

## Appendix I – Legal Interest

**CITIES, COUNTY, SCHOOLS AND ALL OTHER TAXING AGENCIES IN LOS ANGELES COUNTY  
SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2008 TO JUNE 30, 2009  
MARK J. SALADINO, TREASURER AND TAX COLLECTOR  
FOR ASSISTANCE CALL 1 (213) 974-2111 OR 1 (888) 807-2111, ON THE WEB AT [www.lacountypropertytax.com](http://www.lacountypropertytax.com)**

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CK

08 000 12

ALAMITOS BAY PARTNERSHIP  
2200 W VALLEY BLVD  
ALHAMBRA CA 91803-1928

AGENCY	AGENCY PHONE NO.	RATE	AMOUNT
<b>GENERAL TAX LEVY</b>			
ALL AGENCIES		1.000000 \$	1,345.28
<b>VOTED INDEBTEDNESS</b>			
METRO WATER DIST		.004300 \$	5.78
COMMUNITY COLLEGE		.021805	29.34
UNIFIED SCHOOLS		.032205	43.33
<b>DIRECT ASSESSMENTS</b>			
WWD STANDBY #0	(866) 807-6864	\$	38.18
FLOOD CONTROL	(626) 458-5165		931.63
SAN DIST #3	(562) 908-4288		122.00
COUNTY PARK DIST	(213) 738-2983		185.25
TRAUMA/EMERG SRV	(866) 587-2862		26.85

### ADDITIONAL INFORMATION

5 Cervatos Bahia Maria

OCT 1 6 2008

Atmembra, CA

## ACCT. NO.: 1212 PRINT NO.: 1730 BILL ID.:

TOTAL TAXES DUE	\$2,727.74
FIRST INSTALLMENT TAXES DUE NOV. 1, 2008	\$1,363.88
SECOND INSTALLMENT TAXES DUE FEB. 1, 2009	\$1,363.86

ROLL YEAR 08-09	CURRENT ASSESSED VALUE	TAXABLE VALUE
LAND	100,782	100,782
IMPROVEMENTS	33,756	33,756

TOTAL	134,538
LESS EXEMPTION:	
NET TAXABLE VALUE	134,538

**THERE WILL BE A \$50.00 CHARGE FOR ANY CHECK RETURNED BY THE BANK.  
KEEP THIS UPPER PORTION FOR YOUR RECORDS. YOUR CANCELLED CHECK IS YOUR RECEIPT**

STACH AND MAIL THIS STUB WITH YOUR 2<sup>ND</sup> INSTALLMENT PAYMENT  
 ) NOT INCLUDE NOTES WITH YOUR PAYMENT  
 ) NOT STAPLE, TAPE OR CLIP PAYMENT STUB OR CHECK

# ANNUAL

2018

ALAMITOS BAY PARTNERSHIP  
2200 W VALLEY BLVD  
ALHAMBRA CA 91803-1928

PK

7237 022 011 03 000 12

2ND INSTALLMENT DUE

INDICATE AMOUNT PAID

**IF MAILING ADDRESS CHANGE  
PLEASE MARK BOX BELOW AND  
COMPLETE FORM ON REVERSE SIDE  
OF THIS PAYMENT COUPON.**

**PAYMENT DUE 02/01/00** \_\_\_\_\_  
**IF NOT RECEIVED OR POSTMARKED BY 04/10/09**  
**REMIT AMOUNT OF \$1,510.24**

**MAKE CHECKS PAYABLE TO:**  
Please write the ASSESSOR'S ID. NO.  
on the lower left corner of your check.

LOS ANGELES COUNTY TAX COLLECTOR  
P.O. BOX 54512  
LOS ANGELES, CA 90054-0012

52129

09506000272370220110000136386000015102412920410

2008

## ANNUAL PROPERTY TAX BILL

2008

CITIES, COUNTY, SCHOOLS AND ALL OTHER TAXING AGENCIES IN LOS ANGELES COUNTY  
SECURED PROPERTY TAX FOR FISCAL YEAR JULY 1, 2008 TO JUNE 30, 2009

MARK J. SALADINO, TREASURER AND TAX COLLECTOR

FOR ASSISTANCE CALL 1 (213) 974-2111 OR 1 (888) 807-2111, ON THE WEB AT [www.lacountypropertytax.com](http://www.lacountypropertytax.com)

ASSESSOR'S ID. NO.

CK

## DETAIL OF TAXES DUE FOR

7237 022 016 08 000 62

## PROPERTY IDENTIFICATION

ASSESSOR'S ID. NO.: 7237 022 016 08 000  
NUMBER OF RECORD AS OF JANUARY 1, 2008  
MEASUREMENT AS BELOW  
LEGAL ADDRESS

ALAMITOS BAY PARTNERSHIP  
2200 W VALLEY BLVD  
ALHAMBRA CA 91803-1928

AGENCY	AGENCY PHONE NO.	RATE	AMOUNT
GENERAL TAX LEVY			
ALL AGENCIES		1.000000 \$	10,674.83
VOTED INDEBTEDNESS			
METRO WATER DIST		.004300 \$	46.76
COMMUNITY COLLEGE		.021805	237.14
UNIFIED SCHOOLS		.032205	350.22
DIRECT ASSESSMENTS			
MWD STANDBY #8	(866) 807-6864	\$	63.22
FLOOD CONTROL	(626) 458-5165		2,818.84
SAN DIST #3	(562) 908-4288		250.10
COUNTY PARK DIST	(213) 798-2983		924.15
TRAUMA/EMERG SRV	(866) 567-2862		165.68

## ELECTRONIC FUND TRANSFER (EFT) NUMBER

#1: 19 7237 022 016 5 YEAR: 08 SEQUENCE: 000 2  
#2: 651200

American Express, Mastercard and Visa payments call 1 (888) 473-0835  
have available the EFT number listed above. Service fees will be charged.  
ADDITIONAL INFORMATION

Cerritos Bahia Marina



PROPERTY LOCATION AND/OR PROPERTY DESCRIPTION  
R=1779 FOR DESC SEE ASSESSOR'S MAPS  
OR OF LOTS 3 AND 4

## TOTAL TAXES DUE

\$15,730.94

FIRST INSTALLMENT TAXES DUE NOV. 1, 2008

\$7,865.48

SECOND INSTALLMENT TAXES DUE FEB. 1, 2009

\$7,865.46

## VALUATION INFORMATION

ROLL YEAR 08-09	CURRENT ASSESSED VALUE	TAXABLE VALUE
LAND	886,172	886,172
IMPROVEMENTS	201,311	201,311

ASSESSOR'S REGIONAL OFFICE  
REGION #26 INDEX:  
SOUTH DISTRICT OFFICE  
401 E WILLOW STREET  
SIGNAL HILL CA 90755  
562)256-1701

TRA:05500

CCT. NO.: 1212 PRINT NO.: 1792 BILL ID.:

TOTAL  
LESS EXEMPTION: 1,087,483  
NET TAXABLE VALUE 1,087,483

THERE WILL BE A \$50.00 CHARGE FOR ANY CHECK RETURNED BY THE BANK.  
KEEP THIS UPPER PORTION FOR YOUR RECORDS. YOUR CANCELLED CHECK IS YOUR RECEIPT.

TACH AND MAIL THIS STUB WITH YOUR 2ND INSTALLMENT PAYMENT  
NOT INCLUDE NOTES WITH YOUR PAYMENT  
NOT STAPLE, TAPE OR CLIP PAYMENT STUB OR CHECK

ANNUAL

2008

IF MAILING ADDRESS CHANGE  
PLEASE MARK BOX BELOW AND  
COMPLETE FORM ON REVERSE SIDE  
THIS PAYMENT COUPON.

ALAMITOS BAY PARTNERSHIP  
2200 W VALLEY BLVD  
ALHAMBRA CA 91803-1928

ASSESSOR'S ID. NO.

CK

PK

7237 022 016 08 000 62

2

2ND INSTALLMENT DUE

INDICATE AMOUNT PAID

PAYMENT DUE 02/01/09

\$7,865.46

IF NOT RECEIVED OR POSTMARKED BY 04/10/09  
REMIT AMOUNT OF \$8,662.00

MAKE CHECKS PAYABLE TO:  
Please write the ASSESSOR'S ID. NO.  
on the lower left corner of your check.

LOS ANGELES COUNTY TAX COLLECTOR  
P.O. BOX 54018  
LOS ANGELES, CA 90054-0018

52618

09508000272370220160000786546000086620061820410

2ND

When record mail to:  
Title Insurance & Trust Co.  
6300 Wilshire Boulevard  
Los Angeles, CA 90048  
Attention: Robert P. Skene

01-070002

FREE

LEASE

15543

OFFICIAL BUSINESS  
Document Entitled to Free Recording  
Gov. Code Sec. 6103

The following lease is made and entered into, in duplicate, as of the 28<sup>th</sup> day of April, 1981 pursuant to Resolution No. C-22488 of the City Council dated May 2, 1978, a certified copy of which is recorded concurrently herewith, for the considerations set forth in Alamitos Bay Boundary Settlement and Exchange No. 8 dated June 19, 1979, authorized by Act of the Legislature dated July 17, 1965 (Statutes of 1965, Chapter 1688), a copy of which Agreement was recorded June 2, 1980 as Instrument No. 80-537485, Official Records, in the Office of the County Recorder of Los Angeles County, California, and pursuant to the terms and provisions of said Act and Agreement, by and between CITY OF LONG BEACH, a municipal corporation, hereafter referred to as "Lessor" or "City", and SAN GABRIEL RIVER IMPROVEMENT COMPANY, a California corporation, with its place of business at 555 East Ocean Boulevard, Suite 716, Long Beach, California 90802, hereinafter referred to as "Lessee" or "San Gabriel."

This Lease is made with reference to the following facts:

A. Lessor and Lessee are Parties to Alamitos Bay Boundary Settlement and Exchange No. 8 (hereinafter referred to as "Agreement No. 8") wherein Lessor and Lessee have agreed that Lessor, as Trustee, by virtue of Statutory Tideland Grants contained in Chapter 102, Statutes of 1925, and Chapter 158, Statutes of 1935, as subsequently amended and supplemented, is vested with all right, title and interest in the real property shown on "Exhibit A" to said Agreement No. 8 as Parcels 27, 29, 31, 32 and 34, which "Exhibit A" is by reference made a part hereof. Said Parcels 27, 29 and 31 shall be hereinafter referred to as the "leased premises."

Robert W. Parkin  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802  
Telephone 590-0061

RECORDED IN OFFICIAL RECORDS  
OF LOS ANGELES COUNTY, CA

JUN 16 1981 AT 8 A.M.

Robert W. Parkin  
City Attorney of Long Beach  
333 West Ocean Boulevard  
Long Beach, California 90802  
Telephone 590-6061

1 B. Whereas as part consideration for the execution of  
2 said Agreement No. 8 Lessor and Lessee have agreed that Lessor  
3 would lease to Lessee and Lessee would take from Lessor the leased  
4 premises upon the following terms and conditions.

5  
6 NOW, THEREFORE, in consideration of the faithful  
7 performance of the covenants and considerations hereinafter agreed  
8 to be kept by Lessor and Lessee, Lessor does hereby lease and  
9 Lessee does hereby take and accept said Parcels 27, 29 and 31,  
10 the "leased premises" above described.

11 \*

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31 \*

32 \*

1A

1           1. TERM. The term of the leasehold estate created here-  
2 under shall commence on the date the executed copies of this lease  
3 are delivered to the Parties hereto by the escrow officer in charge  
4 of the appropriate escrow into which said executed copies are  
5 deposited and shall continue therefrom to and including May 31, 202

6           2. PERMISES. Lessor leases to Lessee and Lessee hires  
7 from Lessor the leased premises situated in the City of Long Beach,  
8 California, shown on Exhibit "A" to said Agreement No. 8 as Parcels  
9 27, 29 and 31.

10          3. RENT. Lessee shall pay to Lessor as and for rent for  
11 the leased premises, commencing the first day of the month followin  
12 close of escrow of the Alamitos Bay Boundary Settlement and Exchang  
13 No. 8, an amount equal to thirty percent (30%) of the gross rents  
14 (as hereinafter defined) received by Lessee pursuant to that  
15 certain lease agreement entered into by San Gabriel (as lessor  
16 therein) and Bahia De Los Cerritos, Incorporated (as lessee  
17 therein), dated November 1, 1959, as amended various times to and  
18 including April 28, 1972, and as assigned on February 28, 1973  
19 by Bahia De Los Cerritos, Incorporated, to Cerritos Bahia Marina,  
20 a limited partnership, the leasehold area of which purported to  
21 encompass the lands that are the object of this lease from City  
22 to San Gabriel, together with other lands therein described.  
23 Lessee shall also pay to Lessor as and for rent for the leased  
24 premises an additional amount equal to thirty percent (30%)  
25 of the gross rents (as hereinafter defined) of the rent received  
26 by San Gabriel pursuant to any separate sublease or other document  
27 entered into by San Gabriel and Cerritos Bahia Marina (or its  
28 successor in interest to the lessee's position under said  
29 November 1, 1959 lease, as amended and assigned through February  
30 23, 1973), by which the lands herein leased by City to San Gabriel  
31 are made a part of, confirmed to or added to the lands now leased  
32 to Cerritos Bahia Marina by authority of said November 1, 1959 leas

1 as so amended and assigned. The lands leased by authority of  
2 said November 1, 1959 lease, as so amended and assigned, together  
3 with the lands that are the object of this lease, shall in the  
4 aggregate be referred to as the "Combined Lands." It is the  
5 intent of the above language that the rent to be paid by Lessee  
6 to Lessor shall be thirty percent (30%) of the total gross  
7 rents (as hereinafter defined) received by San Gabriel from  
8 said Combined Lands pursuant to the above described instruments.

9 4. GROSS RENTS. Gross Rents shall include the total  
10 of any or all minimum rent payments received by San Gabriel  
11 pursuant to the minimum rent schedule set forth in paragraph I  
12 of the November 1, 1959 lease, as amended, during any period  
13 when the rental due San Gabriel is computed pursuant to the terms  
14 of said paragraph I, rather than pursuant to the terms of  
15 paragraph II of said November 1, 1959 lease as amended.

16 For any period (hereinafter called "Percentage Rental  
17 Period") for which the rental due San Gabriel is computed pursuant  
18 to the rental provisions of paragraph II of said November 1, 1959  
19 lease, as amended, (describing rent computed as a percentage of  
20 the described yield of various specified activities within the  
21 November 1, 1959 lease area, as amended) Gross Rents pursuant  
22 to this lease shall include all income received by San Gabriel  
23 from the Combined Lands by reason of the following specified  
24 commercial activities:

- 25 1. Fees paid for dockage or slip rental.
- 26 2. Dock boxes.
- 27 3. Dinghy storage.
- 28 4. Boat slip user parking fees.
- 29 5. Marine gasoline sales.

30 Gross Rents during a Percentage Rental Period shall  
31 not include income received by San Gabriel pursuant to the  
32 November 1, 1959 lease, as amended, by reason of the following

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activities described in said November 1, 1959 lease and its amendments present or future:

1. Brokerage sales.
2. Marine insurance sales.
3. Motors, boats and yacht sales.
4. Used (trade-in) yacht and boat sales.
5. Marine hardware sale.
6. Shipyard haul-out and lay time charges.
7. Boat and motor repairman rental payments or boat and motor repair receipts.
8. Apartment unit rentals.
9. Building or ground rentals or rent on other structures built on any dry land portion of the November 1, 1959 lease area.
10. Other charges not related directly to the use of boat slips or boat slip parking and not listed on p. 3, par. 4 hereof.

It is noted that the payment of percentage rentals due for each month to San Gabriel under the terms of the November 1, 1959 lease fall due on the 25th day of the month succeeding the business activities on which said rent is computed, and that pursuant to paragraph III of said November 1, 1959 lease San Gabriel is to receive substantiating reports and documents, and is provided access to necessary books and records. Accordingly, rent due City under this lease shall be payable to City from San Gabriel within 5 days of receipt by San Gabriel of rent payments pursuant to the November 1, 1959 lease, as said lease may be amended and supplemented, but in any event, as and for at least partial payment to City of the City's share under this lease of rent due San Gabriel under the November 1, 1959 lease, San Gabriel shall on the 30th day of each such succeeding month pay to City an amount equal to thirty percent (30%) of the amount specified by the minimum rent schedule of the November 1, 1959 lease as amended, and any sublease entered into hereunder. The amount so received shall be a credit against the total rent due City

81- 596062



1 by reason of San Gabriel's subsequent receipt of percentage rents  
2 for a given month under the November 1, 1959 lease or any sublease  
3 entered into hereunder.

4 San Gabriel shall provide City with full reasonable  
5 access to all books, records and reports under its control or to  
6 which it has access, insofar as they relate to activities affecting  
7 the computation of rent due City hereunder. San Gabriel will  
8 promptly forward to City copies of all reports it receives from  
9 San Gabriel's Lessee or Sublessee pursuant to the November 1, 1959  
10 lease or any sublease entered into hereunder, insofar as those  
11 reports relate to the computation of rent to City under this lease.

12 San Gabriel agrees that it will exercise reasonable dilig  
13 and in a businesslike manner pursue collection when due of all rent  
14 due San Gabriel under the November 1, 1959 lease, as-amended, or an  
15 sublease entered into hereunder, as to all rents so due San Gabriel  
16 that would affect or relate to the payment of rent to City under  
17 this lease.

18 Lessee shall keep at its principal place of business full  
19 and accurate accounting records showing the gross rent received by  
20 Lessee from its tenant pursuant to the November 1, 1959 Lease.  
21 Lessor shall be entitled during the term of this Lease to examine  
22 and inspect all Lessee's accounting records and other pertinent  
23 data applicable to the gross rents received by Lessee from its  
24 tenant under the November 1, 1959 Lease.

25 5. USE. Lessee may use the leased premises for the  
26 construction, maintenance, replacement and use thereon of docks,  
27 boat slips and appurtenant facilities. Lessee and its authorized  
28 sublessee intend to rent said boat slips to marine craft owning  
29 members of the public. The leased premises and any improvements  
30 to be constructed thereon shall not be used for any purposes  
31 other than Those set forth and enumerated herein without the  
32 prior written approval of the City Manager.

1           6. UNLAWFUL USE. Lessee agrees no improvements shall  
2 be erected, placed upon, operated or maintained on the leased  
3 premises, nor shall business be conducted or carried on therein or  
4 thereon in violation of any regulation, order, law, statute, by-law  
5 or ordinance of any governmental agency having jurisdiction thereof

6           7. MAINTENANCE OF PREMISES. The Lessee at its sole  
7 cost and expense shall keep and maintain the docks, boat slips, and  
8 appurtenant facilities erected and maintained on the leased premise  
9 in good and substantial repair and condition and shall make and  
10 conduct all necessary maintenance, repairs and alterations thereto  
11 during the term of this Lease. Lessor shall not be required at any  
12 time to make any improvements or repairs whatsoever on or for the  
13 benefit of the leased premises or to dredge said premises. Dredging  
14 or filling operations incident to Lessee's use of said leased premi  
15 shall be accomplished at the sole expense of Lessee, and Lessee sha  
16 take all reasonable steps to maintain the navigable waters flowing  
17 upon and over said leased premises in a clean and sanitary conditio  
18 Lessee shall take all reasonable steps necessary to prohibit anyone  
19 within the leased area or upon the land adjacent thereto owned or  
20 leased by Lessee from depositing in the water of said leased premis  
21 any trash, garbage, offal or polluting substances.

22           8. REMOVAL OF IMPROVEMENTS. Upon the termination or at  
23 any time during the term of this Lease, Lessee shall have the right  
24 provided Lessee is not in default hereunder, to remove all improve-  
25 ments erected, installed or placed upon the leased premises by  
26 Lessee or Lessee's subtenants. All such removals shall be made  
27 by Lessee at Lessee's sole cost and expense, provided, however,  
28 that any such improvements which Lessee might desire not to  
29 remove may, with the written consent of the Lessor, be permitted  
30 to remain upon the leased premises, and shall become the property  
31 of Lessor without compensation being paid therefor, unless  
32 otherwise agreed to in writing by the Parties hereto.

- 2 -

1 Lessee agrees to restore the leased premises to their original con-  
2 dition after the removal of any improvements by Lessee. Lessee  
3 shall bear the entire cost and expense of such restoration after  
4 removal of any such improvements.

5 9. TAXES AND ASSESSMENTS. All taxes and assessments  
6 which become due and payable upon fixtures, equipment or other  
7 property caused or suffered by Lessee to be placed upon the leased  
8 premises shall be paid promptly by Lessee. Lessee acknowledges and  
9 agrees that this lease may create a possessory interest vested in  
10 Lessee which interest may be subject to property taxation and that  
11 Lessee may be subject to the payment of property taxes levied on  
12 said interest. Lessee retains the right under law to protest taxes  
13 or liens.

14 10. LIENS. Lessee shall keep the leased premises free  
15 from any and all liens of any kind or nature for any work done,  
16 labor performed or materials furnished thereon at the instance or  
17 request, or on behalf of the Lessee, and shall indemnify and save  
18 harmless the Lessor from and against any and all claims, liens,  
19 demands, costs and expenses of whatsoever nature for any such work  
20 done, labor performed or materials furnished.

21 11. UTILITIES. The Lessee shall, at its own cost,  
22 pay for all electricity, gas, water, telephone and other utility  
23 services furnished to Lessee, including the cost of installation  
24 of necessary connections for all of said services.

25 12. ADVERTISEMENT. ~~Lessee~~ may, without charge, and subj  
26 ~~ect to the~~ prior approval of the City Manager or his designee, erect  
27 and maintain on the leased premises, at its own expense, suitable  
28 signs advertising its business.

29 13. ASSIGNMENT - SUBLETTING. Lessee shall not sublet or  
30 assign, either voluntarily or involuntarily, the leased premises,  
31 or any part thereof, or permit any transfer of these premises by  
32 operation of law, without first obtaining the written consent of th

1 City Manager, which consent shall not be unreasonably withheld.  
2 Any such subletting, assignment or transfer of this Lease,  
3 or of any interest therein, contrary to the foregoing provisions,  
4 whether voluntary or involuntary, shall be void and shall confer  
5 no right of occupancy upon said sublessee, assignee or transferee  
6 and the same shall result in an immediate forfeiture of the  
7 rights of the Lessee hereunder. Notwithstanding the foregoing,  
8 Lessee shall have the absolute right to sublease the leased  
9 premises to any party who is the tenant of Lessee under that certa  
10 lease agreement entered into by and between Lessee and Bahia De La  
11 Cerritos on or about November 1, 1959, as amended and assigned.  
12 This paragraph shall not be deemed to apply to the individual rent  
13 of slip spaces to boat owners as a part of normal commercial mar  
14 operations.

15 14. FUTURE AMENDMENT OF NOVEMBER 1, 1959 LEASE OR SUEL  
16 HEREUNDER. No future amendment that would decrease the future  
17 income to San Gabriel from the commercial activities used to comp  
18 Gross Rent under this lease may be made by San Gabriel to the  
19 November 1, 1959 lease, or subsequent amendments and additions  
20 thereto (including amendment of an authorized sublease of the  
21 "leased premises" herein) without the prior written consent of Ci

22 15. RESERVATIONS TO LESSOR. The leased premises are  
23 accepted by Lessee subject to any and all existing easements or  
24 other encumbrances, and Lessor shall have the right to install,  
25 lay, construct, maintain, repair and operate such sanitary sewers  
26 drains, storm water sewers, pipelines, manholes, connections,  
27 water, oil or gas pipelines, and telephone and telegraph power  
28 lines and such other appliances and appurtenances necessary or  
29 convenient to use in connection therewith, over, in upon, throug  
30 across and along the leased premises, or any part thereof, as wi  
31 not interfere with Lessee's operations hereunder, and to enter  
32 thereupon for any and all such purposes. Lessor also reserves

1 the right to grant franchises, easements, rights of way and  
2 permits in, over, upon, along or across any and all portions of  
3 said leased premises as Lessor may elect so to do; provided,  
4 however, that no right of Lessor provided for in this paragraph  
5 shall be so exercised as to interfere unreasonably with any of  
6 the Lessee's present or future operations hereunder.

7 16. TERMINATION. (a) By Lessor. Should Lessee  
8 default in the performance of any term, covenant or condition  
9 to be performed by Lessee and such default is not remedied by  
10 Lessee within ninety (90) days from and after written notice to  
11 Lessee by the City Manager, specifying said default, the City  
12 Manager may declare this Lease and all rights and interests  
13 created hereby to be terminated. If the lessee under the  
14 November 1, 1959 lease so requests in writing, any and all default  
15 notices given by City pursuant to this paragraph 16 shall be  
16 mailed to said lessee at the address specified in said notice.

17 (b) By Lessee. Should Lessor default in the performance  
18 of any term, covenant, or condition to be performed by Lessor  
19 and such default is not remedied by Lessor within ninety (90)  
20 days from and after written notice by Lessee, specifying said  
21 default, Lessee may declare this Lease and all rights and interest  
22 created thereby to be terminated. Should any law or ordinance  
23 become effective so as to substantially interfere with the use of  
24 the leased premises by Lessee, then Lessee may terminate this  
25 Lease upon giving written notice to the City Manager of such  
26 termination.

27 17. INDEMNITY. Lessee shall indemnify and save  
28 harmless the Lessor, its officers and employees, from and  
29 against any and all actions, suits, proceedings, claims and  
30 demands for injury, damage, loss, liability, cost and expense,  
31 of any kind and nature whatsoever, which may be brought, made  
32 or filed against Lessor, its officers and employees, by reason

1 of or arising out of or in any manner attributable to any and all  
2 operations of Lessee, its officers, agents, employees and subten-  
3 ants in the use of the leased premises or which Lessor, its  
4 officers and employees or any of them, may sustain or incur which  
5 may be imposed upon them, or any of them, for injury to or death  
6 to persons or damage to property arising out of or in any manner  
7 connected with or attributable to the negligence or lack of care  
8 of the Lessee, its officers, employees or subtenants in the use  
9 of the leased premises.

10 As a condition precedent to the effectiveness of this  
11 Lease and in the partial performance of the Lessee's obligations  
12 hereunder, Lessee (or the sublessee hereunder, on behalf of  
13 Lessee) shall procure and maintain in full force and effect  
14 during the term of this Lease a policy of public liability and  
15 property damage insurance from a company authorized to do business  
16 in the State of California, with minimum coverage limits of:  
17 \$500,000 - Single limits, combined  
18 coverage.

19 Reasonable increases in the minimum coverage limits  
20 above specified may from time to time be required by City upon  
21 reasonable notice to Lessee.

22 The insurance policy shall either contain a provision  
23 for a broad form of contractual liability, including leases, or  
24 there shall be attached thereto an endorsement providing for such  
25 coverage.

26 The City shall be listed as an additional named insured  
27 by said insurance policy. If sublessee is the primary insured,  
28 San Gabriel shall also be listed as an additional named insured.

29 The policy shall further provide that the same shall  
30 not be cancelled until a ten (10) day written notice of cancel-  
31 lation has been served upon the City Manager.  
32

Coincidentally with the execution of this Lease, Lessee shall deliver a certificate of insurance executed by the insurance carrier issuing said policy certifying that said insurance is in full force and effect and that all operations of Lessee under this Lease are covered by such policy. The following endorsement shall be attached to the certificate of insurance:

"Within the limits set forth in the declarations to indemnify and save harmless the City of Long Beach, its officers and employees, from and against any and all claims or demands for injury, damage, loss, liability, cost and expense of any kind or nature whatsoever for death, injury or loss to persons or damage to property, which the City of Long Beach, its officers or employees, may sustain or incur or which may be imposed upon them, or any of them, arising out of or attributable to the use of the premises described in a lease between the City of Long Beach and the insured.

"This policy shall not be cancelled until ten days' written notice of cancellation has been served on the City Manager of the City of Long Beach. This endorsement shall control over all other provisions of the policy, or endorsements thereto, which are inconsistent herewith."

The procuring of such policy of insurance shall not be construed to be a limitation upon Lessee's liability or as a full performance on its part of the indemnification provisions of this Lease, Lessee's obligation being, notwithstanding said policy of insurance, for the full and total amount of any damage, injury or loss caused by the negligence or neglect connected with or attributable to its operations under this Lease.

Lessor will provide City with evidence of Workers' Compensation Insurance coverage regarding persons employed on the premises by Lessee and, if possible, by sublessee.

18. BOND. The Lessee shall furnish to the Lessor

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1 upon the commencement date of this Lease and shall keep in full  
2 force and effect during the term of this Lease a good and  
3 sufficient surety bond in the sum of Five Thousand Dollars (\$5,000)  
4 or in lieu of such surety bond Lessee may deposit with the Lessor  
5 an equivalent amount in cash or negotiable securities to assure  
6 Lessee's faithful performance of all the terms, covenants and  
7 conditions of this Lease. Any such surety bond submitted to the  
8 Lessor pursuant to this paragraph shall be procured from a surety  
9 company authorized to transact a surety business in the State of  
10 California, and to be approved in the manner prescribed by the  
11 Charter of the City of Long Beach. The surety company issuing said  
12 bond may terminate said bond on any anniversary date thereof by  
13 giving the City Manager written notice of its intention to do so at  
14 least thirty (30) days prior to the next anniversary date of said  
15 bond, and said bond shall thereupon terminate on such anniversary  
16 date. Lessee, in the event any surety bond is terminated shall,  
17 within a reasonable time prior to the effective date of such  
18 termination, either procure another surety bond acceptable to Lessor  
19 or deposit with Lessor cash or negotiable securities in the amount  
20 and in accordance with the conditions set forth herein.

21 In the event Lessee elects to deposit negotiable  
22 securities in lieu of a surety bond or cash as provided for herein-  
23 above, such negotiable securities must be acceptable to the Lessor  
24 and be of such kind and nature as to be readily convertible into  
25 cash by Lessor without further execution of any documents or  
26 endorsements on the part of the Lessee. The decision to accept or  
27 refuse any negotiable securities offered by Lessee rest solely with  
28 the Lessor.

29 Any cash or negotiable securities deposited with Lessor  
30 pursuant hereto may be used by Lessor to compensate it for any  
31 loss or damage resulting from Lessee's failure to perform to the  
32 satisfaction of the City Manager any or all of the terms, covenants



1 and conditions of this Lease.

2 In the event any part of the cash or negotiable securities  
3 remain unused after the Lessor has been compensated for such loss  
4 or damage, the remaining cash or securities shall be returned to  
5 Lessee within ten (10) days thereafter. Should the City Manager  
6 determine that no default has occurred and the Lessor has not been  
7 damaged by any of Lessee's acts hereunder, then the Lessor shall  
8 return the cash or securities in its possession within ten (10) day  
9 after such determination by the City Manager, and in any event no  
10 later than twenty (20) days after the expiration of this Lease.

11 Should the cash or securities on deposit with the Lessor hereunder  
12 insufficient to compensate the Lessor for its loss due to Lessee's  
13 failure to comply with the terms and conditions of this Lease,  
14 Lessee shall be liable for any deficiencies resulting therefrom.

15 19. HOLD OVER BY LESSEE. The failure of Lessee to  
16 surrender the premises at the expiration of the term hereof, or  
17 any extension thereof and the subsequent holding over by Lessee,  
18 with or without the consent of Lessor, shall result in the creation  
19 of a tenancy from month to month at the monthly rental as provided  
20 herein; payable on the first day of each month during the month to  
21 month tenancy. This provision does not give Lessee any right to  
22 hold over at the expiration of the term, or any extension thereof.  
23 All other terms and conditions of this Lease shall remain in full  
24 force and effect and be fully applicable to any month to month  
25 tenancy hereunder.

26 20. INSPECTION. The City Manager or any person designat  
27 by him shall have the right at all reasonable times to enter upon  
28 the leased premises for the purpose of inspecting the property and  
29 ascertaining if the Lessee is fully complying with the provisions  
30 of this Lease.

31 21. LEASE AGREEMENT BINDING ON SUCCESSORS AND ASSIGNS.  
32 Unless specifically stated otherwise, all obligations and duties

1 of any nature that devolve upon and rights that inure to the benefit  
2 of Lessor and Lessee shall be binding upon and inure to the benefit  
3 of the successors, heirs, and assigns of the parties hereto.

4 22. NOTICES. Any and all notices to be given under this  
5 Lease, or otherwise, may be served by enclosing the same in a sealed  
6 envelope, addressed to the party intended to receive the same, at its  
7 address, and deposited in the United States Post Office as registered  
8 mail with postage prepaid. When so given, such notices shall be  
9 effective from the date of the mailing of the same. For the purposes  
10 thereof, unless otherwise provided in writing by the parties hereto  
11 the address of the Lessor and the proper party to receive any such  
12 notices on its behalf is City Manager, City Hall, Long Beach,  
13 California 90802, and the address of the Lessee is 555 East Ocean  
14 Boulevard, Suite 716, Long Beach, California 90802.

15 23. CAPTIONS. The use of paragraph headings or captions  
16 in this Lease is solely for the purpose of convenience, and the  
17 same shall be entirely disregarded in constructing any part or  
18 portion of this Lease.

19  
20 IN WITNESS WHEREOF, the parties hereto have caused these  
21 presents to be duly executed, in duplicate, with all the formalities  
22 required by law on the respective dates set forth opposite their  
23 signatures.

24  
25 SAN GABRIEL RIVER IMPROVEMENT CO.

26  
27 April 27, 1981

28 By Edwards H. Metcalf  
Edwards H. Metcalf, President

29 April 27, 1981

30 By George W. Dickinson  
George W. Dickinson, Assistant Secretary

31  
32 LESSEE

Q1- 596062

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CITY OF LONG BEACH

April 28, 1981

By

JOHN E. DEVER  
CITY MANAGER

LESSOR

The foregoing Lease is hereby approved as to form  
this April 27, 1981.

Robert W. Parkin, City Attorney

By

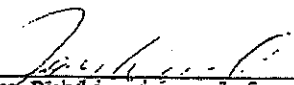
William H. Keiser  
WILLIAM H. KEISER Deputy

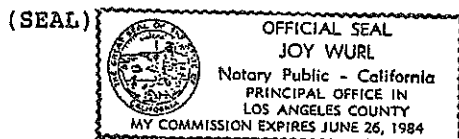
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4-26-78

STATE OF CALIFORNIA       )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

On this 27th day of April, 1981,  
before me, Joy Wurl, a Notary Public  
in and for said County and State, duly commissioned, per-  
sonally appeared Edwards H. Metcalf, known to me  
to be the Vice President, and George W. Dickinson,  
known to me to be the Assistant Secretary of SAN GABRIEL  
RIVER IMPROVEMENT CO., the Corporation that executed the  
within instrument, known to me to be the persons who  
executed the within instrument on behalf of the Corporation  
therein named and acknowledged to me that such Corporation  
executed the within instrument pursuant to its by-laws  
and a resolution of its Board of Directors.

WITNESS my hand and official seal:

  
\_\_\_\_\_  
Notary Public in and for said  
County and State  
My Commission Expires

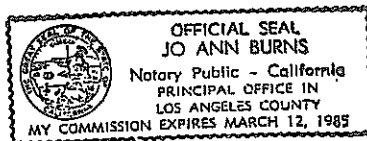


81- 596062

STATE OF CALIFORNIA       )  
                                  ) ss.  
COUNTY OF LOS ANGELES    )

On APR 28 1991, 19  , before me, the undersigned, a Notary Public in and for said State, personally appeared John E. Dever, known to me to be the City Manager of the City of Long Beach, a municipal corporation, and known to me to be the person who executed the within instrument on behalf of said City of Long Beach, and acknowledged to me that such City of Long Beach executed the same.

WITNESS my hand and official seal:



Jo Ann Burns  
Notary Public in and for the  
County of Los Angeles, State  
of California  
My Commission Expires 3-12-85

(SEAL)

81- 596062

THIS LEASE, made this first day of November, 1959, between SAN GABRIEL RIVER IMPROVEMENT CO., a corporation, hereinafter called Lessor, and BAHIA DE LOS CERRITOS, INCORPORATED, a corporation, Lessee.

W I T N E S S E T H:

That Lessor for and in consideration of the covenants and agreements on the part of Lessee to be kept and performed, has leased and demised unto Lessee the following described property in the City of Long Beach, County of Los Angeles, State of California.

Those portions of those parcels of land designated as Parcel 1 and Parcel 5 on Record of Survey Map filed in Book 54, at Pages 24, 25, and 26 of Records of Surveys, on file in the office of the County Recorder of Los Angeles County, California, lying Westerly and Southerly of the following described line:

Beginning at the Northwest corner of said Parcel 1; thence South 16° 54' 30" East, along the Westerly line of said Parcel 1, 300.00 feet; thence North 73° 05' 30" East, 517.33 feet; thence South 16° 54' 30" East, 359.70 feet; thence South 66° 00' 30" East, 945.76 feet, more or less, to the Southerly line of said Parcel 1, at a point which lies South 75° 21' 19" West, 527.09 feet from the most Easterly corner of Parcel 2, as said Parcel 2 is shown upon said Record of Survey Map.

EXCEPTING THEREFROM that portion thereof lying between Pacific Coast Highway and the following described line:

Commencing at the Northwest corner of said Parcel 1; thence South 16° 54' 30" East, along the Westerly line of said Parcel 1, 300.00 feet to the true point of beginning of the herein described line; thence North 73° 05' 30" East, 417.33 feet; thence South 16° 54' 30" East, 377.63 feet; thence South 2° 51' 20" West, 494.84 feet; thence South 49° 17' 00" West, 36.90 feet; thence South 44° 19' 00" East, 91.54 feet; thence South 45° 41' 00" West, 45.53 feet; thence South 44° 19' 00" East, 99.36 feet; thence South 30° 41' 00" West to Pacific Coast Highway.

EXCEPTING therefrom those portions of the surface thereof now used and occupied by Standard Oil Company of California, or which may hereafter be required by said Standard Oil Company for drilling or production purposes.

EXCEPTING therefrom that portion of the subsurface thereof lying one hundred (100) feet, or more, below the surface of said parcel.

SUBJECT to rights reserved by Standard Oil Company of California under lease dated November 18, 1921.

TO HAVE AND TO HOLD said premises for the term of forty-eight (48) years and three (3) months, commencing on the first day of November,

1959, and ending on the 31st day of January, 2008, upon the following terms and conditions, to-wit:

I.

Lessee hereby covenants and agrees to pay to Lessor as the minimum rental for said premises during the term of this lease the sum of THREE HUNDRED NINETY-NINE THOUSAND FOUR HUNDRED FIFTY DOLLARS (\$399,450.00), payable as follows: During the period November 1, 1959 to January 31, 1961, ONE HUNDRED FIFTY DOLLARS (\$150.00) on the first day of each month; THREE HUNDRED DOLLARS (\$300.00) on the first day of each month of the period February 1, 1961 to January 31, 1963; FIVE HUNDRED DOLLARS (\$500.00) on the first day of each month of the period February 1, 1963 to January 31, 1983; SEVEN HUNDRED FIFTY DOLLARS (\$750.00) on the first day of each month of the period February 1, 1983 to January 31, 1993; and ONE THOUSAND DOLLARS (\$1,000.00) on the first day of each month of the period February 1, 1993 to January 31, 2008.

II.

It is understood and agreed that the foregoing are minimum rentals only, and that in addition thereto the Lessee will pay to the Lessor for each month of the term hereof an amount by which aforesaid minimum rentals are exceeded by percentages of their gross receipts computed upon the full amount of gross sales, gross rentals, or other business or operations conducted on or resulting from the occupancy and use of the leased premises. It is further agreed that the percentages shall be computed against the full amount of gross sales both for cash and on credit, and in case of sales on credit whether or not payment actually be made therefor, or on the gross total amount of business conducted on or resulting from the occupancy and use of the leased premises, including the gross sales or gross total business of sublessees or subtenants of the Lessee herein. It is further agreed that on all gross receipts from boat dockage or slip rentals the following percentages shall apply for the respective periods shown:

November 1, 1959 to January 31, 1961	10%
February 1, 1961 to January 31, 1983	17-1/2%
February 1, 1983 to January 31, 2008	20%

On all receipts from brokerage sales, 10% of the gross commissions received by the Lessee.

On all marine insurance the Lessor's participation shall be 10% of the commissions received by the Lessee.

On sales of Motors, Yachts or Boats the percentage shall be 2% of the gross sale price. It is understood that when a used Yacht or Boat is accepted as part of the sale price, the amount allowed therefor shall be considered as cash received. However, upon the sale of such used Yacht or Boat so received the Lessor will be entitled to 2% only of the sum by which the sale price exceeds the amount allowed in the original transaction.

On Marine Hardware the percentage shall be 3% of gross sales.

On the operations of a Marine Service Station the Lessor shall be entitled to 1¢ per gallon of gasoline delivered to the station.

On haul out and lay time from shipyard, 10% of gross receipts.

On Boat and Motor repairs, one-third (1/3) of gross amounts received as rental from subtenants but not less than three per cent (3%) of the total gross receipts from such repairs regardless of whether such work is conducted by subtenants or by the Lessee herein.

Except as herein specifically otherwise provided the total of gross sales shall include the gross total business of any sublessees, subtenants or concessionaires of the Lessee herein.

There is excepted from Lessee's gross sales (as said term is used herein) the amount of all sales tax receipts which has been accounted for by Lessee to any government or governmental agency.

Nothing contained in this lease shall be deemed or construed by the parties hereto or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of trustee



and beneficiary or of any associations between Lessor and Lessee, and neither method of computation of rent or any other provision contained in this lease nor any acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

### III.

It is understood and agreed that the percentage rentals due for each month of the term hereof in accordance with the foregoing shall be payable on the 25th day of each succeeding month of said term, and that the Lessee shall each month submit to the Lessor a full and complete report of its gross receipts for the preceding month, and of the gross receipts of subtenants and sublessees for the preceding month, together with remittance of moneys due, and further that the Lessor, through its authorized representatives, shall have access to the books and records of the Lessee, and of subtenants and sublessees of the Lessee, during all reasonable business hours for the purpose of examining and auditing the same. Lessee agrees to keep accurate records of account for the purpose of showing all receipts from daily gross sales made on the demised premises. Lessee agrees to prepare and forward to Lessor a copy of its periodical sales tax returns as required by the State of California and a copy of its letter of transmittal of check in payment to the department administering the sales tax, and to cause any sublessees or subtenants to forward a copy of their respective returns.

The acceptance by Lessor of any money paid to Lessor by Lessee as additional rental for the leased premises as shown by any statement furnished by Lessee, or by a subtenant or sublessee of the Lessee, shall not be an admission of the accuracy of said statement, or of the sufficiency of the amount of said additional rental payment.

### IV.

Lessee agrees to pay during the entire term of this lease all

taxes, assessments, charges or liens of any kind levied upon the real property which is the subject of this lease, and on new buildings or improvements thereon, on Lessee's personal property located thereon, and upon the leasehold estate hereby created and upon the reversionary interest in said estate, it being understood and agreed that the aforesaid rental is to be a net rental to Lessor and that Lessor shall not have any expense, liability or obligation whatsoever in connection with the leased premises.

Lessee agrees that it will pay its prorata share of real property taxes for that portion of the fiscal year 1959-1960 which will elapse from November 1, 1959 to June 30, 1960, and that Lessee's obligations for such taxes for the fiscal year 2007-2008 shall be limited to that portion thereof from July 1, 2007 to January 31, 2008.

In the event that Lessee shall fail to make payment of any of the charges imposed upon it under this paragraph within thirty (30) days after the same become due, the Lessor may pay the same with penalties, if any, and upon such payment the amount so paid shall immediately be due and payable by Lessee to Lessor, and shall bear interest at the rate of 7% per annum from the date of advance until paid.

V.

It is understood and agreed that in accordance with the aforesaid conditions the Lessee shall construct or cause to be constructed on the leased premises, out of substantial materials, buildings and structures designed for the purpose of maintaining moorings and slips for the anchoring of Marine Craft and for the servicing, insuring, and sale of such Craft, including the maintenance and operation of a Marine Railway, sale of Marine Hardware, and such other activity as would be normal in connection with the operation of a Yacht Harbor, and for no other purpose without the consent of the Lessor. Prior to commencement of construction of said buildings, Lessee shall cause to be executed and delivered to Lessor Mechanic's Lien Bond and Bond for Faithful Performance of the Contract for

construction of said buildings and the due payment of all laborers and material men in connection with said work of construction. Plans and specifications for any structures shall be submitted to and approved by the Lessor before the commencement of construction. Said buildings shall conform to any and all applicable laws and zoning ordinances, and shall be constructed in accordance with the requirements of any and all laws, ordinances, and building regulations applicable thereto. It is further agreed that upon termination of this lease, either through the expiration of the term hereof or by reason of default of the Lessee, all buildings and other improvements erected thereon shall become the property of the Lessor without right of any kind in the Lessee to compensation therefor.

All alterations, additions, and improvements which may be made upon the demised premises and which in any manner are attached to the floors, walls or ceilings thereof, shall be the property of Lessor and shall remain upon and be surrendered with the premises as a part thereof upon such termination.

#### VI.

It is understood and agreed between the parties hereto that the premises hereby leased may be used for the purpose of conducting a Marina for maintaining moorings and slips for the anchoring of Marine Craft and for the servicing, insuring, and sale of such Craft, including the maintenance and operation of a Marine Railway, sale of Marine Hardware, and such other activity as would be normal in connection with the operation of a Yacht Harbor, and for no other purpose without the written consent of the Lessor.

#### VII.

Lessee agrees at its own cost and expense, so long as this lease shall be in force, to keep any buildings and improvements thereon at all times insured in good and responsible insurance companies to an amount not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000.00), and that

Lessee will cause the policies at all times to be payable in the event of loss, to Lessor. In the event of destruction of said buildings or improvements by fire or other cause for which insurance money shall be payable and shall have been paid to the Lessor, the Lessor shall turn over the amount upon architect's certificate, in installments as the work of rebuilding or restoring the improvements progresses, to the then contractor entitled to the same for work done and materials furnished, if any. In the event the total cost of restoring or rebuilding the buildings or improvements shall be less than the proceeds of the insurance received by Lessor then Lessor agrees to pay the amount of insurance moneys received by it in excess of such cost to Lessee, provided that the insurance carrier has no claim to such excess. It is further understood and agreed that as often as the buildings or improvements upon or to be placed upon the leased premises shall be destroyed or damaged by fire or otherwise, Lessee shall at its own cost and expense, and without expense to Lessor, rebuild and repair the same upon the same general plan and dimensions as before such fire or casualty; or the buildings may be restored or repaired upon some general plan then agreed upon by Lessor and Lessee in writing as reasonable and appropriate for the premises.

#### VIII.

Lessee agrees to and hereby does indemnify the Lessor and save the Lessor harmless from all liens and claims of lien and all other liability, claims and damages arising out of any work done or materials supplied to the leased premises at the instance of the Lessee, and from all actions, suits and costs of suit by any person to enforce any such lien or claims of lien, liability, claims or demands, together with the costs of suit and attorney's fees incurred by Lessor in connection with any thereof.

#### IX.

It is understood and agreed that Lessor hereby reserves the

right to enter into and upon said premises at any time to post any notice which shall, in the Lessor's opinion, be necessary to hold Lessor harmless from any claim or liability arising out of any work done in or upon said premises, and Lessee agrees not to interfere with or molest any notices so posted.

X.

Lessee covenants that it will not assign the leasehold estate without the written consent of the Lessor first obtained; and any attempted assignment or other violation of the provisions of this paragraph shall be void and shall confer no right of occupancy or otherwise upon any such assignee. Lessor agrees, however, not to unreasonably withhold its consent to assignment of this lease to an assignee who is, in the judgment of Lessor, financially and morally responsible. The interest of Lessee under this lease shall not, except at Lessor's option and with its written consent, be assignable by operation of law except through foreclosure of any mortgage or hypothecation of this lease to which Lessor has given its written consent. Consent by Lessor in any one instance to any of the matters provided in this paragraph shall not constitute a consent to any subsequent instance. In case of bankruptcy of Lessee or of the appointment of a receiver for Lessee, or if a receiver be appointed to take possession of the leased premises as the result of any act or omission of Lessee or if Lessee assign for the benefit of creditors or if possession of the leased premises shall be taken by virtue of any attachment or execution, Lessor shall have all of the rights and remedies herein conferred upon it in the event of a breach of this lease (it being understood that any of the acts aforesaid shall constitute a breach of this lease), and at its election may without notice terminate this lease and enter upon said premises and remove all persons therefrom.

Lessee shall have and is hereby expressly given the right to sublet portions of the leased premises without first obtaining Lessor's consent. Any sublessee or sublessees shall hold their tenancies subject to

all the terms, covenants, and conditions of this lease, and the voluntary or other cancellation or surrender of this lease by Lessee or a mutual cancellation hereof shall, at the option of Lessor, terminate all or any existing subleases or subtenancies or may, at the option of Lessor, operate as an assignment to it of any or all such subleases or subtenancies. The right to sublet herein given shall include the right to sublet the roof and walls of said building for advertising purposes and such use of the leased premises may be made in addition to the uses hereinabove authorized; provided that such use shall not detract from the principal purposes for which the premises are let.

XI.

Lessee agrees that it has inspected the leased premises and acknowledges that they are now in good and acceptable condition and suitable for the purposes of this lease, and that no representation as to the condition or repair thereof has been made by Lessor or its agents.

XII.

Lessor reserves the right to enter upon and inspect the leased premises at any time during reasonable business hours for the purpose only of ascertaining that Lessee is complying with the terms and conditions of this lease.

XIII.

Lessee shall not commit nor suffer to be committed any waste upon said premises or any public or private nuisance or other act or thing which may disturb the quiet enjoyment of tenants of adjoining property or which will in any way be detrimental to tenants of adjoining property or to Lessor as owner of adjoining property. Lessee shall not use or allow said premises to be used for any illegal or immoral purpose, and shall at all times observe and abide by all statutes, ordinances, rules and regulations of or promulgated by any lawful authority relating to or regulating the use and occupation of the leased premises.

XIV.

Lessee agrees to keep and maintain the leased premises, including sidewalks and curbs adjacent thereto, and all improvements and equipment thereon or to be placed thereon and other appurtenances thereto, in good order, condition and repair and to deliver up possession of the premises at the expiration of the term or upon any earlier termination of this lease in good condition and repair, ordinary use and wear thereof excepted.

XV.

Lessee agrees to hold Lessor free from all liability and claim for damages by reason of any injury to any person or persons, including Lessee, or to property of any kind whatsoever and to whosoever belonging, including Lessee's, from any cause or causes whatsoever while in, upon, or in any way connected with the leased premises or the sidewalks adjacent thereto during the term of this lease, or any extension hereof, or any occupancy hereunder or arising out of Lessee's use, disuse or misuse of the leased premises, Lessee hereby agreeing to indemnify and save Lessor harmless from all liability, loss, cost and obligations on account of or arising out of any such injury or loss.

XVI.

Should the leased premises be taken under condemnation proceedings the estate of Lessee shall cease and determine upon but not prior to the date when Lessee shall actually be required to yield possession, and all liability of the Lessee thereunder accruing subsequent to such date shall cease. If only a part of the demised premises shall be so taken, Lessee's estate and its liability for rent hereunder shall abate proportionately after said date, if the remaining portion of the premises are suitable and practical for the continuation of the business conducted upon the property, and if not Lessee shall have the option of terminating this lease and surrendering the premises to Lessor. Lessee hereby assigns to Lessor its rights to any and all awards and damages for property taken in any such proceedings, and all such awards and damages shall be payable

to Lessor except that Lessee shall be entitled to that proportion thereof attributable to improvements placed thereon by Lessee at Lessee's cost, subject to depreciation as it may be determined in condemnation proceedings or by negotiation in compromise of such proceedings.

XVII.

The Lessee shall not vacate or abandon the premises at any time during the term, and if Lessee shall be in default hereunder and shall abandon, vacate or surrender said premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the premises shall be deemed to be abandoned, at the option of Lessor. A vacancy of any portion of the premises which Lessee is undertaking to sub-let shall not constitute a vacating or abandonment hereunder.

XVIII.

Lessee shall have thirty (30) days after written notice from Lessor to remedy any breach of this lease except as to non-payment of rental, as to which Lessee shall have only five (5) days after such notice to make payment. In the event of any breach of this lease by Lessee, which is not cured within said time, then Lessor, besides other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Lessee. Should Lessor elect to re-enter as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this lease or it may from time to time, without terminating this lease, re-let said premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable with the right to make alterations and repairs to said premises. Rentals received by Lessor from such re-letting shall be applied, first, to the payment of any indebtedness, other than rent, due hereunder from Lessee to Lessor; second, to the payment of rent due and unpaid hereun-



der; third, to the payment of any cost of such re-letting; fourth, to the payment of the cost of any alterations and repairs to the premises; and the residue, if any, shall be held by Lessor and applied in payment of future rent as the same may become due and payable hereunder. Should such rentals received from such re-letting during any month be less than that agreed to be paid during that month by Lessee hereunder, then Lessee shall pay such deficiency to Lessor. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said premises by Lessor shall be construed as an election on its part to terminate this lease unless a written notice of such intention be given to Lessee or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such re-letting without termination, Lessor may at any time thereafter elect to terminate this lease for such previous breach. Should Lessor at any time terminate this lease for any breach, in addition to any other remedy it may have, it may recover from Lessee all damages it may incur by reason of such breach, including the cost of re-covering the premises, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term. Any right or remedy herein given Lessor shall be cumulative of any other right or remedy given herein or by law.

XIX.

In case suit shall be brought for any unlawful detainer of said premises, for the recovery of any rent due under the provisions of this lease, or because of the breach of any other covenant herein contained, on the part of Lessee to be kept and performed, the Lessee shall pay to Lessor a reasonable attorney's fee which shall be fixed by the court.

XX.

The waiver by Lessor of any breach of any term, covenant or con-

dition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this lease, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

XXI.

Any holding over after the expiration of the term of this lease, with the consent of Lessor, shall be construed to be a tenancy from month to month, at a rental of ONE THOUSAND DOLLARS (\$1,000.00) per month, plus the percentages of the gross receipts as hereinbefore provided, and shall otherwise be on the terms and conditions herein specified, so far as applicable.

XXII.

Lessor covenants that the leased premises are free from encumbrances and that it will not create any encumbrances having priority over this lease.

XXIII.

It is understood and agreed that this lease is subject to the existence on the demised premises of producing oil wells and of various pipe lines for the conveyance of oil, gas, and other products, and it is agreed between the parties hereto that should the Lessee desire to have alterations made in the housing, fencing, or producing equipment of said wells, or wish to arrange for the removal or relocation of said pipe lines, the said Lessee shall be solely responsible for entering into suitable arrangements for such work with the owner of said wells and pipe lines, the Standard Oil Company of California and Standard Gasoline Company, and it shall assume all cost or expense which may be required by the Oil

Company or Gasoline Company therefor.

XXIV.

The Lessee shall indemnify, defend and hold Standard Oil Company of California, Standard Gasoline Company, and the Lessor harmless, up to the amounts hereinafter provided, from and against all expense, damage, loss or liability and claims of any kind for damage to property or injury to or death of persons which arise out of or are attributed directly or indirectly to any act or omission of the Lessee, its agents, employees, contractors, subtenants, successors or assigns, exclusively, however, of any such injury or damage solely caused by Standard Oil Company of California, Standard Gasoline Company, San Gabriel River Improvement Co., or their licensees or permittees. The indemnification herein provided shall be limited to the following amounts:

(a) For bodily injury or death:

\$500,000.00 with respect to each person, and

\$1,000,000.00 with respect to each accident; and

(b) For property damages:

\$500,000.00 with respect to each accident, and

\$500,000.00 aggregate in any one calendar year.

XXV.

The singular number or the neuter gender as used herein shall include the plural number or the masculine or feminine gender; and conversely. Persons as used herein shall include corporations, partnerships and associations.

XXVI.

Time is of the essence of this lease and of every covenant of Lessee. Each and all of the terms, conditions, covenants and obligations hereof shall inure to the benefit of and bind the heirs, legatees, devisees, personal representatives, successors and assigns of the parties hereto and all persons holding under or through them or any of them. All the

Each party may designate a different address from time to time by written notice to the other.

IN WITNESS WHEREOF, Lessor and Lessee have executed these presents the day and year first hereinabove written.

SAN GABRIEL RIVER IMPROVEMENT CO.

By *E. K. Chapman*  
President

By *Paul A. Koehl*  
Secretary

LESSOR

BAHIA DE LOS CERRITOS, INCORPORATED

By *D. J. Quinn*  
President

By *Carl B. Sullivan*  
Secretary

LESSEE