

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

SUBLEASE

32136

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3 THIS SUBLEASE is made and entered as of May 6, 2011, for
4 reference purposes only, pursuant to a minute order of the City Council of the City of
5 Long Beach adopted at its meeting on May 13, 2008 by and between the CITY OF
6 LONG BEACH, a municipal corporation ("Sublessor"), and ASIAN AMERICAN DRUG
7 ABUSE PROGRAM, INC., a California corporation ("Sublessee").

8 WHEREAS, Sublessor leases property from CITY OF LONG BEACH
9 REDEVELOPMENT AGENCY ("Lessor"); and

10 WHEREAS, Sublessor entered a lease with Lessor dated July 8, 2008, for
11 premises more particularly described in said lease (City Contract No. 30980) and
12 commonly known as 1900 Atlantic Avenue, Suite 200, Long Beach, California, a copy of
13 said Lease is identified as Exhibit "C" and attached hereto and incorporated herein by this
14 reference (the "Master Lease"); and

15 WHEREAS, pursuant to Section 8 of the Master Lease, Sublessor has the
16 right to sublease all or any portion of the Premises with the consent of the Lessor and
17 Sublessor has obtained such consent;

18 NOW, THEREFORE, in consideration of the mutual terms, covenants, and
19 conditions contained herein, the parties agree as follows:

20 1. PREMISES. The Sublessor hereby subleases to the Sublessee and
21 the Sublessee hereby subleases from the Sublessor those certain premises with
22 appurtenances situated in the City of Long Beach, County of Los Angeles, California, and
23 more particularly described as follows: Approximately one hundred - eight (108) square
24 feet for three (3) cubicles, located at 1900 Atlantic Avenue, Suite 200, as shown on
25 Exhibit "A" attached hereto and incorporated herein by this reference into this Sublease
26 ("Premises"). Sublessor makes no warranties about the nature or condition of the
27 Premises. Sublessee hereby waives any and all claims or causes of action for damages
28 or performance against Sublessor for failure of the Premises to conform with Exhibit "A".

1 Sublessee agrees that its only remedy against Sublessor for failure of the Premises to
2 conform with Exhibit "A" is to quit the Premises.

3 2. TERM. The term of this Sublease shall commence upon execution
4 by the parties and on a month-to-month basis with the expressed or implied consent of
5 Sublessor. Either party may terminate said sublease by providing thirty (30) days prior
6 written notice.

7 3. RENT.

8 A. Sublessee shall pay to Sublessor as rent, in advance, each
9 month, without deduction, offset, notice, or demand, Seven Hundred Five Dollars
10 and Twenty-Four Cents (\$705.24) ("Rent") prorated for any partial month at the
11 commencement of the term.

12 B. Sublessee shall pay Rent by cash or check payable to the
13 City of Long Beach and delivered to: City of Long Beach, 3447 Atlantic Avenue,
14 Long Beach, CA, 90807, Attention: Jane Jenkinson.

15 4. USE. The Premises will be used exclusively for Sublessee to house
16 two counselors. No other use is permitted. In Sublessee's use of and operation on the
17 Premises, Sublessee will not create, cause or allow any nuisance on the Premises.
18 Sublessee's use of the Premises shall be in conformance with all applicable laws and
19 regulations and the rules and regulations of the Premises, as detailed on Exhibit "B"
20 attached hereto and incorporated herein by this reference into this Sublease.

21 5. UTILITIES. Utilities will be provided by Sublessor in accordance with
22 the Master Lease as part of the operating expenses paid by Sublessor.

23 6. JANITORIAL SERVICES AND MAINTENANCE. Janitorial services
24 will be provided in accordance with the Master Lease as part of the operating expenses
25 paid by Sublessor. Sublessor will use its best efforts to obtain maintenance of the
26 Premises from Lessor in accordance with the terms of the Master Lease. If Lessor fails
27 to maintain the Premises as required in the Master Lease, Sublessee shall notify
28 Sublessor of said failure and Sublessor will provide such maintenance. Sublessee

1 hereby waives to the extent permitted by law any right to make repairs at the expense of
2 Sublessor or Lessor. Sublessor's duty to maintain the Premises, if any, is described in
3 the Master Lease.

4 7. TELECOMMUNICATIONS AND TECHNOLOGY. Sublessee will
5 utilize existing phone lines serving the Premises. Sublessee shall provide and maintain
6 its own computers/technological equipment including photocopiers, printers and
7 scanners. Sublessee shall be responsible for any additional costs associated with
8 moving or installing such equipment. No wiring or installation of equipment within the
9 Premises or on the exterior of the facility including rooftop communications equipment
10 shall be conducted without the prior written approval of the Sublessor, such approval
11 shall not be unreasonably withheld. If requested by Sublessee, Sublessee will pay
12 Sublessor for other telecommunications services and equipment to be provided by
13 Sublessor as negotiated.

14 8. FURNITURE, FIXTURES AND EQUIPMENT. Sublessee shall be
15 responsible for providing all furniture, fixtures and equipment at its sole cost except as
16 negotiated with Sublessor. Sublessee shall be responsible for all costs associated with
17 moving and installation of all furniture, fixtures and equipment including damages caused
18 to Premises. No furniture, fixtures or equipment may be permanently affixed to the
19 Premises without prior written approval from Sublessor.

20 9. ACCESS CARDS. After hours access for employees may be
21 provided on a temporary basis as coordinated through the Sublessor's Workforce
22 Operations Officer, approval of which shall be granted at his or her sole discretion. The
23 cost of additional cards, or the replacement of any lost card, shall be borne by Sublessee,
24 at the rate of twenty dollars (\$20.00) per card.

25 10. SECURITY. Security is present in the building 7 a.m. to 7 p.m. on
26 workdays Monday through Friday. Any use of the Premises by the Sublessee after hours
27 or on weekends/holidays for programs or assistance to the general public and/or its
28 service community shall require the presence of security at Sublessee's sole cost and

1 expense, at the rate of thirty dollars (\$30.00) per hour. Additional security shall be
2 coordinated through the Workforce Operations Officer. Sublessee shall provide written
3 notice of additional security needs five (5) business days in advance.

4 11. IMPROVEMENTS. Sublessee will not make any improvements,
5 alterations or additions to the Premises without the prior written consent of Sublessor and
6 Lessor; such consent shall not be unreasonably withheld or delayed. Any improvements,
7 alterations or additions will be performed pursuant to Section 7 of the Master Lease
8 incorporated herein by this reference. Any and all costs associated with Sublessee's
9 alterations or additions will be paid by Sublessee.

10 12. LIENS. Sublessee shall keep the Premises free of all liens for any
11 work done, labor performed, or material furnished by or for Sublessee relating to the
12 Premises. Sublessee shall defend, indemnify and hold Lessor and Sublessor, its officials
13 and employees harmless from and against all claims, demands, causes of action, liens,
14 liability, proceedings, loss, costs, and expenses (including attorney's fees) of whatsoever
15 kind for any such work done, labor performed, or materials furnished on the Premises.

16 13. NONDISCRIMINATION. Subject to applicable laws, rules, and
17 regulations, Sublessee shall not discriminate against any person or group on the basis of
18 age, sex, sexual orientation, gender identity, AIDS, AIDS related condition, HIV status,
19 marital status, race, religion, creed, ancestry, national origin, disability or handicap.

20 14. INDEPENDENT CONTRACTOR STATUS. It is distinctly understood
21 that Sublessee is at all times a wholly-independent contractor. Sublessee expressly
22 warrants that it has all permits and licenses required, if any, to conduct its operations.
23 Sublessee expressly warrants that it will not, at any time, hold itself out or in any manner
24 represent that Sublessee or any of its agents, volunteers, subscribers, members, officers
25 or employees are in any manner the officers, employees or agents of the Sublessor or
26 the Greater Long Beach Workforce Development Board (GLBWDB), an unincorporated
27 non-profit association. Sublessee shall not have any authority to bind the Sublessor or
28 GLBWDB for any purpose at any time during the term hereof. Sublessee or any of

1 Sublessee's officers, employees or agents shall not have the power or authority as agent
2 or employees of the Sublessor or GLBWDB and shall not be entitled to any of the rights,
3 privileges or benefits of a Sublessor or GLBWDB employee.

4 15. INDEMNITY.

5 A. Sublessee's Indemnity - Sublessee shall indemnify, defend
6 and hold harmless the Greater Long Beach Workforce Development Board
7 (GLBWDB), the City of Long Beach, the City Council, each member thereof,
8 present and future, their respective officers, agents and employees from and
9 against all loss, cost and expense, including attorneys' fees, arising from any injury
10 or damage to any person or property, occurring in or about the building located at
11 1990 Atlantic Avenue, Long Beach, California (the "Building") or Premises as a
12 result of any negligent act, omission or willful misconduct of Sublessee or its
13 employees, or arising from any material breach or default under this Sublease by
14 Sublessee. The foregoing provisions shall not be construed to make Sublessee
15 responsible for loss, damage, liability or expense resulting from injuries to third
16 parties caused by the negligence or willful misconduct of Sublessor, or its
17 officers, contractors, licensees, agents, employees, or invitees.

18 B. Hazardous Materials - Sublessee shall not cause or permit,
19 nor allow any of Sublessee's employees, agents, customers, visitors, invitees,
20 licensees, contractors, assignees, or subtenants to cause or permit any
21 Hazardous Materials to be brought upon, stored, manufactured, generated,
22 blended, handled, recycled, treated, disposed or used on, under or about the
23 Premises, the Building or the Common Areas, except for routine office and
24 janitorial supplies in usual and customary quantities stored, used, and disposed of
25 in accordance with all applicable Environmental Laws. As used herein,
26 "Hazardous Materials" means any chemical, substance, material, controlled
27 substance, object, condition, waste, living organism or combination thereof,
28 whether solid, semi solid, liquid or gaseous, which is or may be hazardous to

1 human health or safety or to the environment due to its radioactivity, ignitability,
2 corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity,
3 phytotoxicity, infectiousness, or other harmful of potentially harmful properties of
4 effects, including without limitation, molds, toxic levels of bacteria, tobacco smoke
5 within the Premises, petroleum and petroleum products, asbestos, radon,
6 polychlorinated biphenyls (PCBs), refrigerants (including those substances defined
7 in the Environmental Protection Agency's "Refrigerant Recycling Rule," as
8 amended from time to time) and all of those chemicals, substances, materials,
9 controlled substances, objects, conditions, wastes, living organisms or
10 combinations thereof which are now or become in the future listed, defined or
11 regulated in any manner by any Environmental Law based upon, directly or
12 indirectly, such properties or effects. As used herein, "Environmental Laws"
13 means any and all federal, state, or local environmental, health and/or safety-
14 related laws, regulations, standard decisions of courts, ordinances, rules, codes,
15 orders, decrees, directives, guidelines, permits or permit conditions, currently
16 existing and as amended, enacted, issued, or adopted in the future which are or
17 become applicable to Sublessee, the Premises, the Building, or the Common
18 Areas.

19 16. INSURANCE. Concurrent with the effective date of this Sublease
20 and in partial performance of Sublessee's obligations hereunder, Sublessee will procure
21 and maintain the following insurance coverages at Sublessee's sole expense for the
22 duration of this Sublease and any extensions, renewals, or holding over thereof, from
23 insurance companies admitted to write insurance in the State of California or from
24 authorized non-admitted insurers and that have a minimum rating of or equivalent to
25 A:VIII by A.M. Best Company, or Sublessee may self-insure by self funding the following
26 insurance obligation:

27 (a) Commercial General Liability (equivalent in coverage scope to
28 Insurance Services Offices, Inc. (ISO) form CG 00 01 11 85 or CG 00 01

1 11 88) in an amount not less than One Million Dollars (\$1,000,000.00) per
2 occurrence and Two Million Dollars (\$2,000,000.00) general aggregate.
3 This insurance shall be endorsed to include the Greater Long Beach
4 Workforce Development Board (GLBWDB), City of Long Beach, and their
5 respective officials, employees, and agents as additional insureds by an
6 endorsement equivalent in coverage scope to ISO form CG 20 26 11 85.

7 (b) "All Risk" property insurance in an amount sufficient to cover
8 the full replacement value of Sublessee's personal property, equipment,
9 and improvements, if any, on the Premises.

10 (c) Workers' Compensation as required by the State of California
11 and employer's liability insurance in an amount not less than One Million
12 Dollars (\$1,000,000.00) per accident. The policy shall be endorsed to
13 waive the insurer's rights of subrogation against the Sublessor, its officials,
14 employees, and agents.

15 Sublessee hereby waives all rights of subrogation, but only to the
16 extent that collectible commercial insurance is available for said damage.

17 All insurance required hereunder shall be separately endorsed to
18 require at least thirty (30) days' prior written notice of cancellation (ten (10)
19 days if cancellation is for nonpayment of premium), nonrenewable, or
20 reduction in coverage or limits (other than exhaustion of limits due to
21 claims paid) and to provide that coverage shall be primary and not
22 contributing to any other insurance or self-insurance maintained by the
23 GLBWDB, the City of Long Beach or its officials, employees, and agents.
24 Any self-insurance program, self-insured retention or deductible shall
25 protect the GLBWDB, the City of Long Beach and its officials, employees,
26 and agents in the same manner and to the same extent as they would
27 have been protected had the policy or policies not contained such
28 retention or deductible provisions.

1 Sublessee shall require its contractors and subcontractors to
2 maintain the insurance required hereunder unless otherwise agreed in
3 writing by Sublessor's Risk Manager or designee.

4 Upon the execution of this Sublease, Sublessee shall deliver to
5 Sublessor certificates of insurance and the required endorsements
6 evidencing the coverage required by this Sublease, or "Certificate of Self
7 Funding of Insurance Obligation". Sublessee shall also provide
8 certificates and endorsements of any of Sublessee's contractors and
9 subcontractors, for approval as to sufficiency and form. The certificates
10 and endorsements for each insurance policy shall contain the original
11 signatures of persons authorized by that insurer to bind coverage on its
12 behalf. Sublessee shall provide Sublessor with copies of certificates of
13 insurance and endorsements for renewal policies within thirty (30) days of
14 policy expiration. Sublessor reserves the right to require complete
15 certified copies of all said insurance policies at any time.

16 Such insurances as required herein shall not be deemed to limit
17 Sublessee's liability relating to performance under this Sublease. The
18 procuring of insurance shall not be construed as a limitation on liability or
19 as full performance of the indemnification and hold harmless provisions of
20 this Sublease.

21 Any modification or waiver of the insurance requirements herein
22 shall be made only with the written approval of Sublessor's Risk Manager
23 or designee.

24 17. SIGNS. Sublessee shall not place, affix, maintain, or permit any
25 sign, advertisement, name, insignia, logo, descriptive material, flyers, or similar item
26 (collectively "sign") on the Premises without the prior written consent of Sublessor; said
27 consent shall not be unreasonably withheld.

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1 18. HAZARDOUS MATERIAL CLEAN-UP AND ABANDONMENT.
2 Sublessee shall comply with California Health and Safety Code Section 25359.7 or its
3 successor statute regarding notice to Sublessor on discovery by Sublessee of the
4 presence or suspected presence of any hazardous substance on the Premises.
5 Sublessee warrants that it will store and dispose of hazardous materials in accordance
6 with all applicable laws and regulations pertaining to its business and its use of the
7 Premises.

8 19. RELOCATION. Sublessee agrees that nothing contained in this
9 Sublease shall create any right in Sublessee for any relocation assistance or payment
10 from Sublessor pursuant to the provisions of Title 1, Division 7, Chapter 16 of the
11 California Government Code or any other law or regulation on the expiration or
12 termination of this Sublease.

13 20. WAIVER OF CLAIMS. Sublessor shall not be liable for and
14 Sublessee hereby waives to the extent permitted by law all claims against Sublessor, its
15 officials, employees and agents for loss, theft, or damage to equipment, furniture, trade
16 fixtures, records, plants, and other property on or about the Premises, for loss or damage
17 to Sublessee's business, or injury to or death of persons on or about the Premises from
18 any cause except to the extent caused by the negligence or willful misconduct of
19 Sublessor, its official and employees.

20 21. ABANDONED PERSONAL PROPERTY. If Sublessee abandons the
21 Premises or is dispossessed by process of law or otherwise, then Sublessee shall be
22 deemed to have abandoned any personal property belonging to Sublessee left on the
23 Premises thirty (30) days after the date of abandonment or dispossession, and title to that
24 personal property shall be deemed to have been transferred to Sublessor. After such
25 thirty (30) day period, Sublessor shall have the right to remove and to dispose of the
26 personal property without liability to Sublessee or to any person claiming under
27 Sublessee, and shall not need to account for its disposal. Sublessee hereby designates
28 Sublessor's City Manager as its attorney in fact to execute and deliver any documents

1 that are required to dispose of that personal property and transfer title to it. Sublessee
2 shall pay the cost of removal, storage, sale or destruction of personal property pursuant
3 to this Section 21 as additional rent. Sublessee hereby agrees to and shall defend,
4 indemnify and hold Sublessor, its officials and employees harmless from all claims,
5 demands, damage, loss, liability, causes of action, penalties, fines, costs and expenses,
6 including attorney's fees, arising from Sublessor's removal, storage, and disposal of
7 personal property that is abandoned by Sublessee pursuant to this Section 21.

8 22. RIGHT OF ENTRY. Sublessor, Lessor, and their representatives
9 shall have the right to enter the Premises at all reasonable times to inspect the Premises
10 to determine whether or not Sublessee is complying with the terms, covenants, and
11 conditions of this Sublease and the Master Lease, to serve, post, or keep posted any
12 notice, to take any reasonable or necessary action to protect the Premises, and as
13 otherwise provided in this Sublease and the Master Lease. Except in cases of
14 emergency, Sublessor shall provide reasonable advance notice of its intent to enter the
15 Premises pursuant to this Section 22. Sublessor and Lessor shall not be liable for
16 inconvenience, loss of business, or other damage arising from such entry. Sublessee
17 shall not be entitled to an abatement or reduction in rent if Sublessor or Lessor exercises
18 its right of entry hereunder. Sublessee shall not change or modify any locks or access
19 points without prior written approval of Sublessor.

20 23. SUBLESSOR'S RIGHT TO RE-ENTER. Sublessee shall peaceably
21 deliver possession of the Premises to Sublessor on the effective date of termination of
22 this Sublease. On giving notice of termination to Sublessee, Sublessor shall have the
23 right to re-enter and take possession of the Premises on the effective date of termination
24 without further notice of any kind and without institution of summary or regular legal
25 proceedings. Termination of the Sublease and re-entry of the Premises by Sublessor
26 shall in no way alter or diminish any obligation of Sublessee under the Sublease.
27 Sublessee waives any and all right of redemption under any existing or future law in the
28 event of eviction from the Premises and in the event Sublessor re-enters and takes

1 possession.

2 24. NO WAIVER OF RIGHTS. The failure or delay of Sublessor to re-
3 enter the Premises, to insist on strict enforcement of any term, covenant, or condition, or
4 to exercise any right, power, privilege, or option arising from any breach or default shall
5 not impair any such right, power, privilege, or option or be construed or deemed a waiver
6 of such breach or default or relinquishment of any right, power, privilege or option. The
7 receipt and acceptance by Sublessor of delinquent Rent shall not constitute a waiver of
8 any other default but shall only constitute a waiver of timely payment for the particular
9 Rent payment involved. Any waiver by Sublessor of any default or breach shall be in
10 writing and shall not be construed to be a waiver of any subsequent or other breach or
11 default of the same or any other term, covenant, or condition of this Sublease, nor shall
12 failure on the part of Sublessor to require exact and complete compliance hereof be
13 construed or deemed as in any manner changing this Sublease or preventing Sublessor
14 from enforcing this Sublease, nor shall the conduct of the parties be deemed to change
15 this Sublease. Sublessor's approval of any act by Sublessee requiring Sublessor's
16 approval shall not be deemed to waive Sublessor's approval of any subsequent act of
17 Sublessee. No notice to Sublessee shall be required to restore "time is of the essence"
18 after waiver by Sublessor of any breach or default. No right, power, privilege, option or
19 remedy of Sublessor shall be construed as being exhausted by the exercise thereof in
20 one or more instances.

21 25. ASSIGNMENT. Sublessee shall not assign or transfer this Sublease
22 or any interest herein, nor sublease the Premises or any part thereof or grant permits for
23 the use of the Premises, nor grant any franchise, easement, right of way, or permit in, on,
24 over, under or across the Premises (collectively referred to as "transfer").

25 26. TIME. Time is of the essence in this Sublease, and every provision
26 hereof.

27 27. INTEGRATION AND AMENDMENTS. This Sublease, including the
28 Master Lease and amendments thereto, represents and constitutes the entire

1 understanding between the parties and supersedes all other agreements and
2 communications between the parties, oral or written, concerning the subject matter
3 herein. This Sublease shall not be modified except in writing, duly signed by the parties
4 and referring to this Sublease. Each provision of this Sublease and the Master Lease to
5 be performed by Sublessee shall be construed as both a covenant and a condition of this
6 Sublease and the Master Lease only as it pertains to the Premises described in Section 1
7 above.

8 28. PARTIAL INVALIDITY. If any term, covenant, or condition of this
9 Sublease is held by a court of competent jurisdiction to be invalid, void or unenforceable,
10 the remainder of the provisions hereof will remain in full force and effect and will in no
11 way be affected, impaired or invalidated thereby.

12 29. SUCCESSORS IN INTEREST. This Sublease shall be binding on
13 and inure to the benefit of the parties and their successors, heirs, personal
14 representatives, transferees, and assignees except as provided in Section 16 hereof, and
15 all of the parties hereto shall be jointly and severally liable hereunder.

16 30. ATTORNEYS' FEES. In any action or proceeding relating to this
17 Sublease, the prevailing party shall be entitled to its costs, including reasonable
18 attorneys' fees.

19 31. RECORDATION. This Sublease shall not be recorded.

20 32. NOTICE. Any notice required hereunder shall be in writing and
21 personally delivered or deposited in the U. S. Postal Service, registered or certified,
22 return receipt, postage prepaid to Sublessor at 3447 Atlantic Avenue, Long Beach, CA,
23 90807, Attn: Jane Jenkinson, with a courtesy copy to: Asset Management Bureau, 333
24 West Ocean Boulevard, 3rd Floor, Long Beach, California, 90802 and to Sublessee at
25 2900 South Crenshaw Blvd., Los Angeles, CA 90016, Attn: Mike Watanabe. Notice shall
26 be deemed effective on the date shown on the return receipt or on the date personal
27 delivery is made, whichever first occurs. Change of address shall be given as provided
28 herein for notices.

1 33. FORCE MAJEURE. Except as to the payment of Rent, in any case
2 where either party is required to do any act, the inability of that party to perform, or delay
3 in performance of that act caused by or resulting from fire, flood, earthquake, explosion,
4 acts of God, war, civil commotion, strikes, lockouts, or any other cause whether similar or
5 dissimilar to the foregoing which is beyond the control of that party and not due to that
6 party's fault or neglect shall be excused and such failure to perform or such delay in
7 performance shall not be a default or breach hereunder. Financial inability to perform
8 shall not be considered cause beyond the reasonable control of the party.

9 34. RESTORATION. If the whole of the Premises shall be damaged or
10 destroyed, then this Sublease shall terminate. If any part of the Premises shall be
11 damaged or destroyed Sublessee shall elect in writing either to terminate this Sublease
12 or to continue in possession of the remainder of the Premises provided, however, that
13 Rent shall be reduced in proportion to the amount of the Premises damaged or
14 destroyed.

15 35. GOVERNING LAW. The Sublease shall be governed by and
16 construed in accordance with the internal laws of the State of California.

17 36. COMPLIANCE WITH LAWS. Sublessee, at its sole cost, shall
18 comply with all applicable laws, ordinances, rules and regulations, as well as the
19 requirements of such permits, licenses, and certificates required by all federal, state and
20 local governmental authorities having jurisdiction over the Premises and business
21 thereon.

22 37. CONDEMNATION. If the whole of the Premises shall be taken by
23 any public or quasi-public authority under the power of eminent domain, then this
24 Sublease shall terminate. If any part of the Premises shall be taken under the power of
25 eminent domain, then this Sublease shall terminate as to the part taken, as of the day
26 possession of that part is required for any public purpose, and on or before that day
27 Sublessee shall elect in writing either to terminate this Sublease or to continue in
28 possession of the remainder of the Premises provided, however, that Rent shall be

1 reduced in proportion to the amount of the Premises taken. All damages awarded for
2 such taking shall belong to Lessor, Sublessor, or Sublessee, as their respective interests
3 may appear.

4 38. QUIET ENJOYMENT. If Sublessee performs the terms, covenants,
5 and conditions of this Sublease and the Master Lease, then Sublessee shall peaceably
6 and quietly hold and enjoy the Premises.

7 39. FURTHER COVENANTS. Sublessee further covenants and agrees
8 to and shall comply with and be bound by all of the terms, covenants, and conditions of
9 the Master Lease as they apply to the Premises described in Section 1 above and further
10 covenants and agrees that it shall not violate any of these terms, covenants, or conditions
11 of this Sublease and the Master Lease as they apply to the Premises described in
12 Section 1 above. Sublessee further expressly assumes and agrees to and shall perform
13 all of the obligations required to be kept or performed by Sublessor under the Master
14 Lease only as they may apply to the Premises described in Section 1 above.

15 This Sublease shall be subject to the Master Lease and every term,
16 covenant and condition in the Master Lease. To the extent there is any inconsistency
17 between this Sublease and the Master Lease, then the terms, covenants, and conditions
18 in the Master Lease shall control. If the Master Lease shall expire or terminate for any
19 reason whatsoever, then this Sublease shall automatically terminate simultaneously
20 therewith, notwithstanding any notice requirement herein with respect to termination.

21 40. ENCUMBRANCES. Sublessee leases and accepts the Premises
22 subject to all existing easements, rights of way, permits, encumbrances, and the like.

23 41. AMERICANS WITH DISABILITIES ACT. In the event that a
24 governmental agency requires compliance with any standards under the Americans with
25 Disabilities Act of 1990 to modify the building, common areas, and Premises and any
26 fixtures therein, Lessor shall at its sole cost and expense be responsible to comply,
27 unless such governmental requirement is due specifically to Sublessee's use, beyond
28 general office use, in which case Sublessee shall bear the costs and expenses for such

1 compliance.

2 42. MISCELLANEOUS.

3 A. All rights and remedies of Sublessor hereunder shall be
4 cumulative and the exercise of one shall not exclude any other.

5 B. Each provision of this Sublease and the Master Lease shall
6 be deemed both a covenant and a condition only as they apply to the Premises
7 described in Section 1 above.

8 C. The various headings and numbers in this Sublease into
9 separate sections, paragraphs and clauses are for convenience only and shall not
10 be considered a part of this Sublease and shall have no effect on the interpretation
11 of this Sublease.

12 D. This Sublease is created as a joint effort between the parties
13 and fully negotiated as to its terms and conditions and shall not be construed
14 against either party as the drafter. The relationship of the parties is that of
15 sublessor and sublessee, and the parties agree that nothing contained in this
16 Sublease shall be deemed or construed as creating a partnership, joint venture,
17 principal-agent, association, or employer-employee relationship between them or
18 between Sublessor and any third person or entity.

19 E. This Sublease is created for the benefit of the parties only and
20 is not intended to benefit any third person or entity.

21 43. BROKERS. The parties represent that neither has had contacts or
22 dealings regarding this Sublease through a broker or agent or any other person who can
23 claim a right to a commission or fee.

24 44. TAX REPORTING. As required by federal and state law, City is
25 obligated to and will report the payment of compensation to Contractor on Form 1099-
26 Misc. Contractor shall be solely responsible for payment of all federal and state taxes
27 resulting from payments under this Agreement. Contractor shall submit Contractor's
28 Employer Identification Number (EIN), or Contractor's Social Security Number if

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1 Contractor does not have an EIN, in writing to City's Accounts Payable, Department of
2 Financial Management. Contractor acknowledges and agrees that City has no obligation
3 to pay Contractor until Contractor provides one of these numbers.

4 45. AUTHORIZATION TO EXECUTE. Sublessee warrants and affirms
5 to Sublessor that any and all persons signing this Sublease are authorized and
6 empowered to so sign and signing by such person or persons does bind Sublessee to all
7 terms, covenants and conditions of this Sublease.

8 IN WITNESS WHEREOF, the parties hereto have caused this Sublease to
9 be duly executed with all the formalities required by law on the respective dates set forth
10 opposite their signatures.

ASIAN AMERICAN DRUG ABUSE
PROGRAM, INC., a California corporation

11
12 April 22, 2011

By: 
Executive Officer

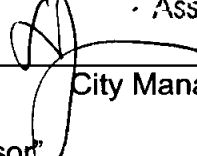
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15 _____, 2011

By: _____
Executive Officer

16 "Sublessee"

CITY OF LONG BEACH, a municipal
corporation - Assistant City Manager

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19 5.6, 2011

By: 
City Manager
"Sublessor" EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

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23 This Sublease is approved as to form on April 29, 2011.

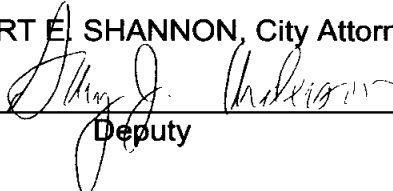
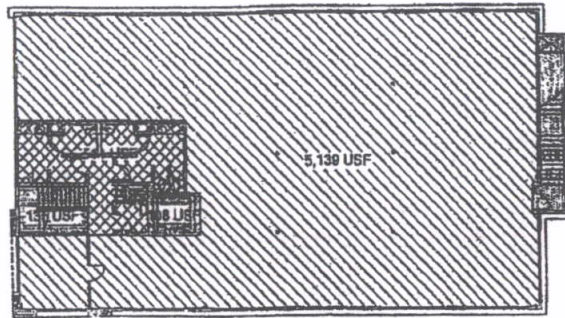
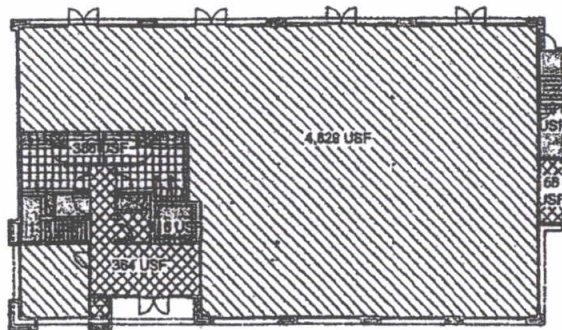
24 ROBERT E. SHANNON, City Attorney
By: 
Deputy

Exhibit A



PROPOSED 2ND FLOOR PLAN-TENANT OPTION #2



GROUND FLOOR PLAN

2ND FLOOR (OPTION #1)

SHOPEXPOSEABLE AREA	1,000 SF
FLOOR AREA	3,139 SF
FLOOR CORRIDOR	334 SF
FLOOR PLANTATION	143 SF

ATLANTIC COMMUNITY CENTER - 1900 ATLANTIC BLVD., LONG BEACH, CA										
FLOOR	SHOPEXPOSEABLE AREA	FLOOR AREA	FLOOR CORRIDOR	FLOOR PLANTATION	TOTAL FLOOR AREA	TOTAL FLOOR AREA	TOTAL FLOOR AREA	TOTAL FLOOR AREA	TOTAL FLOOR AREA	TOTAL FLOOR AREA
2ND	1,000	3,139	334	143	4,616	4,616	4,616	4,616	4,616	4,616
1ST FLOOR	0	4,828	0	0	4,828	4,828	4,828	4,828	4,828	4,828
TOTAL	1,000	7,967	334	143	9,444	9,444	9,444	9,444	9,444	9,444
TOTAL SHOPEXPOSEABLE AREA: 1,000										
TOTAL FLOOR AREA: 9,444										
BUILDING FLOOR AREA: 9,444										
TOTAL FLOOR AREA: 9,444										

GROUND FLOOR

SHOPEXPOSEABLE AREA	4,000 SF
FLOOR AREA	4,828 SF
FLOOR CORRIDOR	427 SF
FLOOR PLANTATION	313 SF
FLOOR PLANTATION	313 SF

ATLANTIC COMMUNITY CENTER



EMMERT + KAMUS + ALGAIZE
 ARCHITECTURE INC.
 1801 BAKER ST., SUITE 110
 NEWPORT BEACH, CA 92660
 (949) 731-8700
 (949) 731-1971

1900 ATLANTIC BLVD.
 LONG BEACH, CA

8/4/03

RENAISSANCE SQUARE BUILDING

1900 ATLANTIC AVENUE

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. One key will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord.
2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed.
3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register when so doing. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building during the continuance of same by any means it deems appropriate for the safety and protection of life and property.
4. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Safes and other heavy objects shall if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building, its contents, occupants or visitors by

moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

5. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. Tenant shall provide Landlord with not less than 24 hours prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding, at Tenant's expense, or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building. In no event shall Tenant's use of the elevators for any such purpose be permitted during the hours of 7:00 a.m. – 9:00 a.m. and 4:30 p.m. – 6:30 p.m.
6. Landlord shall have the right to control and operate the public portions of the Building, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the vicinity of the Building.
7. The requirements of Tenant will be attended to only upon application at the Office of the Building or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.
8. Tenant shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate with Landlord or Landlord's agents to prevent same.
9. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or agents, shall have caused it.
10. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained.
11. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon Premises without the written consent of Landlord.
12. Tenant shall not use or keep in or on the Premises or the Building any kerosene, gasoline or other inflammable or combustible fluid or material.

13. Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord.
14. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors, or vibrations, or interface in any way with other Tenants or those having business therein.
15. Tenant shall not bring into or keep within the Building or the Premises any animals, birds, bicycles or other vehicles.
16. No cooking shall be done or permitted by any tenant on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other Tenants.
17. Tenant shall not bring into, keep within suite, or use toasters or toaster ovens.
18. Landlord will approve where and how telephone and telegraph wires are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.
19. Landlord reserves the right to exclude or expel from the Building any person who, in the judgement of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.
20. Tenant, its employees and agents shall not permit smoking in any office suite, restroom, hallway, lobby, elevator or any other enclosed area in the Building.
21. Tenant, its employees and agents shall not permit smoking within twenty (20) feet of any entrance to the Building.
22. Tenant, its employees and agents shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

23. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls. This includes the closing of exterior blinds, disallowing the sun rays to shine directly into areas adjacent to exterior windows.
24. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in the city in which the Building is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.
25. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
26. Except for Landlord's gross negligence, Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied.
27. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all tenants of the Building.
28. No awning or other projection shall be attached to the outside wall of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord.
29. The sashes, sash doors, skylight, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be place on the windowsills.
30. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Real Property.

31. Food vendors shall be allowed in the Building upon receipt of a written request from the Tenant. Under no circumstances shall the food vendor display their products in a public or common area including corridors and elevator lobbies. Any failure to comply with this rule shall result in immediate permanent withdrawal of the vendor from the Building.
32. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.
33. Tenant shall comply with any non-smoking ordinance adopted by any appliance governmental authority.
34. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises and Building, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord shall not be responsible to Tenant or to any other person for the nonobservance of the Rules and Regulations by another tenant or other person. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.
35. Furniture, significant freight and equipment shall be moved into or out of the building only with the Landlord's knowledge and consent, and subject to such reasonable limitations, techniques and timing, as may be designated by Landlord. Tenant shall be responsible for any damage to the Building arising from any such activity.
36. Tenant shall not employ any service or contractor for services or work to be performed in the Building, except as approved by Landlord.
37. Landlord reserves the right to close and lock the Building on Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 P.M. and 6:00 A.M. of the following day. If Tenant uses the Premises during such periods, Tenant shall be responsible for securely locking any doors it may have opened for entry.

Parking Rules and Regulations

1. The Parking Area shall be used only for parking of passenger vehicles.
2. The speed limit in the Parking Area shall be 5 miles per hour.
3. Parking shall be prohibited (a) in areas not striped for parking; (b) in aisles; (c) where "No Parking" signs are posted; (d) on ramps; (e) in cross-hatched areas; (f) in areas designated for parking by disabled persons, unless the parked vehicle is certified for parking in such areas by the appropriate governmental authorities; and (g) in such other areas as may be designated by Landlord.
4. Each person using the Parking Area shall do so at his or her own risk. Landlord shall have no responsibility whatsoever for loss or damage to vehicles, their contents, or any other property, or for injury or death to any person entering, exiting, or located at or in the Parking Area resulting from fire, theft, vandalism, malicious mischief, or any other cause.
5. Each space in the Parking Area shall be used only for the purpose of parking one vehicle. Washing, waxing, cleaning or servicing of any vehicle while parked in the Parking Area is prohibited.
6. The driver and owner of each vehicle using the Parking Area shall be jointly and severally liable to Landlord for the cost of repairing all damage to the Parking Area and Building caused by any such person's negligence or willful misconduct.
7. Tenant shall not litter the Parking Area or commit any nuisance or any other act that may disturb the quiet enjoyment of other users of the Parking Area.
8. Vehicles left in the Parking Area for more than one (1) day without prior authorization from Landlord may be towed away without notice and at the expense of the owner of such vehicle.
9. Any theft of or damage to a vehicle or its contents shall be reported to Landlord on the same day on which such theft or damage occurs.

Exhibit C

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LEASE

BETWEEN
CT 105
30980

REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA

AND

CITY OF LONG BEACH

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

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

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ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4864

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LEASE

THIS LEASE is entered, into as of June 17, 2008 between the REDEVELOPMENT AGENCY OF THE CITY OF LONG BEACH, CALIFORNIA ("Landlord"), and the CITY OF LONG BEACH ("Tenant"), whose address is 333 W. Ocean Boulevard, 13th Floor, Long Beach, California 90802, pursuant to a minute order of the City Council of the City of Long Beach adopted at its meeting of May 13, 2008, and approved by the Landlord's Board on February 4, 2008.

The parties agree as follows:

1. Leased Premises. Landlord hereby leases to Tenant and Tenant hereby accepts "as is" and leases from Landlord a portion of the second floor of the real property commonly known as 1900 Atlantic Avenue, Suite 200, Long Beach, California 90806 and consisting of approximately 5,878 rentable square feet which square footage shall be confirmed by the parties, shown on the Site Plan attached as Exhibit "A" ("Premises"). The Premises are located in the Renaissance Square Retail Center ("Building") and the Building together with appurtenant parking areas, driveways, landscaped areas and public art are the "Property. "

Tenant acknowledges it has not received and Landlord has not made any warranty, express or implied, or representation as to the condition of the Premises. Landlord shall have no liability to Tenant and Tenant shall have and make no claim against Landlord for any damage, injury, loss of use, or loss of business caused by the condition of the Premises.

2. Term

A. The term of this Lease shall commence upon execution of this Lease (the Commencement Date"), and shall end at midnight on November 13, 2013, unless sooner terminated as provided herein. Notwithstanding the above, either party may terminate this Lease sooner by giving the other party ninety (90) days prior written notice.

1 B. Tenant shall have an option to extend the term of this Lease
2 for two (2) separate, consecutive periods of five (5) years each. Tenant shall
3 exercise each option by giving to Landlord notice of same at least nine (9) months
4 prior to the expiration of the initial term and, if the first option has been exercised,
5 at least nine (9) months prior to the expiration of the first extended term. Tenant
6 shall have the right to exercise each option only if Tenant is not in default
7 hereunder at the time that Tenant gives said notice provided, however, Landlord
8 may cancel the exercise of Tenant's option (even after Tenant has exercised it) if
9 Tenant defaults prior to the commencement of an extended term.

10 3. Use.

11 A. As of the Commencement Date, Tenant shall use the
12 Premises solely for the purposes set forth in Exhibit "B" attached hereto.

13 B. Tenant shall not use or permit the use of the Premises for any
14 other purpose, without the prior written consent of Landlord. Tenant shall comply
15 with the "Rules and Regulations of the Building" attached hereto as Exhibit "C" and
16 incorporated herein by reference.

17 C. Tenant shall not use the Premises nor conduct any activity
18 thereon in any manner that creates a nuisance, unreasonable annoyance, or
19 waste. Tenant shall not make or permit any noise or odors that constitute a
20 nuisance within the meaning of California Civil Code Section 3479 or California
21 Penal Code Section 370, or their successors.

22 D. Prior to the Commencement Date and throughout the term,
23 Tenant shall obtain and maintain all licenses and permits required by any federal,
24 state, county, or local government or agency for the uses permitted hereunder and
25 for accreditation by all operations on the Premises. Tenant shall use the Premises
26 and operate and manage all facilities thereon in compliance with all laws,
27 ordinances, rules, and regulations by agencies having jurisdiction over the
28 Premises, the facilities and operations thereon (including but not limited to those

1 relating to earthquake retrofits).

2 E. Tenant understands and agrees that this Lease covers only
3 the surface of the Premises and only so much of the subsurface as is reasonably
4 necessary for Tenant's use of the Premises as permitted hereunder.

5 F. Tenant shall continuously use the Premises for the use
6 specified herein during regular business hours and on regular business days
7 except for conditions beyond Tenant's control. If the Premises are partially
8 destroyed or damaged and the Lease remains in effect, then Tenant shall continue
9 the operation of its business during any reconstruction to the extent reasonably
10 practical in the exercise of Tenant's good business judgment.

11 G. If Tenant performs the terms, covenants, and conditions of
12 this Lease, then Tenant shall peaceably and quietly hold and enjoy the Premises.

13 4. Rent.

14 A. Tenant shall pay to Landlord as base rent the sum of One
15 Dollar (\$1.00) per year, payable in advance for the full term on execution of this
16 Lease, without setoff, deduction, demand, or notice. As other consideration for the
17 use of the Premises, Tenant is providing valuable community services to this
18 neighborhood.

19 B. If Tenant exercises its option to extend the term of this Lease,
20 then base rent may be increased to fair market rent at the beginning of each
21 extended term, at the option of Landlord. Fair market rent shall be determined as
22 follows:

23 i. Promptly upon receipt of Tenant's notice to exercise its
24 option to extend, Landlord shall meet with Tenant to negotiate in good faith
25 the fair market rent. If the parties have not agreed on fair market rent at
26 least ninety (90) days prior to the Anniversary Date, then they shall attempt
27 in good faith to name an appraiser not later than seventy-five (75) days
28 prior to the Anniversary Date; if they are unable to agree on an appraiser

1 within 10 days, then they shall each appoint an appraiser not later than
2 sixty-five (65) days prior to the Anniversary Date. Within ten (10) days after
3 the last of the 2 appraisers is appointed, the two appointed appraisers shall
4 appoint a third appraiser ("Third Appraiser"). If either Landlord or Tenant
5 fails to appoint its appraiser within the prescribed time period, then the
6 single appraiser ("Single Appraiser") appointed by either of them, if any,
7 within the prescribed time period shall determine the fair market rent. Each
8 party shall bear the cost of its own appraiser and the parties shall share
9 equally the cost of the Single Appraiser or the Third Appraiser, whichever is
10 applicable. Such appraiser(s) shall work in the Long Beach area and shall
11 be members of professional organizations such as MAI, American Institute
12 of Real Estate Appraisers or the Society of Real Estate Appraisers, or
13 equivalent, and shall have been in the active practice of the profession of
14 real estate appraisal for at least ten (10) years.

15 ii. Fair market rent shall mean the price that a ready and
16 willing tenant would pay as of the closest Anniversary Date as monthly rent
17 to a ready and willing landlord of premises comparable to the Premises,
18 including all of its components and improvements, its size, location, and
19 other features, if such premises were exposed for lease on the open market
20 for a reasonable amount of time.

21 iii. The appraiser(s) shall determine the fair market rent no
22 later than thirty (30) days prior to the Anniversary Date and shall notify both
23 parties in writing of the determination of fair market rent. This Lease shall
24 be amended to state the fair market rent for the extended term.

25 5. Common Areas.

26 A. Landlord agrees to operate and maintain the Common Areas
27 (defined below), and the manner in which Landlord operates and maintains the
28 Common Areas shall be in its sole discretion. Common Areas include, by way of

1 example but not limitation, parking areas; driveways; loading areas; sidewalks;
2 landscaping and hardscape; restrooms not located within the premises of any
3 tenant; foundations; roofing; exterior walls; exterior lighting; exterior doors and
4 windows that are not part of the premises of any tenant; the plumbing system,
5 electrical system, gas service system and water and sewer system serving the
6 Property; the heating, ventilating and air-conditioning system installed by Landlord;
7 and other similar areas provided for the nonexclusive general use and
8 convenience of all tenants, their employees and invitees and shall not include any
9 premises leased to any tenant. Landlord may make changes at any time in the
10 size, shape, location, number and extent of the Common Areas and no such
11 change shall entitle Tenant to any abatement of rent.

12 B. Tenant is entitled to the use of the Common Areas in common
13 with Landlord and all others for whose convenience and use the Common Areas
14 are or may hereafter be provided subject to such rules and regulations as Landlord
15 may, from time to time, prescribe. Tenant shall keep the Common Areas free and
16 clear of obstructions. Landlord may temporarily close part or all of the Common
17 Areas for repairs, alterations or other reason deemed reasonable by Landlord.

18 C. Tenant shall pay to Landlord as additional rent Tenant's
19 proportionate share of all costs and expenses ("Operating Expenses", more fully
20 defined below) incurred by Landlord in the operation and maintenance of the
21 Property, including Common Areas. Tenant's proportionate share is 52%.

22 At any time during the first Lease year Landlord shall deliver to
23 Tenant an estimate of Tenant's proportionate share of Operating Expenses for a
24 twelve-month period and Tenant shall pay to Landlord, within ten (10) days after
25 receipt of such estimate, the amount stated in the estimate for the portion of the
26 first Lease year which has then expired. Thereafter, Tenant's proportionate share
27 of the estimate shall be divided into twelve (12) approximately equal monthly
28 installments and Tenant shall pay to Landlord, without setoff, deduction, notice or

1 demand, on the first day of each month one installment of Tenant's proportionate
2 share of Operating Expenses until the next estimate is delivered to Tenant. At the
3 end of each succeeding Lease year, Landlord shall deliver to Tenant a statement
4 ("Actual Statement") which states the actual Operating Expenses for the preceding
5 Lease year. If Tenant paid less than the actual amount due as its proportionate
6 share, then Tenant shall pay the difference within ten (10) days following Tenant's
7 receipt of the Actual Statement. If Tenant paid more than the actual amount due
8 as its proportionate share, then Landlord shall credit the difference against future
9 installments of Tenant's proportionate share of Operating Expenses subsequently
10 due to Landlord until the difference is zero.

11 Nothing herein shall limit Landlord's right from time to time to revise
12 its estimate and to submit a revised statement to Tenant for payment, which
13 Tenant shall pay within ten (10) days after receipt of the revised statement.

14 D. Operating Expenses means all costs and expenses that
15 Landlord incurs in connection with the ownership, operation and maintenance of
16 the Property, regardless of whether incurred by Landlord directly in the
17 performance of the work itself or paid by Landlord to contractors, and determined
18 in accordance with generally accepted accounting principles, including by way of
19 example but not limitation: (i) compensation paid to others for services necessary
20 for the operation, management, maintenance and security for the Property; (ii)
21 supplies and materials used in the operation and maintenance of the Property; (iii)
22 insurance expenses; (iv) costs for improvements to the Property, although capital
23 in nature, to the extent that they reduce the normal operating costs of the Property,
24 as well as capital improvements made in order to comply with any law or
25 regulation imposed after the execution of this Lease by any governmental
26 authority, amortized over the useful economic life of such improvement as
27 determined by Landlord in its reasonable discretion; (v) costs of all utilities for the
28 Common Areas including but not limited to electricity, gas, water, sewer, refuse

1 and recycling, and for utilities provided to the Premises which are not separately
2 metered; (vi) any additional services provided to Tenant by Landlord at the request
3 of Tenant; and (vii) taxes and assessments, excluding taxes based on Landlord's
4 income.

5 6. Insurance.

6 A. Concurrent with the Commencement Date of this Lease and
7 throughout the original and any extended term, Tenant shall procure and maintain,
8 at its cost, either from self insurance or from insurance companies admitted to
9 write insurance in the State of California or from nonadmitted insurers that are on
10 California's List of Eligible Surplus Lines Insurers ("LESLI") and that have a
11 minimum rating of or equivalent to A:VII by A.M. Best Company:

12 i. Commercial general liability insurance or self
13 insurance, equivalent in coverage scope to Insurance Services Office, Inc.
14 (ISO) form CG 00 01 11 85 or 10 93, in an amount not less than One Million
15 Dollars (\$1,000,000) per occurrence and general aggregate. Such
16 insurance shall include (as may be applicable to Tenant's operations)
17 products and completed operations, and fire legal liability, and shall not limit
18 or exclude coverage for contractual liability, independent contractors
19 liability, or cross liability protection. This insurance shall be endorsed to
20 include Landlord, its officials, employees and agents as additional insureds
21 by an endorsement equivalent in coverage scope to ISO form CG 20 26 11
22 85 and to waive the insurers' rights of subrogation against Landlord, its
23 officials, employees and agents.

24 ii. Workers' compensation insurance or self insurance, as
25 required by the State of California and employer's liability insurance with
26 minimum limits of One Million Dollars (\$1,000,000) per accident. The policy
27 shall be endorsed by the insurer to waive the insurer's rights of subrogation
28 against Landlord, its officials, employees and agents.

1 iii. Automobile liability insurance or self insurance,
2 equivalent in coverage scope to ISO form CA 00 01 06 92 in an amount not
3 less than Five Hundred Thousand Dollars (\$500,000) combined single limit
4 per accident for bodily injury and property damage covering Auto Symbol 1
5 ("Any Auto").

6 iv. "All Risk" property insurance, including debris removal
7 but excluding earthquake and flood, in an amount to cover the full
8 replacement value of the Premises. Under this coverage, Landlord shall be
9 an additional insured and loss payee as its interests may appear.

10 v. "All Risk" property insurance, including debris removal
11 and builders risk coverage during the course of any construction on the
12 Premises but excluding earthquake and flood, in an amount sufficient to
13 cover the full replacement value of buildings and structural improvements
14 constructed or erected on or about the Premises by Tenant. Landlord shall
15 be named as an additional insured.

16 vi. "All Risk" property insurance, excluding earthquake
17 and flood, in an amount sufficient to cover the full replacement value of
18 Tenant's personal property and equipment on the Premises, whether
19 owned, leased, or in the care, custody or control of Tenant, and of
20 Landlord's personal property and equipment on the Premises including but
21 not limited to furnishings and equipment. Landlord shall be named as an
22 additional insured as its interests may appear.

23 B. Tenant shall endeavor to procure and maintain or cause to be
24 procured and maintained the insurance required in sub-Section 8(A) above by
25 Tenant's on-site contractors, as may be applicable to their operations, subject to
26 the following:

27 i. Tenant's contractors shall provide Commercial General
28 Liability insurance as required under sub-Section 8(A)(i) above in an

1 amount not less than One Million Dollars (\$1,000,000) per occurrence and
2 Two Million Dollars (\$2,000,000) general aggregate. This insurance shall
3 be endorsed to include Landlord, its officials, employees and agents as
4 additional insureds by an endorsement equivalent in scope to ISO form CG
5 20 26 11 85;

6 ii. If Tenant commences construction on the Premises,
7 then Landlord reserves the right to require additional coverages from
8 Tenant's contractors and subcontractors, including but not limited to
9 coverage for explosion, collapse, and underground ("XCU") hazards,
10 environmental impairment liability, design professionals' liability, and
11 construction management errors and omissions liability.

12 C. Tenant shall provide to Landlord all policy information
13 reasonably requested by Landlord and shall make available as soon as practicable
14 to Landlord during Tenant's normal business hours all books, records and other
15 information relating to insurance and shall provide copies of policies to Landlord
16 upon request.

17 D. On execution of this Lease or as otherwise stated herein,
18 Tenant shall deliver to Landlord certificates of insurance and endorsements
19 required herein, including the certificates and endorsements of Tenant's
20 contractors for approval as to sufficiency and form. The certificates and
21 endorsements for each insurance policy shall contain the original or electronic
22 signatures of persons authorized by that insurer to bind coverage on its behalf.
23 Tenant shall provide Landlord with certificates of insurance and endorsements for
24 renewal policies within thirty (30) days after the existing policy expires. Landlord
25 reserves the right to require complete certified copies of all policies at any time.

26 E. All insurance required herein shall be separately endorsed to
27 require at least thirty (30) days prior written notice of cancellation [or ten (10) days
28 prior written notice if cancellation is due to nonpayment of premiums], nonrenewal,

1 or reduction in coverage or limits (other than reduction of limits due to claims paid)
2 and to provide that coverage shall be primary and not contributing to any other
3 insurance or self-insurance maintained by Landlord, its officials, employees, and
4 agents.

5 F. Any self-insurance program shall protect Landlord, its officials,
6 employees and agents in the same manner and to the same extent as they would
7 have been protected had the policy or policies not contained such retention or
8 deductible provisions.

9 G. With respect to damage to property, Landlord and Tenant
10 hereby waive all rights of subrogation, one against the other, but only to the extent
11 that collectible commercial insurance is available for such damage.

12 H. Such insurance as required herein shall not be deemed to
13 limit Tenant's liability in any way under this Lease. The procuring or maintaining of
14 insurance shall not be construed as performance of the indemnity provisions of
15 this Lease. Landlord makes no representations that the limits or forms of
16 coverage of insurance specified herein are adequate to cover Tenant's liability or
17 obligations hereunder or otherwise.

18 I. Any modification or waiver of any insurance requirement shall
19 be made only with the written approval of Landlord's Risk Manager or designee.

20 7. Surrender of Premises. On the expiration or sooner termination of
21 this Lease, Tenant shall deliver to Landlord possession of the Premises in substantially
22 the same condition that existed immediately prior to the Commencement Date of this
23 Lease, reasonable wear and tear excepted. Tenant shall remove its equipment, supplies
24 and other items so as to leave the Premises in a condition which does not damage the
25 Premises and the improvements thereto in any way and Tenant shall repair the interior
26 and exterior walls to match the materials and finish on the surface of walls.

27 8. Assignment. Tenant shall not assign or transfer this Lease or any
28 interest herein or any right hereunder, nor delegate any duties hereunder provided

1 without the written consent of Landlord. Tenant shall not grant any franchise, easement,
2 right of way in, on, over, under or across the Premises; and Tenant shall not sublease the
3 Premises without the written consent of Landlord. Any attempted assignment, transfer,
4 delegation and any grant or sublease shall be void and any assignee, transferee,
5 delegate, grantee, or sublessee shall acquire no right or interest by reason of such
6 attempted assignment, transfer, delegation, grant, or sublease.

7 9. Default. The occurrence of any one or more of the following acts
8 shall constitute a default by Tenant:

9 a) Failure to obtain the licenses necessary to operate the
10 Premises;

11 b) Failure to provide on the Premises the services set forth in
12 Exhibit B;

13 c) Failure to pay rent when due if the failure continues after three
14 (3) days' notice;

15 d) Abandonment of the Premises, in whole or in part, provided
16 that failure to occupy or operate all or any part of the Premises for ten (10)
17 consecutive days shall be deemed an abandonment as to all or as to that part so
18 abandoned, except for temporary closures for specified dates with the prior
19 approval of Landlord. Temporary closures shall not relieve Tenant of Tenant's
20 duty to maintain the Premises at all times in accordance with the terms of this
21 Lease;

22 e) Any attempted assignment, transfer, or sublease;

23 f) Failure to maintain the insurance required herein or to cause
24 Tenant's contractors and subcontractors to maintain such insurance, subject to the
25 thirty-day cure period described in Sub-section "I" of this Section;

26 g) Failure to maintain or pay for all necessary licenses or permits
27 required by the City of Long Beach or required by any agency or accreditation
28 body having jurisdiction over the Premises and Tenant's operations thereon or

1 required by any federal, state or county regulatory agency;

2 (h) Failure to pay when due all fees and charges for any
3 municipal service or commodity provided by the City of Long Beach in its
4 municipal capacity, including but not limited to water, sewer, gas, electricity, refuse
5 collection, or recycling, subject to the thirty-day cure period described in Sub-
6 section "I" of this Section ;

7 (i) Failure to report or pay when due to the City of Long Beach in
8 its municipal or regulatory capacity all applicable sales taxes, transient occupancy
9 taxes, utility users taxes, or other excise taxes, if applicable;

10 (j) To the extent permitted by the United States Bankruptcy Code,
11 insolvency of Tenant, which shall be deemed to include an assignment by Tenant
12 for the benefit of creditors; the filing by Tenant of a voluntary petition in
13 bankruptcy; an adjudication that Tenant is bankrupt; the appointment of a receiver
14 of the properties of Tenant if the receiver is not discharged within fifteen (15) days;
15 the filing of an involuntary petition of bankruptcy and failure of Tenant to secure a
16 dismissal of the petition within thirty (30) days after filing; attachment of or the
17 levying of execution on the leasehold interest and failure of Tenant to secure
18 discharge of the attachment or release of the levy of execution within fifteen (15)
19 days. In the event of any of the foregoing, no notice that an event of default has
20 occurred shall be required from Landlord;

21 (k) Failure to comply with any applicable law, rule, ordinance, or
22 regulation;

23 (l) Any failure to perform any other term, covenant, or condition
24 of this Lease not specifically identified in this Section or in elsewhere in this Lease,
25 if said failure is not cured within thirty (30) days after Landlord gives notice to
26 Tenant of said failure. If the default cannot reasonably be cured in thirty (30) days,
27 then Tenant shall not be in default if Tenant begins to cure within said period and
28 diligently proceeds to cure to completion;

1 10. Remedies. Upon the occurrence of any default, in addition to any
2 other rights or remedies of Landlord hereunder, by law or in equity, Landlord shall have
3 the following rights and remedies:

4 (a) Landlord may terminate this Lease by giving to Tenant notice
5 of termination, and Tenant shall immediately surrender possession of the
6 Premises as described elsewhere herein, leaving them in good repair and
7 condition subject to reasonable wear and tear. Termination hereunder shall not
8 relieve Tenant from the payment of any sum due to Landlord or from any claim
9 that Landlord may have for damages or indemnity. Landlord shall be entitled to
10 recover from Tenant all damages incurred by Landlord including but not limited to
11 the cost of recovering possession, expenses related to repairs, and reasonable
12 attorney's fees;

13 (b) Landlord may continue the Lease in full force and effect and
14 enforce all of its rights and remedies hereunder;

15 (c) Landlord may convert this Lease to a year-to-year tenancy or
16 a month-to-month tenancy by notice to Tenant;

17 (d) Landlord may require that Tenant provide evidence that
18 Tenant can meet its current financial obligations, liabilities and expenses;

19 (e) Landlord, at its option, may re-let the whole or any part of the
20 Premises from time to time, either in the name of Landlord or otherwise, to such
21 tenants, for such terms ending before, on, or after the expiration of the term of this
22 Lease, at such rent and on such conditions as Landlord, in its sole discretion, may
23 determine to be appropriate. To the extent allowed by law, Landlord shall not be
24 liable for refusal to re-let or, in the event of re-letting, for failure to collect rent, and
25 no such failure shall operate to relieve Tenant of any liability under this Lease;

26 (f) Whether or not Landlord retakes possession or re-lets the
27 Premises, Landlord shall have the right to recover unpaid rent, unpaid additional
28 rent, and all other damages caused by Tenant's default. Damages shall include

1 but not be limited to all unpaid rent, all unpaid additional rent, all legal expenses
2 and related costs incurred by Landlord as a result of Tenant's default, all costs
3 incurred by Landlord in restoring the Premises to good order and condition, and
4 the value of Landlord's staff time expended as a result of the default.

5 (g) Nothing in this Lease shall be deemed to require that Landlord
6 wait until the date on which the Lease term expires to bring or maintain any suit or
7 action relating to this Lease.

8 (h) These remedies are not exclusive but cumulative to other
9 remedies provided by law in the event of Tenant's default and the exercise by
10 Landlord of one or more rights and remedies shall not preclude Landlord's
11 exercise of additional or different remedies for the same or any other default by
12 Tenant;

13 11. Notices. All notices required hereunder shall be in writing and
14 personally delivered or deposited in the U.S. Postal Service, first class, postage prepaid,
15 as follows:

16 To Tenant: City of Long Beach
17 333 West Ocean Boulevard
18 Long Beach, California 90802
19 Attention: Director, Community Development
20 Copy to: Manager, Property Services Bureau

21 To Landlord: Redevelopment Agency of the City of Long Beach
22 333 West Ocean Boulevard
23 Long Beach, CA 90802
24 Attn: Executive Director

25 Change of address shall be given in the same manner as stated for other
26 notices. Notice shall be deemed given on the date deposited in the mail or on the date
27 personal delivery is made, whichever first occurs.

28 12. Indemnification.

A. Tenant shall defend, indemnify, and hold harmless Landlord,
its officials, employees and agents (collectively in this Section "Landlord") from
and against any and all causes of actions, damage, proceedings, claims,

1 demands, loss, liens, costs and expenses alleging injury to or death of persons, or
2 damage to property, including property owned by City, or any other claim of
3 damage brought, made, filed against, imposed on or sustained by the indemnified
4 parties, or any of them, and arising from or attributable to or caused, directly or
5 indirectly (collectively or individually, a "claim"):

6 i. by the use of the Premises or any equipment or
7 materials located thereon, or from operations conducted thereon by Tenant,
8 its employees, invitees, agents, or by any person or persons acting on
9 behalf of Tenant and with Tenant's knowledge and consent, express or
10 implied;

11 ii. by reason of or arising out of the condition or state of
12 repair or maintenance of the Premises;

13 iii. by the construction, improvement or repair of the
14 improvements and facilities on the Premises by Tenant, its officers,
15 employees, contractors, agents or invitees, or by any person or persons
16 acting on behalf of Tenant and with Tenant's knowledge and consent,
17 express or implied; or

18 iv. by reason of injury to or death of employees of Tenant
19 or others as a result of Tenant's failure or refusal to comply with the
20 provisions of Section 6300 et seq. of the California Labor Code or any
21 federal, state or local regulations or laws pertaining to the safety of the
22 Premises or of equipment located upon the Premises; and

23 v. regardless of whether any act or omission of Landlord
24 contributed thereto, but excluding any claim caused by the sole negligence
25 of Landlord.

26 B. With respect to any claim, Landlord shall notify Tenant
27 thereof, shall tender to Tenant the defense thereof, and shall assist Tenant as may
28 reasonably be requested in the defense thereof. Tenant shall defend such claim,

1 shall conduct or have conducted the necessary investigations related thereto, and
2 Tenant shall indemnify Landlord, unless and until Tenant proves that the indemnity
3 does not apply. Payment of a claim by Landlord or entry of judgment shall not be a
4 condition precedent to recovery under this indemnity.

5 13. Landlord's Right to Re-enter on Termination or Expiration. Tenant
6 shall peaceably deliver possession of the Premises to Landlord on the date of expiration
7 or sooner termination of this Lease. On giving notice of termination to Tenant, Landlord
8 shall have the right to re-enter and take possession of the Premises on the date such
9 termination becomes effective without further notice of any kind and without instituting
10 summary or regular legal proceedings. Termination of the Lease and re-entry of the
11 Premises by Landlord shall in no way alter or diminish any obligation of Tenant under the
12 Lease. Tenant waives any and all right of redemption under any existing or future law or
13 statute in the event of eviction from or dispossession of the Premises for any reason or in
14 the event Landlord re-enters and takes possession of the Premises in a lawful manner.
15 Tenant agrees that if the manner or method used by Landlord in re-entering or taking
16 possession of the Premises give to Tenant a cause of action for damages or in forcible
17 entry and detainer, then the total amount of damages to which Tenant shall be entitled in
18 any such action shall be One Dollar. This Section may be filed in any such action and,
19 when filed, it shall be a stipulation by Tenant fixing the total damages to which Tenant is
20 entitled in such action.

21 14. Holding Over. If Tenant holds over and remains in possession of the
22 Premises after the expiration of the original term of this Lease, such holding over shall be
23 construed as a tenancy from month to month at the fair market rent at the option of
24 Landlord, as calculated pursuant to Section 4, but otherwise on the same terms,
25 covenants and conditions stated in this Lease. If Tenant exercises its option to extend
26 the term, then the amount of hold-over rent shall be recalculated at the expiration of each
27 extended term and shall be stated in the amendment to this Lease that extends the term.

28 15. Nondiscrimination. Subject to applicable laws, rules and regulations,

1 Tenant shall not discriminate against any person or group on account of
2 race, religion, national origin, color, age, sex, sexual orientation, AIDS, HIV status,
3 handicap, or disability in the use, operation or maintenance of the Premises or in the
4 employment of any individual.

5 16. Utilities. Tenant shall pay for all water, sewer, gas, electricity,
6 telephone, refuse, recycling, and other utilities to the Premises, together with the taxes
7 thereon. If any such utilities are not separately metered to Tenant, Tenant shall pay a
8 reasonable proportion to be determined by Landlord of all charges jointly metered with
9 other premises.

10 17. Waiver by Tenant. Landlord shall not be liable for and Tenant
11 hereby waives, to the extent permitted by law, all claims against Landlord, its officials,
12 employees and agents for loss, theft, and damage to equipment, furnishings, furniture,
13 trade and other fixtures, records, and all personal property of Tenant, its employees,
14 invitees, subtenants, and all other persons in or about the Premises, or for loss or
15 damage to Tenant's business, or for loss of income from Tenant's business or use of the
16 Premises, or for injury to or death of persons on or about the Premises from any cause
17 except to the extent caused by Landlord's negligence or willful misconduct.

18 Tenant acknowledges that it is familiar with California Civil Code Section
19 1542 which states: "A general release does not extend to claims which the creditor does
20 not know or suspect to exist in his favor at the time of executing the release, which if
21 known by him must have materially affected his settlement with the debtor." And, Tenant
22 hereby releases Landlord from any unknown claims and waives its rights under said
23 Section 1542.

24 18. Brokers. By signing this Lease, each party represents that it has had
25 no contacts or dealings regarding the execution of this Lease through a broker or agent
26 or any other person who can claim a right to a commission or fee.

27 19. Force Majeure. Except as to the payment of rent, in any case where
28 either party is required to do any act, the inability of that party to perform or delay in

1 performance of that act caused by or resulting from fire, flood, earthquake, explosion,
2 acts of God, war, strikes, lockouts, or any other cause beyond the reasonable control of
3 that party and not due to that party's fault or neglect shall be excused and shall not be a
4 default hereunder. Financial inability to perform shall not be considered cause beyond
5 the reasonable control of the party.

6 20. Signs. Tenant shall not place, affix, maintain or permit any sign,
7 advertisement, name, insignia, logo, descriptive material, or similar item (collectively,
8 "sign") on the Premises without the prior written approval of Landlord's Executive Director
9 or designee and any other governmental agencies having jurisdiction over Tenant
10 provided, however, that Tenant may place an exterior sign on the Building after receiving
11 the required approvals. Any approved sign shall be installed and maintained by Tenant,
12 at its sole cost, in good condition. Any sign not approved by Landlord may be removed
13 by Landlord at Tenant's cost. The cost of removal shall be additional rent. Tenant shall
14 remove the exterior Building sign at the expiration or sooner termination of this Lease and
15 repair the exterior of the Building to its condition immediately preceding installation of
16 Tenant's exterior sign, at no cost to Landlord. No freestanding signs are or will be
17 permitted on the Property.

18 21. Americans with Disabilities Act. Except as to tenant improvements
19 made by Landlord, Tenant shall have and be allocated the sole responsibility to comply
20 with the Americans with Disabilities Act of 1990 ("ADA"), as and when amended, with
21 respect to the Premises and Tenant's use of and operation on the Premises. Tenant shall
22 defend, indemnify and hold Landlord harmless from and against all claims of any failure
23 to comply or violation of ADA except those attributable to tenant improvements made by
24 Landlord.

25 22. No Waiver of Landlord's Rights. The failure or delay of the Landlord
26 to re-enter the Premises, to insist on strict enforcement of any term, covenant or
27 condition herein, to exercise any right, power, privilege, or option arising from any default
28 shall not impair any such right, power, privilege or option or be construed or operate as or

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Long Beach, CA 90802-4664

1 be deemed a waiver of any term, covenant or condition of this Lease, of any default, or of
2 any right or remedy (including indemnity) that the Landlord may have and shall not be
3 deemed a waiver of any subsequent or other default of any term, covenant or condition
4 hereof. Landlord's approval to any act by Tenant requiring Landlord's approval shall not
5 be deemed to waive Landlord's approval of any subsequent act of Tenant where
6 approval is required. The receipt and acceptance by Landlord of rent, delinquent or
7 timely, shall not constitute a waiver of any default.

8 Any waiver of any default by Landlord shall be in writing.

9 Failure on the part of Landlord to require exact and complete compliance
10 hereof shall not be construed or deemed in any manner as changing this Lease, nor shall
11 the conduct of the parties be deemed to change this Lease. No right, power, privilege,
12 option, or remedy of Landlord shall be construed as being exhausted by the exercise
13 thereof in one or more instances.

14 23. Access and Right of Entry. Landlord shall have access and the right
15 to enter the Premises at all times, 24 hours a day, 7 days a week provided that Landlord
16 gives to Tenant at least twenty-four (24) hours prior notification.

17 Landlord shall be permitted to enter as described herein without any liability
18 to Tenant for any temporary loss of quiet enjoyment, inconvenience, loss of business, or
19 other damage arising from Landlord's entry. Tenant shall not be entitled to an abatement
20 or reduction in rent if Landlord exercises its right of access or entry hereunder.

21 24. Maintenance.

22 A. Landlord shall have no responsibility for the repair or
23 maintenance of the Premises or any part thereof after the Commencement Date.
24 Tenant shall at Tenant's sole cost maintain the Premises, including but not limited
25 to the alarm system, any store front, all doors, window casements, glazing,
26 plumbing, wiring, fixtures and conduit, and all other improvements and equipment,
27 in good repair, in a clean, sanitary, and safe operating condition and in compliance
28 with applicable laws, rules, regulations, permit and licenses. "Maintenance" shall

1 include repair and shall be done promptly upon the discovery of the need for
2 maintenance. "Repair" shall mean all replacements, removals, alterations,
3 additions and improvements to the Premises. Maintenance shall be equal to or
4 better in value, quality and use than what existed prior to the need for
5 maintenance. Tenant shall provide, at its sole expense, routine janitorial service to
6 the Premises and the cleaning of interior and exterior surfaces of windows of the
7 Premises and the routine sweeping and cleaning of sidewalks adjacent to the
8 Premises.

9 B. Tenant hereby waives to the extent permitted by law any right
10 to make repairs at the expense of Landlord or to vacate the Premises in lieu
11 thereof as may be provided by law.

12 C. If Tenant fails to maintain the Premises, Landlord may notify
13 Tenant of such failure. If Tenant fails to correct the situation within thirty (30) days
14 thereafter or such longer period as may be established by Landlord, then Landlord
15 may make the necessary correction and the cost thereof, including but not limited
16 to the cost of labor, materials, equipment and administration, shall be paid by
17 Tenant as additional rent within ten (10) days after receipt of a statement of said
18 additional rent from Landlord.

19 D. Subject to Tenant's reimbursement for Tenant's proportionate
20 share of the costs incurred by Landlord in the operation, management,
21 maintenance, repair and ownership of the Property, Landlord shall maintain and
22 repair the Property including but not limited to the Property's electrical, plumbing,
23 HVAC system, parking lot, sidewalks, fencing, exterior walls, and exterior
24 windows, keep Property and its common areas in a neat, clean, sanitary condition,
25 properly lighted, with appropriate landscaping.

26 25. Failure to Repair. If Tenant fails to perform maintenance or repair
27 within thirty (30) days after receipt of notice from Landlord to do so, Landlord may, but
28 shall not be obligated to, make such repairs or perform such maintenance and repairs.

1 Tenant shall reimburse Landlord for the cost thereof within thirty (30) days after receipt of
2 Landlord's invoice therefor as additional rent. Landlord's cost shall include, but not be
3 limited to, the cost of maintenance or repair or replacement of property neglected,
4 damaged or destroyed, including direct and allocated post of maintenance or repair or
5 replacement of property neglected, damaged or destroyed, including direct and allocated
6 costs for labor, materials, supervision, supplies, tools, taxes, transportation,
7 administrative and general expense and other indirect or overhead expenses. The
8 performance or maintenance by Landlord, which maintenance is contractually the
9 responsibility of Tenant, shall in no event be construed as a waiver of Tenant's duty or
10 obligation to perform maintenance as provided in this Lease in the future.

11 26. Restoration. Tenant shall promptly give notice to Landlord of
12 damage or destruction to the Premises and the date of same. Tenant shall promptly
13 make proof of loss and proceed to collect all valid claims that Tenant may have against
14 insurers or others based on such damage or destruction. All amounts recovered as a
15 result of said claims shall be used first for the restoration of the Premises, which Tenant
16 shall promptly begin and diligently pursue so that the Premises are restored to
17 substantially the same conditions as they were in immediately before such damage or
18 destruction. If existing laws do not permit restoration, then Tenant may terminate this
19 Lease by notice to Landlord.

20 If the repair, reconstruction or restoration requires longer than one hundred
21 twenty (120) days or if the insurance proceeds will not be sufficient to cover the cost of
22 repair, reconstruction or restoration, then Landlord may elect to repair, reconstruct or
23 restore and the Lease shall continue in full force and effect. If Landlord elects to repair,
24 reconstruct or restore, then Landlord shall not be required to expend sums therefor in
25 excess of insurance proceeds received by Landlord by reason of the casualty. If
26 Landlord repairs, reconstructs or restores, then Tenant shall not receive a rebate or
27 repayment of any rent and Tenant shall not be entitled to any compensation or damages
28 for loss in the use of the whole or any part of the Premises and any inconvenience or

1 annoyance occasioned by such damage, repair, reconstruction or restoration.

2 27. Parking. No specific parking spaces are assigned to or reserved to
3 Tenant or its patrons and invitees. However, Tenant shall have shared use of all thirty-
4 eight (38) parking spaces associated with the Building, at no charge.

5 28. Abandoned Property. If Tenant abandons the Premises or is
6 dispossessed by process of law or otherwise or if the property is not removed as required
7 by Section 33 above, then title to such property left on the Premises forty-five (45) days
8 after such abandonment or dispossession shall be deemed to have been transferred to
9 Landlord. Landlord shall have the right to remove, store and dispose of said property
10 without liability therefor to Tenant or to any person claiming under Tenant, and shall have
11 no duty to account therefor. Tenant hereby designates Landlord's Executive Director as
12 Tenant's attorney in fact to execute and deliver such documents as may be reasonably
13 required to dispose of such abandoned property and transfer title thereto. Tenant shall
14 pay the cost of removal, storage, sale or destruction as additional rent. Tenant hereby
15 agrees to and shall defend, indemnify and hold Landlord, its officials and employees
16 harmless from and against all claims, demands, damage, loss, liability, causes of action,
17 costs and expenses arising from or attributable to Landlord's removal, storage and
18 disposal of such property that is not owned by Tenant.

19 29. Hazardous Materials. Tenant shall conduct all aspects of its
20 operation and use of the Premises in strict accordance with all federal and state laws,
21 rules and regulations relating to any hazardous material as defined by state and federal
22 laws.

23 30. Miscellaneous.

24 A. Each party shall bear its own costs and expenses in
25 connection with this Lease and enforcement thereof, including but not limited to
26 attorney's fees and court costs.

27 B. This Lease shall be binding on and inure to the benefit of the
28 parties and their successors, heirs, personal representatives, and subtenants, and

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333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4864

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all of the parties shall be jointly and severally liable hereunder.

C. This Lease constitutes the entire understanding between the parties and supersedes all prior negotiations, agreements and understandings, oral or written, with respect to the subject matter hereof.

D. This Lease may not be amended except in a writing duly executed by both parties and authorized by Landlord's Board and Tenant's City Council (including an extension of term).

E. This Lease shall be governed by and construed under the laws of the state of California, and no choice of laws or principles thereof shall apply.

F. The captions and numbers herein and the grouping of the provisions of this Lease into separate sections and paragraphs are for the purpose of convenience only and shall not be considered a part hereof, and shall have no effect on the interpretation of this Lease.

G. If any term, covenant, or condition of this Lease is found to be invalid, ineffective, void, or unenforceable for any reason by a court of competent jurisdiction, the remaining terms, covenants and conditions shall remain in full force and effect.

H. Time is of the essence in this Lease and all of its provisions. No notice to Tenant shall be required to restore "time is of the essence" after waiver by Landlord of any default.

I. This Lease shall not be recorded.

J. The relationship of the parties hereto is that of landlord and tenant, and the parties agree that nothing contained in this Lease shall be deemed or construed as creating a partnership, joint venture, principal-agent relationship, association, or employer-employee relationship between them or between Landlord or any third person or entity.

K. This Lease is created as a joint effort between the parties and

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

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fully negotiated as to its terms covenants and conditions. This Lease shall not be construed against either party as the drafter.

L. Each provision of this Lease shall be deemed both a covenant and a condition.

M. This Lease is created for the benefit of the parties only and is not intended to benefit any third person or entity.

N. If Tenant is a corporation, each person signing this Lease on behalf of that corporation represents and warrants that he/she is authorized to sign this Lease on behalf of the corporation.

O. Where consent or approval is required from either Tenant or Landlord by the provisions of this Lease, the giving of consent or approval shall not be unreasonably withheld or delayed by the party from whom consent or approval is required.

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.

CITY OF LONG BEACH

Dated: July 8, 2007

By: [Signature] Assistant City Manager

Name: Patrick H. West
Title: City Manager

"Tenant"

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

REDEVELOPMENT AGENCY OF THE CITY
OF LONG BEACH, CALIFORNIA

Dated: 6/17, 2007

By: [Signature]

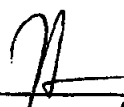
Name: _____
Title: _____

"Landlord"

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This Lease is approved as to form on 6/3, 2007⁸.

ROBERT E. SHANNON, City Attorney

By 
Assistant

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HAMR
10/8/07; rev. 10/18/07
#07-04564