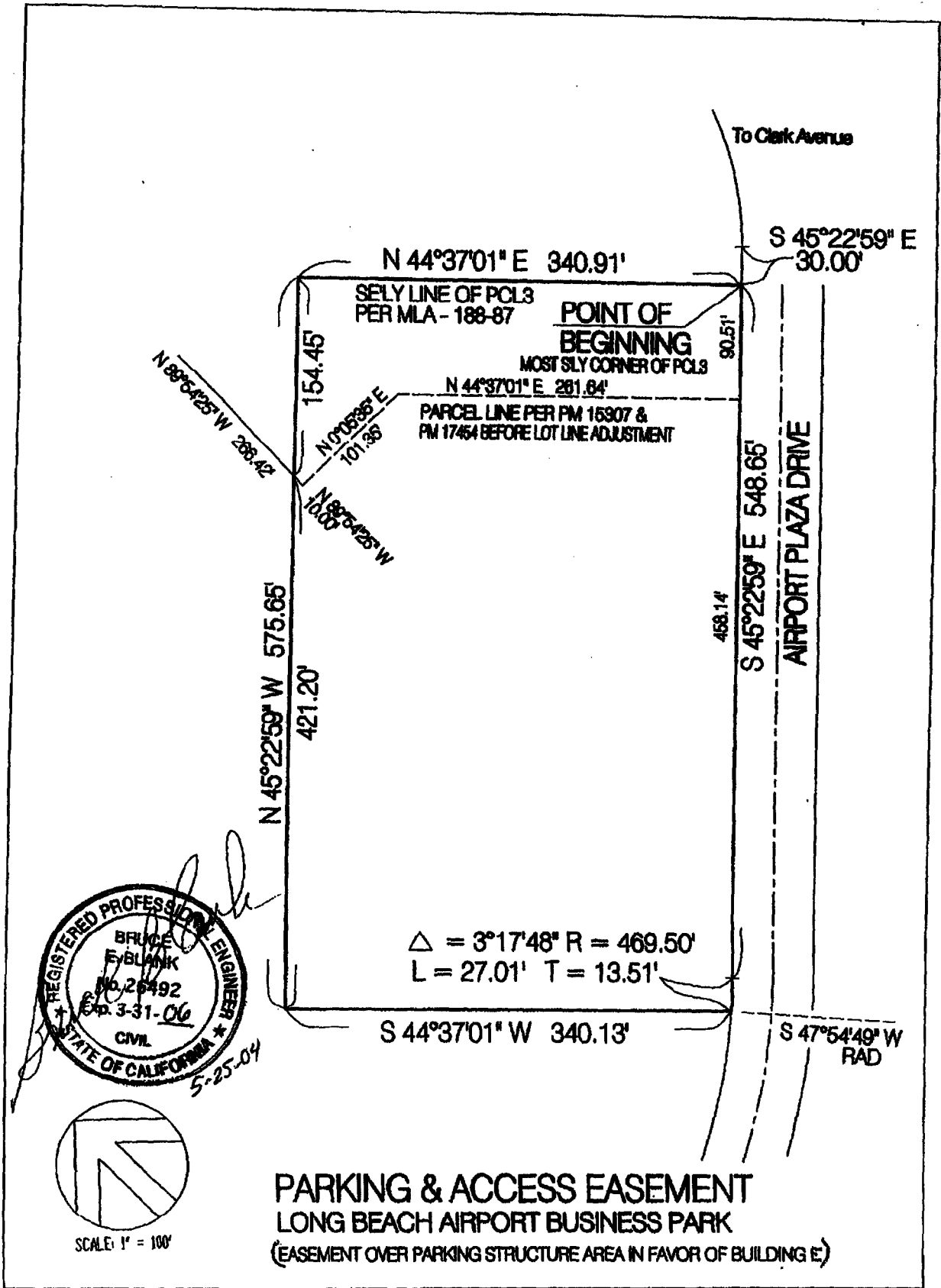
Easement for access and parking in favor of Parcel 2 of PM #17454 (PMB 191-55/56)

An easement for access and vehicular parking within the existing parking structure adjacent to Airport Plaza Drive, in the City of Long Beach, County of Los Angeles, State of California, in favor of Parcel 2 of Parcel Map No. 17454, over that portion of Parcel 3 of Parcel Map No. 17454, as shown on the map filed in Book 191, Pages 55 and 56 of Parcel Maps, as modified by the Lot Line Adjustment "MLA -188-87" and Certificate of Compliance recorded February 12, 1988 as Instrument No. 88-201091, all records of said County, more particularly described as follows:

Beginning at a point in the northeasterly line of Airport Plaza Drive, a private street, as shown on said Parcel Map No. 17454, said point being the most southerly corner of said Parcel 3 as modified; THENCE North 44°37'01" East along the southeasterly line of said Parcel 3 340.91 feet; THENCE North 45°22'59" West 154.45 feet to an angle point in said Parcel; THENCE continuing North 45°22'59" West 421.20 feet; THENCE South 44°37'01" West 340.13 feet to a point in said northeasterly line of Airport Plaza Drive, said point being in a non-tangent curve concave northeasterly and having a radius of 469.50 feet, a radial line of said curve through said point South 47°54'49" West; THENCE southeasterly along said curve and said northeasterly line of Airport Plaza Drive through a central angle of 3°17'48" an arc distance of 27.01 feet; THENCE tangent to said curve South 45°22'59" East 548.65 feet to the POINT OF BEGINNING.

The above described easement contains 196,236.093 square feet or 4.505 acres, more or less.





To Clark Avenue

S 45°22'59" E
30.00'

N 44°37'01" E 340.91'

SELY LINE OF PCL3
PER MLA - 188-87

POINT OF
BEGINNING

MOST SLY CORNER OF PCL3

N 44°37'01" E 281.64'

PARCEL LINE PER PM 16907 &
PM 17464 BEFORE LOT LINE ADJUSTMENT

N 89°54'25" W 288.42'

154.45'

N 0°05'35" E
701.35'

N 89°54'25" W
10.00'

N 45°22'59" W 575.65'

421.20'

468.14'

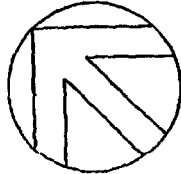
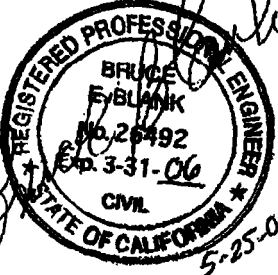
S 45°22'59" E 548.65'

AIRPORT PLAZA DRIVE

Δ = 3°17'48" R = 469.50'
L = 27.01' T = 13.51'

S 44°37'01" W 340.13'

S 47°54'49" W
RAD



SCALE: 1" = 100'

PARKING & ACCESS EASEMENT
LONG BEACH AIRPORT BUSINESS PARK
 (EASEMENT OVER PARKING STRUCTURE AREA IN FAVOR OF BUILDING E)

DIGICAD COGO REPORT

LIBRARY: LBABP - Bldg I
LIST TRAVERSE/AREA

DATE: 5/24/2004

DESC: PARKING STRUCTURE EASEMENT

6000 N = 5000.0000 E = 10000.0000
ANG = 44-37-01.0 N 44-37-01.0 E LGT = 340.9100
6001 N = 5242.6660 E = 10239.4428
ANG = 314-37-01.0 N 45-22-59.0 W LGT = 154.4500
6002 N = 5351.1461 E = 10129.5024
ANG = 314-37-01.0 N 45-22-59.0 W LGT = 421.2000
6003 N = 5646.9816 E = 9829.6845
ANG = 224-37-01.0 S 44-37-01.0 W LGT = 340.1300
6004 N = 5404.8708 E = 9590.7896
ANG = 47-54-49.0 N 47-54-49.0 E RAD
CC 6005 N = 5719.5534 E = 9939.2220 ARC LGT = 27.0139
DELTA ANGLE = 3-17-48.0 RADIUS LGT = 469.5000
CHORD BEARING = S 43-44-05.0 E CHORD LGT = 27.0102
DEGREE CURVE = 12.2036 TANGENT LGT = 13.5107
ANG = 224-37-01.0 S 44-37-01.0 W RAD
6007 N = 5385.3546 E = 9609.4623
ANG = 134-37-01.0 S 45-22-59.0 E LGT = 548.6500
6009 N = 5000.0028 E = 10000.0015
ANG = 207-11-41.3 S 27-11-41.3 W LGT = 0.0032 CLOSURE
6000 N = 5000.0000 E = 10000.0000

PERIMETER DISTANCE = 1832.3571

AREA = 196,236.09327 square feet = 4.505 acres

