

LEASE AGREEMENT BY AND BETWEEN THE CITY
OF MANHATTAN BEACH AND THE MANHATTAN
BEACH CHAMBER OF COMMERCE

THIS LEASE AGREEMENT ("Lease") is made and entered into by and between the City of Manhattan Beach, a municipal corporation ("City"), and the Manhattan Beach Chamber of Commerce, a California non-profit corporation ("Tenant").

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the parties hereby agree as follows:

Section 1. Premises. City hereby agrees to lease to Tenant and Tenant agrees to lease from City that certain space in the City of Manhattan Beach, California, located at 425 15th Street (hereinafter referred to as "the Premises"), and as more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof. Said Lease is subject to the terms, covenants and conditions hereinafter set forth and Tenant covenants, as a material part of the consideration for this Lease, to keep and perform each and every term, covenant and condition of said Lease.

Section 2. Term. The term of this Lease shall be for ten year, commencing on July 1, 2012 and ending on June 30, 2022.

Section 3. Rent. Chamber shall pay to City for the rights granted hereunder the sum of one dollar (\$1.00) per year to be paid upon the execution of this Lease.

Section 4. Use of Premises.

(a) Tenant shall only use the Premises for the activities and business conducted by the Chamber of Commerce.

(b) Tenant shall not damage the Premises.

(c) Tenant shall not make any alterations, changes, or additions in or to the Premises without the written consent of the City first being obtained.

(d) In the event the Premises are used for any other purpose or use, or in the event Premises remain vacant or unused by Tenant for a period of one hundred eighty (180) consecutive days, City, at its option, may terminate this Lease and take possession of the Premises without further notice to Tenant.

(e) Tenant shall not use the Premises in any manner contrary to the terms of this Lease without City's prior written consent.

(f) No signs shall be placed on the interior or exterior of the Property unless the written approval of the City is first obtained.

(g) City's consent or approval, in each instance, may be withheld by City in its sole and absolute discretion.

(h) Maintenance of Premises. Tenant shall maintain the Premises in a good, safe, neat and sanitary condition to the satisfaction of the City and shall contribute to maintaining the common areas of the Property in good condition and repair.

(i) No Unlawful Uses. Tenant agrees not to use the Premises for any immoral or unlawful purpose. Tenant shall comply with all Local, State, and Federal ethics laws and regulations.

(j) No Waste or Nuisance. Tenant shall not commit any waste or any public or private nuisance upon the Premises.

(k) Legal Compliance. Tenant shall not violate any law, rule, or order of any federal, state, or municipal government or agency that may be applicable to use of the Premises.

(l) Vacating Premises. On or before the effective date of termination of this Lease, Tenant shall vacate the Premises, remove all of Tenant's personal property from the Premises, and leave the Premises in good order and repair, subject to the satisfaction of City.

Section 5. Claims against Premises. Tenant shall not suffer or permit to be enforced against the Premises, or any part thereof, any mechanic's, materialman's, contractor's or subcontractor's liens arising from, or any claim for any work of construction, repair, restoration, replacement or improvement of or to the Premises or any other claim or demand howsoever the same may arise, but Tenant shall pay or cause to be paid any and all such claims or demands before any action is brought to enforce the same against the Premises. Tenant agrees to indemnify, defend and hold the City and the Premises free and harmless of all liability for any and all such claims and demands, together with City's attorneys' fees and all costs and expenses in connection therewith.

Section 6. Taxes. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the term hereof upon all of Tenant's possessory interest in and to the Premises, leasehold improvements, equipment, furniture, fixtures and personal property located in or about the Premises. Tenant agrees that, without prior demand or notice by City, Tenant shall, not less than fifteen (15) days prior to the date upon which any such possessory interest or other such tax is due, provide City with proof of payment of such tax.

Section 7. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration of the term hereof, with the express written consent of City, such occupancy shall be a tenancy from month-to-month at a rental in the amount of the last monthly rental, plus all other charges payable hereunder, and upon all the terms and conditions hereof applicable to a month-to-month tenancy.

Section 8. Entry by City. Tenant hereby agrees that representatives of the City, as designated by City's City Manager, shall during normal business hours, have the right to enter the Premises and inspect the same to determine if the same complies with each and every term and condition of this Lease and with all applicable City, County, State and Federal laws, rules, ordinances and regulations relating to building occupancy and the conduct of Tenant's business. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises and any loss occasioned thereby. For each of the aforesaid purposes, City shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and City shall have the right to use any and all means which City may deem proper to open said doors in an emergency, in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the Premises obtained by City by any of said reasons, or otherwise, shall not, under any circumstances, be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof.

Section 9. Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

- (a) Vacating or abandonment of the Premises by Tenant;
- (b) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of five (5) days after written notice thereof by City to Tenant;
- (c) A failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant,

where such failure shall continue for a period of thirty (30) days after written notice thereof by City to Tenant; provided, however, that if the nature of the default involves such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within such thirty (30) day period and thereafter diligently prosecutes said cure to completion; and

(d) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located in or about the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

Section 10. Assignment or Subletting. Tenant shall not assign or transfer this Lease or any right hereunder to any other party or parties nor shall Tenant sublet all or any portion of the Premises without first obtaining the written consent of City. Any assignment or subletting of the Premises without such prior written consent shall be void for all purposes and City may, at its option, declare a forfeiture of the same in any manner provided by law. Consent to any such assignment or subletting shall be at City's sole discretion and City is not required hereunder to consent to any such proposed assignment or subletting of the Premises.

Section 11. Termination of Agreement. City may terminate this Agreement at any time, with or without cause, upon ninety days (90) written notice to Tenant.

Section 12. Notice. Whenever it shall be necessary for any party to serve notice on another respecting this Lease, such notice shall be served by certified mail, postage pre-paid, to the addresses below, unless and until a different address may be furnished in writing by any party:

To City: City Clerk
 City of Manhattan Beach
 1400 Highland Avenue
 Manhattan Beach, California 90266

To Chamber: Manhattan Beach Chamber of Commerce
 425 15th Street
 Manhattan Beach, California 90266

Such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 13. Indemnification. Tenant shall defend, indemnify, and hold City, and its elected officials, officers, agents and employees free and harmless from all claims for damage to persons or property by reason of Tenant's negligence or Tenant's acts or those of Tenant's employees, agents, guests or invitees in connection with Tenant's use and occupancy of the Premises.

Section 14. Insurance.

(a) Fire and Extended Coverage

Throughout the term hereof, at Tenant's sole cost and expense, Tenant shall keep or cause to be kept insured, for the mutual benefit of City and Tenant, all improvements located on or appurtenant to the Premises against loss or damage by fire and such other risks as are now or hereafter included in an extended coverage endorsement in common use for such structures, including vandalism and malicious mischief. The amount of the insurance shall be the then replacement cost but without deduction for depreciation (herein called "Full Insurable Value"). City shall not carry any insurance the effect of which would be to reduce the protection or payment to Tenant under any insurance that this Lease obligates Tenant to carry. If any dispute as to whether the amount of insurance complies with the above cannot be resolved by agreement, City may, not more than once every three (3) months, request the carrier of the insurance then in force to determine the Full Insurable Value as defined in this provision, and the resulting determination shall be conclusive between the parties for the purpose of this paragraph. Tenant shall include the holder of any mortgage on the Lease as a loss payee to the extent of that mortgage interest.

(b) Proceeds of Fire and Extended Coverage Insurance

City shall, at Tenant's sole cost and expense, cooperate fully with Tenant to obtain the largest possible recovery, and all policies of fire and extended coverage insurance required by subparagraph (a), above, shall provide that the proceeds shall be paid to Tenant as follows:

1) The proceeds shall be deemed to be held in trust by the recipient to the uses and purposes prescribed by this Lease.

2) Disbursements of proceeds for repair, restoration, reconstruction of improvements shall be made monthly on architect's certificates until all the work is completed and accepted; provided, however, that such disbursements shall not exceed ninety percent (90%) of the work in place until completion, acceptance, expiration of time for lien claims, and elimination of all liens claimed.

3) Any insurance proceeds remaining after complying with the provisions of this Lease relating to maintenance, repair, and reconstruction of improvements shall be the sole property of Tenant.

(c) Tenant shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by Tenant.

(d) All insurance required by express provision of this Lease shall be carried only in responsible insurance companies licensed to do business in the State of California. All such policies shall contain language providing that (1) the insurer waives the right of subrogation against City and against City's employees, agents and representatives, (2) the policies are primary and noncontributing with any insurance that may be carried by City, and (3) they cannot be canceled or materially altered except after thirty (30) days' notice by the insurer to City. Tenant shall furnish City with copies of all such policies promptly upon receipt of them, or certificates evidencing the insurance. Prior to the commencement of this Lease, Tenant shall furnish City with certificates and endorsements representing all insurance required by this Lease. The required policy shall name the City and its elected officials, officers, agents and employees as additional insureds.

(e) Failure to Maintain Insurance; Proof of Compliance.

1) Tenant shall deliver to City, in the manner required for notices, copies of certificates and endorsements of all insurance policies required by this Lease, together with evidence satisfactory to City of having procured and currently maintaining all required policies, with the following time limits:

2) For insurance required at the commencement of this Lease, upon execution of this Lease; for insurance becoming required at a later date, at least ten (10) days before that requirement takes effect, or as soon thereafter as the requirement, if new, takes effect;

3) For any renewal or replacement of a policy already in existence, at least twenty (20) days before expiration or other termination of the existing policy.

4) If Tenant fails or refuses to procure or maintain insurance as required by this Lease, or fails or refuses to furnish City with required proof that the insurance has been procured and is in full force and paid for, City shall have the right, at City's election and on five (5) days notice, to procure and maintain such insurance. The premiums paid by City shall be treated as added rent due from Tenant with interest at the rate of eighteen percent (18%) per year or the maximum allowable legal rate in effect in the State of California

on the date when the premium is paid, whichever is higher, to be paid on the first day of the month following the date on which the premium was paid. City shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the day of the notice.

Section 15. Extent of Agreement. This Lease represents the entire and integrated agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements, either written or oral. This Lease may be amended only by written instrument signed by all parties to the Lease.

Section 16. City Not Obligated to Third Parties. The City shall not be obligated or liable under this Lease to any party other than Tenant.

Section 17. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the ____ day of _____ 2012, at Manhattan Beach, California.

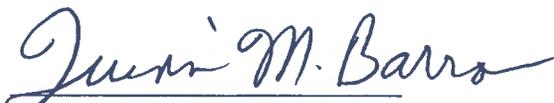
CITY OF MANHATTAN BEACH,
a municipal corporation

DAVID N. CARMANY
City Manager

ATTEST:

LIZA TAMURA
City Clerk

APPROVED AS TO FORM



QUINN M. BARROW
City Attorney

MANHATTAN BEACH
CHAMBER OF COMMERCE
AND CIVIC ASSOCIATION


James O'Callaghan

James O'Callaghan
President / CEO


DEANN CHASE
Board Chair

Exhibit A
Description of Premises