35953

STANDARD INDUSTRIAL LEASE

(NET)

LANDLORD:	**DOUGLAS PARK ASSOCIATES III, LLC**
TENANT:	**CITY OF LONG BEACH**
PROJECT:	**DOUGLAS PARK - PACIFIC POINTE**
CITY, STATE:	**LONG BEACH, CALIFORNIA**
DATE:	**APRIL 30, 2021**

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(NET)

1. BASIC LEASE TERMS.

(a) DATE OF LEASE EXECUTION: April 30, 2021

(b) TENANT: CITY OF LONG BEACH, a municipal corporation

Address (Premises): 3861 Worsham Avenue, Long Beach, CA 90808

Address for Notices: 411 W. Ocean Blvd., 10th Floor, Long Beach, CA 90802, Attn: City Manager

(c) LANDLORD: DOUGLAS PARK ASSOCIATES III, LLC, a Delaware limited liability company

Address for Rent: c/o SARES·REGIS Group
3501 Jamboree Road, Suite 3000
Newport Beach, CA 92660
Attn: Property Manager, Commercial Property Services Division

Address for Notices: c/o SARES·REGIS Group
3501 Jamboree Road, Suite 3000
Newport Beach, CA 92660
Attn: Property Manager, Commercial Property Services Division

with a copy to:

c/o J.P. Morgan Asset Management
2029 Century Park East, Suite 4150
Los Angeles, CA 90067
Attn: Asset Manager

(d) TENANT'S PERMITTED USE OF PREMISES: General warehouse and distribution (including without limitation warehousing and storage of vaccines and other supplies and equipment related to COVID-19 and potential subsequent biological threats), along with ancillary general office use, and other ancillary standard City-related uses, in all cases subject to the provisions set forth in this Lease (including, without limitation, Subparagraph 8(b)) and as permitted by law. For the avoidance of doubt, Tenant's Permitted Use of the Premises as provided above does not allow the administering of vaccines and such other supplies and equipment directly to the public from the Premises.

(e) PREMISES; BUILDING; PROJECT: Approximately 74,478 square feet of space (the "Premises") comprising the entire building commonly known as Building 17 and located at 3861 Worsham Avenue, Long Beach, CA 90808, as shown on **Exhibit A** attached hereto (the "Building"). The Building is part of the project commonly known as Douglas Park - Pacific Pointe (the "Project").

TENANT'S SHARE: 100%, which is the ratio that the square footage of the Premises bears to the square footage of the Building.

(f) PREMISES LAND: Approximately 193,842 square feet of land on which the Building is located more particularly described on **Exhibit B** attached hereto.

(g) TERM; COMMENCEMENT DATE; EXPIRATION DATE:

Term: Sixty (60) months, subject to extension as set forth in **Rider 1** attached hereto.

Commencement Date: May 1, 2021.

Expiration Date: April 30, 2026.

(h) BASIC RENT:

Months	Basic Rent Per Month
05/01/21 – 04/30/22	$85,649.70
05/01/22 – 04/30/23	$88,219.19
05/01/23 – 04/30/24*	$90,865.77*
05/01/24 – 04/30/25	$93,591.74

05/01/25 – 04/30/26	$96,399.49

*Tenant's obligation to pay Basic Rent shall be conditionally abated for the twenty-eighth (28th) and the twenty-ninth (29th) full calendar months of the Term (i.e., the months of August and September, 2023) (the "Basic Rent Abatement Period"), as set forth in Subparagraph 5(d) below.

(i) PREPAID RENT (Basic Rent and estimated additional rent for first month of Term): One Hundred Six Thousand Five Hundred Three and 54/100 Dollars ($106,503.54).

(j) SECURITY DEPOSIT: None.

(k) BROKER(S): CBRE, Inc., representing Landlord; CRESA Partners of Los Angeles, Inc., representing Tenant.

(l) GUARANTOR(S): None.

(m) INTENTIONALLY DELETED.

(n) RIDERS: **Rider 1** is attached hereto and made a part hereof.

(o) EXHIBITS: Exhibits lettered A through C, inclusive, E through F, inclusive, and H through K, inclusive, are attached hereto and made a part hereof.

This Paragraph 1 represents a summary of the basic terms of this Lease. In the event of any inconsistency between the terms contained in this Paragraph 1 and any specific provision of this Lease, the terms of the more specific provision shall prevail.

2. PREMISES.

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Premises referenced in Paragraph 1 and outlined on the Depiction of Premises attached hereto as **Exhibit A** and incorporated herein by this reference. The Premises consists of that certain Building located at the address designated in Subparagraph 1(b) and the parcel or parcels of real property described on the Description/Depiction of Premises Land attached hereto as **Exhibit B** and incorporated herein by this reference which is for the exclusive use of Tenant.

(b) The parties agree that the letting and hiring of the Premises is upon and subject to the terms, covenants and conditions herein set forth and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance.

(c) The square feet of the Premises and Building are subject to verification on or before the Commencement Date by Landlord's space planner/architect/consultant and such verification shall be made in accordance with Landlord's requirements. In the event such space planner/architect/consultant determines that the square footage of the Premises and/or Building differ from those set forth herein, all amounts, percentages and figures appearing or referred to in this Lease based upon such incorrect amount (including, without limitation, the amount of "Basic Rent" and any "Tenant's Share," "Allowance," etc.) shall be modified in accordance with such determination.

3. LEASE TERM.

The Term of this Lease shall be for the period designated in Subparagraph 1(g) commencing on the Commencement Date, and ending on the Expiration Date, unless the term hereby demised shall be sooner terminated as herein provided (the "Term"). Notwithstanding the foregoing, if the Commencement Date falls on any day other than the first day of a calendar month then the Term of this Lease shall be measured from the first day of the month following the month in which the Commencement Date occurs.

4. POSSESSION.

(a) Delivery of Possession. Landlord agrees to deliver possession of the Premises to Tenant on or before the Commencement Date in its "AS-IS," "WHERE-IS," with all faults condition, subject to the terms of Subparagraph 4(b) below. Notwithstanding the foregoing, Landlord shall not be obligated to deliver possession of any portion of the Premises to Tenant (including, without limitation, pursuant to Subparagraph 4(c) below) until Landlord has received from Tenant all of the following: (i) the Prepaid Rent; (ii) executed copies of policies of insurance or certificates thereof as required under Paragraph 16 of this Lease; (iii) copies of all governmental permits and authorizations required in connection with Tenant's operation of its business upon the Premises; and (iv) an executed original of the Hazardous Materials Questionnaire in the form attached hereto as **Exhibit I**.

(b) Condition of Premises. Except for the Warranty Items (defined below), Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or any portions thereof, the Building or the Project or their condition, or with respect to the suitability thereof for the conduct of Tenant's business or any other business, and Tenant accepts the Premises in its "AS-IS", "WHERE-IS", with all faults condition on the date of delivery of possession. Except for the Warranty Items, by taking possession

of the Premises, Tenant shall conclusively establish that the Premises, the Building and the Project, were at such time complete and in good, sanitary and satisfactory condition and repair with all work required to be performed by Landlord, if any, completed and without any obligation on Landlord's part to make any additional alterations, upgrades or improvements thereto.

Landlord warrants that the roof membrane, fire sprinklers, dock doors and basic plumbing, heating, ventilating, air conditioning, lighting and electrical systems serving the Building (collectively, the "Warranty Items") on the Commencement Date shall be in good working order and condition on the Commencement Date, and Tenant's sole remedy for Landlord's breach of this warranty shall be the right to cause Landlord to repair the defective Warranty Items; provided, however, Landlord shall have no liability hereunder for a breach of this warranty (i) if said breach is caused by the acts or omissions of Tenant and/or the Tenant Parties or (ii) unless Tenant requests by written notice delivered to Landlord within one hundred eighty (180) days following the Commencement Date that Landlord cure such breach.

So long as Tenant is not in default under this Lease, Landlord shall provide Tenant with an allowance (the "Allowance") in the amount of up to One Hundred Seventy-One Thousand Two Hundred Ninety-Nine and 40/100 Dollars ($171,299.40) to reimburse Tenant for the cost of constructing improvements to the Premises, including the Conceptually Approved Improvements (as defined in Subparagraph 14(d) below) (collectively, the "Work"); provided, Tenant submits to Landlord copies of contracts, lien releases, receipts and invoices (and other back-up documentation to the extent reasonably requested by Landlord) evidencing completion of the Work for which Tenant is requesting reimbursement and Tenant's payment in full therefor (collectively, the "Cost Documentation"). The Allowance may not be used to pay for any furniture, fixtures, equipment or other personal property. The Work shall be performed by Tenant using licensed contractors and Building standard materials, finishes, and specifications selected by Landlord, pursuant to plans approved by Landlord and Tenant, and otherwise in compliance with the terms of Paragraph 14 below, governing alterations. Any costs of the Work in excess of the Allowance shall be Tenant's sole responsibility. Tenant shall complete the Work and submit the final invoice and supporting Cost Documentation to Landlord no later than eighteen (18) months after the Commencement Date (the "Outside Invoice Date"). If Tenant fails to complete the Work and submit the final invoice and supporting Cost Documentation to Landlord by the Outside Invoice Date, then Tenant shall be deemed to have waived and forfeited all right and interest in and to any then-unused portion of the Allowance, and Landlord shall have no obligation to pay such portion of the Allowance to Tenant.

(c) Early Entry. Notwithstanding the fact that the Term has not commenced, Landlord agrees to permit Tenant to enter the Premises upon the mutual execution and delivery of this Lease in order to commence the installation of equipment and personal property and only so long as said use is permitted by applicable laws. All early entry shall be subject to all of the conditions set forth in this Subparagraph 4(c). Such early entry is conditioned upon Tenant and its contractors, employees, agents and invitees working in harmony and not interfering with Landlord and its contractors and Landlord may immediately terminate such early entry in the event of any such interference. Tenant agrees that any such early entry is subject to all of the terms and conditions of this Lease, except for those relating to the payment of rent and other recurring monetary obligations which have a specific commencement time, which provisions will become applicable in accordance with the terms of this Lease; provided, however, that during such early entry period, Tenant shall pay all utilities costs pursuant to the terms of Paragraph 12 below. Without limiting the generality of the foregoing, such early occupancy shall be conditioned upon Tenant first delivering to Landlord the items described in Subparagraph 4(a) of this Lease and Tenant shall be specifically bound by the terms of Paragraphs 8 (Use of Premises and Project Facilities), 12 (Utilities), 15 (Release and Indemnity) and 16 (Insurance) of this Lease during such early entry period.

5. RENT.

(a) Basic Rent. Tenant agrees to pay Landlord Basic Rent for the Premises at the Basic Rent rate designated in Subparagraph 1(h) in twelve (12) equal monthly installments, each in advance of the first day of each and every calendar month during the Term, except that the Prepaid Rent set forth in Subparagraph 1(i) shall be paid upon the execution of this Lease and applied to the first full calendar month occurring during the Term. If the Term of this Lease commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the rent (as defined below) for such periods shall be prorated in the proportion that the number of days this Lease is in effect during such periods bears to thirty (30), and such rent shall be paid at the commencement of such period. In addition to the Basic Rent, Tenant agrees to pay additional rent as provided in Paragraph 11 (Taxes), Paragraph 13 (Maintenance), Paragraph 16 (Insurance), the amount of all rental adjustments as and when hereinafter provided in this Lease, and a management fee of two percent (2%) of the rent (i.e., Basic Rent and additional rent) payable by Tenant pursuant to the terms of this Lease to cover Landlord's management, overhead and administrative expenses related to the operation of the Building and/or the Project, whether performed by Landlord's personnel or delegated by Landlord to a professional property manager. The Basic Rent, any additional rent payable pursuant to the provisions of this Lease, and any rental adjustments shall be paid to Landlord, without any prior demand therefor, and without any deduction or offset whatsoever in lawful money of the United States of America, which shall be legal tender at the time of payment, at the address of Landlord designated in Subparagraph 1(c) or to such other person or at such other place as Landlord may from time to time designate in writing. Further, all charges to be paid by Tenant hereunder, including, without limitation, payments for real property taxes, insurance, repairs, and parking, if any, shall be considered "additional rent" for the purposes of this Lease, and the word "rent" in this Lease shall include such additional rent unless the context specifically or clearly implies that only the Basic Rent is referenced. Basic Rent shall be adjusted as provided in Subparagraph 1(h).

(b) Late Payment. Tenant acknowledges that late payment by Tenant to Landlord of any rent or other sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of

such costs being extremely difficult and impracticable to ascertain. Such costs include, without limitation, processing and accounting charges and late charges that may be imposed on Landlord by the terms of any encumbrance or note secured by the Premises. Therefore, if any rent or other sum due from Tenant is not received within three (3) business days after notice from Landlord that the same is past due, Tenant shall pay to Landlord an additional sum equal to 5% of such overdue payment for each month such payment remains overdue (the "Late Charge"). Landlord and Tenant hereby agree that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment. Notwithstanding the foregoing, Landlord shall waive the Late Charge for late payment of rent, no more than one (1) time in any twelve (12) month period if the late payment is received within five (5) days after notice to Tenant from Landlord. Additionally, all such delinquent rents or other sums, shall bear interest at the lesser of (i) twelve percent (12%) per annum or (ii) the maximum legal interest rate (as applicable, the "Interest Rate"). Any payments of any kind returned for insufficient funds will be subject to an additional handling charge of $25.00.

(c) Triple Net Lease. Landlord and Tenant acknowledge that, except as otherwise expressly provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "TRIPLE NET" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for the costs and expenses reasonably associated with this Lease, the Building and the Project (as applicable), and Tenant's operation therefrom, including, without limitation, (i) any assessments payable under any covenants, conditions or restrictions encumbering the Project and (ii) any costs and/or fees assessed to the Premises Land by the association for the Project. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as additional rent hereunder.

(d) Abatement of Basic Rent. Provided Tenant is not in default under this Lease (beyond any applicable notice and cure periods), Landlord hereby agrees to abate Tenant's obligation to pay Basic Rent during the Basic Rent Abatement Period (such total amount of abated Basic Rent, i.e., $181,731.54 in the aggregate, being hereinafter referred to as the "Abated Basic Rent"). During the Basic Rent Abatement Period, Tenant will still be responsible for the payment of all other monetary obligations under this Lease, including, without limitation, all additional rent described in Subparagraph 5(a) above and elsewhere in this Lease. Tenant acknowledges that any default under this Lease (beyond any applicable notice and cure periods) will cause Landlord to incur costs not contemplated hereunder, the exact amount of such costs being extremely difficult and impracticable to ascertain, therefore, should Tenant at any time during the Term of this Lease be in default under this Lease (beyond any applicable notice and cure periods), then the total unamortized sum of such Abated Basic Rent (amortized on a straight line basis over the last thirty-one (31) full calendar months of the initial Term) so conditionally excused shall become immediately due and payable by Tenant to Landlord and any remaining Abated Basic Rent shall no longer be available to Tenant as a rent credit from the date of such default. Tenant acknowledges and agrees that nothing in this Subparagraph 5(d) is intended to limit any other remedies available to Landlord at law or in equity under applicable laws (including, without limitation, the remedies under California Civil Code Sections 1951.2 and/or 1951.4 and any successor statutes or similar laws) in the event of a default under this Lease (beyond any applicable notice and cure periods).

6. PREPAID RENT.

Upon execution of this Lease, Tenant shall pay to Landlord the Prepaid Rent set forth in Subparagraph 1(i), and if Tenant is not in default of any provisions of this Lease beyond any applicable cure period, such Prepaid Rent shall be applied during the first (1st) full calendar month Basic Rent is due during the Term with respect to Tenant's leasing of the Premises. Landlord's obligations with respect to the Prepaid Rent are those of a debtor and not of a trustee, and Landlord can commingle the Prepaid Rent with Landlord's general funds. Landlord shall not be required to pay Tenant interest on the Prepaid Rent. Landlord shall be entitled to immediately endorse and cash Tenant's Prepaid Rent; however, such endorsement and cashing shall not constitute Landlord's acceptance of this Lease. In the event Landlord does not accept this Lease, Landlord shall return said Prepaid Rent. If Landlord sells the Premises and deposits with the purchaser the Prepaid Rent, Landlord shall be discharged from any further liability with respect to the Prepaid Rent.

7. INTENTIONALLY DELETED.

8. USE OF PREMISES AND PROJECT FACILITIES.

(a) Tenant's Use of the Premises. Tenant shall use the Premises for the use or uses set forth in Subparagraph 1(d) above, shall be entitled to use the Premises 24-hours per day, 7-days per week (subject to applicable laws and the terms of this Lease), and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. Landlord makes no representations or warranties that said use of the Premises or any other use of the Premises is permitted by any duly constituted public authority having jurisdiction over the Premises or the conduct of Tenant's business.

(b) Compliance. At Tenant's sole cost and expense, Tenant shall procure, maintain and hold available for Landlord's inspection, all governmental licenses and permits required for Tenant's use of the Premises and the proper and lawful conduct of Tenant's business from the Premises. Tenant shall at all times during the Term of this Lease, at its sole cost and expense, observe and comply with the certificate of occupancy issued for the Building and all laws, statutes, zoning restrictions, ordinances, rules, regulations and requirements of any duly constituted public authority having jurisdiction over the Premises now or hereafter in force relating to or affecting the use, occupancy, alteration or improvement of the Premises including, without limitation, the provisions of Title III of the Americans with Disabilities Act of 1990, as amended (the "ADA"). Tenant shall not use or occupy the Premises in violation of any of the foregoing. Notwithstanding the foregoing, Landlord agrees, as and when required by applicable law, to

be responsible for causing the Premises to comply with applicable laws existing as of the Commencement Date; provided, however, to the extent Landlord is required to incur any such costs as a result of Tenant's specific use of the Premises, or as a result of any alterations to the Premises made by or on behalf of Tenant, Tenant agrees to promptly reimburse Landlord for the same within thirty (30) days following receipt of an invoice therefor. Tenant shall, upon written notice from Landlord, discontinue any use of the Premises which is declared by any governmental and/or quasi-governmental authority having jurisdiction over the Premises to be a violation of law or of said certificate of occupancy. Tenant shall comply with all rules, orders, regulations and requirements of the Board of Fire Underwriters or any other insurance authority having jurisdiction over the Premises or any present or future insurer relating to the Premises. Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for any existing insurance policy or endorsement required by reason of Tenant's failure to comply with the provisions of this Paragraph 8. Tenant shall not use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with all restrictive covenants, conditions, easements, obligations and the like now or hereafter recorded against the Premises Land and/or created by private contracts which affect the use and operation of the Premises, including, without limitation, the Rules and Regulations referred to in Paragraph 32 and attached hereto as **Exhibit F**. In furtherance of the foregoing, Tenant acknowledges and agrees that pursuant to the terms of that certain Master Declaration of Covenants, Conditions and Restrictions for Douglas Park – Long Beach dated December 19, 2006 and recorded in the Official Records of Los Angeles County, California on December 19, 2006 as Document No. 06-2827718 (as subsequently amended, the "Master CC&Rs"): (i) Tenant must develop an active recycling program to reduce solid waste, and must participate in any such program developed by the Declarant, the Association, the Owners (as all such terms are defined in the Master CC&Rs), or any local municipalities or governmental agencies; (ii) Tenant agrees that it will use commercially reasonable efforts to cooperate in programs which may be undertaken by Landlord independently, or in cooperation with local municipalities or governmental agencies or other Property Owners (as defined in the Master CC&Rs) in the vicinity of Douglas Park – Long Beach to reduce peak levels of commuter traffic (such programs may include, but shall not be limited to, carpools, van pools and other ride sharing programs, public and private transit, and flexible work hours); and (iii) Tenant shall be responsible, at its sole cost and expense, to employ a person to act as a transportation coordinator under the TDM Program (as defined in the Master CC&Rs). Tenant shall not commit or suffer to be committed any waste in or upon the Premises and shall keep the Premises in first-class repair and appearance, ordinary wear and tear excepted. Further, Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be so installed, maintained and used by Tenant as to eliminate or minimize such vibration or noise. Tenant shall be responsible for all structural engineering required to determine structural load, as well as the expense thereof.

(c) Hazardous Materials. Tenant shall not cause or permit any Hazardous Materials (as defined in **Exhibit H** attached hereto) to be brought upon, stored, used, generated, released into the environment or disposed of in, on, under or about the Premises by Tenant, its agents, employees, contractors or invitees (collectively referred to together with Tenant as the "Tenant Parties"), in violation of the terms of **Exhibit H** attached hereto.

(d) Parking. Landlord grants to Tenant and Tenant's customers, suppliers, employees and invitees, without charge, an exclusive license to use (24-hours per day) the vehicle parking spaces within the designated parking areas at the Premises as shown on **Exhibit B** for the use of motor vehicles during the Term of this Lease; provided that Landlord and its agents, employees, and contractors may use parking areas in connection with the exercise of Landlord's rights, or the performance of Landlord's obligations, under this Lease. Landlord reserves the right at any time to promulgate rules and regulations relating to the use of such parking areas, including reasonable restrictions thereon. Landlord hereby approves overnight parking of electric service carts (and no other vehicles) provided such carts are parked entirely within the Building. Overnight parking on the Premises Land shall only be permitted subject to Tenant's compliance with applicable laws, and any vehicle violating this or any other vehicle regulation adopted by Landlord is subject to removal at the owner's expense. Notwithstanding anything herein to the contrary, Landlord shall not be required to monitor the usage of the exclusive parking area available for Tenant's use. Subject to the terms and conditions contained in Paragraph 10 below, Tenant shall have the right, with Landlord's prior consent, which shall not be unreasonably withheld, to install signage that prohibits and/or regulates parking on the Premises Land.

(e) California Accessibility Disclosure. For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). In addition, the following notice is hereby provided pursuant to Section 1938(e) of the California Civil Code: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of and in connection with such notice: (i) Tenant, having read such notice and understanding Tenant's right to request and obtain a CASp inspection and with advice of counsel, hereby elects not to obtain such CASp inspection and forever waives its rights to obtain a CASp inspection with respect to the Premises, Building and/or Project to the extent permitted by applicable laws now or hereafter in effect; and (ii) if the waiver set forth in clause (i) hereinabove is not enforceable pursuant to applicable laws now or hereafter in effect, then Landlord and Tenant hereby agree as follows (which constitute the mutual agreement of the parties as to the matters described in the last sentence of the foregoing notice): (A) Tenant shall have the one-time right to request for and obtain a CASp inspection, which request must be made, if at all, in a written notice delivered by Tenant to Landlord on or before the Commencement Date; (B) any CASp inspection timely requested by Tenant shall be conducted (1) between the hours of 9:00 a.m. and 5:00 p.m. on any business day, (2) only after ten (10) days' prior written notice to Landlord of the date of such CASp inspection,

(3) in a professional manner by a CASp designated by Landlord and without any testing that would damage the Premises, Building or Project in any way, and (4) at Tenant's sole cost and expense, including, without limitation, Tenant's payment of the fee for such CASp inspection, the fee for any reports prepared by the CASp in connection with such CASp inspection (collectively, the "CASp Reports") and all other costs and expenses in connection therewith; (C) Tenant shall deliver a copy of any CASp Reports to Landlord within two (2) business days after Tenant's receipt thereof; (D) Tenant, at its sole cost and expense, shall be responsible for making any improvements, alterations, modifications and/or repairs to or within the Premises to correct violations of construction-related accessibility standards including, without limitation, any violations disclosed by such CASp inspection; and (E) if such CASp inspection identifies any improvements, alterations, modifications and/or repairs necessary to correct violations of construction-related accessibility standards relating to those items of the Building and Project located outside the Premises that are Landlord's repair obligations as set forth in this Lease, including, without limitation, Subparagraph 13(b) below, then Landlord shall perform such improvements, alterations, modifications and/or repairs as and to the extent required by applicable laws to correct such violations, and Tenant shall reimburse Landlord for the cost of such improvements, alterations, modifications and/or repairs within ten (10) business days after Tenant's receipt of an invoice therefor from Landlord.

(f) Survival. The provisions of this Paragraph 8 shall survive any termination of this Lease.

9. SURRENDER OF PREMISES; HOLDING OVER.

Upon the expiration of the Term of this Lease including any extension periods, Tenant shall surrender to Landlord the Premises and all tenant improvements and/or alterations in good condition, except for ordinary wear and tear and alterations Tenant has the right or is obligated to remove under the provisions of Paragraph 14 herein. Subject to Paragraph 14, Tenant shall remove all personal property, including, without limitation, all wallpaper, paneling and other decorative improvements or fixtures and shall perform all restoration made necessary by the removal of any alterations or Tenant's personal property before the expiration of the Term, including, for example, restoring all wall surfaces to their condition prior to the commencement of this Lease. Landlord may elect to retain or dispose of in any manner Tenant's personal property not removed from the Premises by Tenant prior to the expiration of the Term. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of Tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storage, removal or disposal of Tenant's personal property.

If Tenant, with Landlord's consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on written thirty (30) day notice at any time, by either party. All provisions of this Lease, except those pertaining to Term and rent, shall apply to the month-to-month tenancy. During such month-to-month tenancy, Tenant shall pay monthly rent in an amount equal to (i) 125% for the first two (2) months, and (ii) 150% for any period thereafter, of Basic Rent for the last full calendar month during the immediately preceding Term plus 100% of additional rent as provided in Paragraph 11 (Taxes), Paragraph 13 (Maintenance), Paragraph 16 (Insurance), subject to increase as provided therein. Any such holdover rent shall be paid on a per month basis without reduction for partial months during the holdover. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute consent to a hold over hereunder or result in an extension of this Lease. This paragraph shall not be construed to create any express or implied right to holdover beyond the expiration of the Term or any extension thereof. If Tenant fails to surrender the Premises after expiration or termination of the Term, Tenant shall indemnify, defend and hold harmless Landlord from all loss or liability, including, without limitation, any loss or liability resulting from any claim against Landlord made by any succeeding tenant founded on or resulting from Tenant's failure to surrender and losses to Landlord due to lost opportunities to lease any portion of the Premises to succeeding tenants, together with, in each case, actual, reasonable attorneys' fees and costs.

10. SIGNAGE.

Landlord shall designate the mutually acceptable location at or adjacent to the Premises for one or more Tenant identification sign(s). Landlord on behalf of Tenant and at the expense of Tenant, shall install and maintain Tenant's identification sign(s) in such designated locations in accordance with this Paragraph 10. Tenant shall have no right to install or maintain Tenant identification signs in any other location in, on or about the Premises and shall not display or erect any other signs, displays or other advertising materials that are visible from the exterior of the Building. The size, design, color and other physical aspects of permitted sign(s) shall be subject to: (i) Landlord's written approval prior to installation, which approval shall not be unreasonably withheld, (ii) any covenants, conditions or restrictions encumbering the Premises, (iii) any applicable municipal or governmental permits and approvals, and (iv) any signage programs for the Project adopted by Landlord, including but not limited to, the signage program attached hereto as **Exhibit K**. The cost of the sign(s), including the installation, maintenance and removal thereof, shall be at Tenant's sole cost and expense. If Tenant fails to cause Landlord to install or maintain its sign(s), or if Tenant fails to remove same upon termination of this Lease and repair any damage caused by such removal, including, without limitation, repainting the Building (if required by Landlord, in Landlord's sole but reasonable judgment), Landlord may do so at Tenant's expense. Tenant shall reimburse Landlord for all reasonable costs incurred by Landlord to effect such installation, maintenance or removal, which amount shall be deemed additional rent, and shall include, without limitation, all sums disbursed, incurred or deposited by Landlord, including Landlord's costs, expenses and actual attorneys' fees with interest thereon at the Interest Rate from the date of Landlord's demand until payment. Any sign rights granted to Tenant under this Lease are personal to Tenant and may not be assigned, transferred or otherwise conveyed to any assignee or subtenant of Tenant without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

11. TAXES.

(a) Personal Property Taxes. Tenant shall pay before delinquency all taxes, assessments, license fees and public charges levied, assessed or imposed upon its business operations as well as upon all trade fixtures, leasehold improvements, merchandise and other personal property in or about the Premises.

(b) Real Property Taxes. Tenant shall pay, as additional rent, Tenant's Share of all Real Property Taxes, including all taxes, assessments (general and special) and other impositions or charges which may be taxed, charged, levied, assessed or imposed with respect to any calendar year or part thereof included within the Term upon all or any portion of or in relation to the Premises or any portion thereof, any leasehold estate in the Premises or measured by rent from the Premises, including any increase caused by the transfer, sale or encumbrance of the Premises or any portion thereof. "Real Property Taxes" shall also include any form of assessment, levy, penalty, license fee, charge or tax (other than estate, inheritance, net income or franchise taxes) imposed by any authority having a direct or indirect power to tax or charge, including, without limitation, any city, county, state, federal or any improvement or other district, whether such tax is: (1) determined by the area of the Premises or the rent or other sums payable under this Lease; (2) upon or with respect to any legal or equitable interest of Landlord in the Premises or any part thereof; (3) upon this transaction or any document to which Tenant is a party creating a transfer in any interest in the Premises; (4) in lieu of or as a direct substitute in whole or in part of or in addition to any real property taxes on the Premises; (5) based on any parking spaces or parking facilities provided at the Premises; (6) in consideration for services, such as police protection, fire protection, street, sidewalk and roadway maintenance, refuse removal or other services that may be provided by any governmental or quasi-governmental agency from time to time which were formerly provided without charge or with less charge to property owners or occupants; or (7) related to Landlord's status as an owner and/or manager of real property within the City of Long Beach. Tenant shall pay Real Property Taxes on the date any taxes or installments of taxes are due and payable as determined by the taxing authority, evidenced by the tax bill. Landlord shall determine and notify Tenant of the amount of Real Property Taxes not less than ten (10) days in advance of the date such tax or installment of taxes is due and payable. In the event Landlord fails to deliver such timely determination and notice to Tenant, then Tenant shall have ten (10) days from receipt of such notice to remit payment of Real Property Taxes to Landlord. The foregoing notwithstanding, upon notice from Landlord, Tenant shall pay, as additional rent, Real Property Taxes to Landlord in advance monthly installments equal to one twelfth (1/12) of Landlord's reasonable estimate of the Real Property Taxes payable under this Lease, together with monthly installments of Basic Rent, and Landlord shall hold such payments in a non-interest bearing account. Landlord shall determine and notify Tenant of any deficiency in the impound account Tenant shall pay any deficiency of funds in the impound account not less than thirty (30) days in advance of the date such tax or installment of taxes is due and payable. In the event Landlord fails to deliver such timely deficiency determination and notice to Tenant, then Tenant shall have ten (10) days from receipt of such notice to remit payment of such deficiency to Landlord. If Landlord determines that Tenant's impound account has accrued an amount in excess of the Real Property Taxes due and payable, then such excess shall be credited to Tenant within thirty (30) days from receipt of said notice from Landlord.

12. UTILITIES.

Tenant shall pay directly to the utility companies providing such services, the cost of all water, gas, heat, light, power, sewer, electricity, telephone or other service metered, chargeable or provided to the Premises. Tenant agrees that upon request from Landlord, Tenant shall provide Landlord with any energy usage data for the Premises, including, without limitation, copies of utility bills for the Premises. Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility or other service furnished to the Premises. Except as expressly set forth below, no such failure or interruption shall entitle Tenant to terminate this Lease or abate rent in any manner and Tenant hereby waives the provisions of any applicable existing or future law, ordinance or regulation permitting the termination of this Lease due to an interruption, failure or inability to provide any services (including, without limitation, the provisions of California Civil Code Section 1932(1)). Notwithstanding the foregoing, in the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days (the "Eligibility Period") as a result of Landlord's failure to provide to the Premises any utilities for water or electricity (to the extent Landlord's obligation to provide hereunder), then Tenant's obligation to pay Basic Rent and Tenant's Share of Maintenance Expenses shall be abated or reduced, as the case may be, from and after the first (1st) day following the Eligibility Period and continuing during such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable square feet of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square feet of the Premises; provided, however, that Tenant shall only be entitled to such abatement of rent if the matter described in this sentence is caused by Landlord's gross negligence or willful misconduct.

13. MAINTENANCE.

(a) Performed by Tenant. Except as provided below, Tenant shall maintain, repair and replace (as necessary) the Premises in good condition, including, without limitation, maintaining, repairing and replacing (as necessary) of all of the following: non-bearing walls; floors; ceilings; telephone equipment and wiring; doors; exterior and interior windows and fixtures as well as damage caused by Tenant, its agents, contractors, employees or invitees; provided, however, Tenant acknowledges and agrees that it shall be required to comply with the Boeing Provisions (as defined in **Exhibit H** attached hereto) if any of Tenant's obligations under this Paragraph 13(a) require or permit Tenant to penetrate the Premises Land's soil. In such circumstances, Landlord and Tenant agree to promptly meet and confer regarding the applicable item of repair or maintenance to be performed by Tenant to ensure that Tenant complies with the Boeing Provisions and Tenant agrees not to perform any such work until such meeting occurs. Tenant shall comply with the provisions of California Health and Safety Code Sections 26142 and 26145. Upon expiration or termination of this Lease, Tenant shall surrender the Premises to Landlord in the same

condition as existed at the commencement of the Term, except for reasonable wear and tear or damage caused by fire or other casualty for which Landlord has received all funds necessary for restoration of the Premises from insurance proceeds. Tenant shall, at its own expense, provide, install and maintain in good condition all of its personal property required in the conduct of its business on the Premises. If Tenant refuses or neglects to repair, replace and maintain the Premises as required hereunder and to the reasonable satisfaction of Landlord, Landlord may at any time following ten (10) days from the date on which Landlord shall make a written demand on Tenant to effect such repair, replacement and maintenance (emergencies excepted in which case no such demand shall be required), enter upon the Premises and make such repairs, replacements and/or maintenance without liability to Tenant for any loss or damage which might occur to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay to Landlord, Landlord's costs for making such repairs plus ten percent (10%) for overhead, upon presentation of a bill therefor. Said bill shall include interest at the Interest Rate on said costs from the date of completion of the maintenance and repairs by Landlord.

(b) Performed by Landlord. Subject to reimbursement by Tenant as hereinafter provided, Landlord shall be responsible to maintain, in good condition, the structural parts of the Premises, which shall include only the foundations, bearing and exterior walls (including painting), subflooring; the roof system and skylights; the unexposed electrical, plumbing and sewerage systems, including without limitation, those portions of the systems lying outside the Premises; the paved and hardscaped parking and driveway areas (including resurfacing and restriping); window frames, gutters and downspouts on the Building; the heating, ventilating and air conditioning system servicing the Premises; the outside areas of the Premises and every part thereof, including, without limitation, the soil, landscaping (including replacement thereof), sprinkler system, walkways, parking areas (including periodic sweeping), signs, site lighting and pest control. In connection with the foregoing, Landlord shall maintain, at Tenant's cost, preventative maintenance policies for (i) roof maintenance and inspection, and (ii) repairs and maintenance of the HVAC equipment. In addition, Landlord agrees to enforce any manufacturer warranties applicable to the Building. Landlord shall not be liable for any failure to make any such repairs or any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

Notwithstanding the foregoing, Landlord agrees, at its sole cost and expense and not as a part of Maintenance Expenses, to repair and/or replace (if necessary, in Landlord's reasonable discretion) the following structural portions of the Premises: (i) the structural portions of the roof (specifically excluding any portion of the roof membrane); (ii) the foundation; and (iii) the load bearing walls; provided, however, to the extent such repair and/or replacement is necessitated by the negligence or willful misconduct of Tenant Parties, Tenant shall reimburse Landlord for all such costs incurred by Landlord to complete such repairs and/or replacements in accordance with the terms of this Subparagraph 13(b) above.

(c) Reimbursement by Tenant. Prior to the commencement of each calendar year, Landlord shall give Tenant a written estimate of the expenses Landlord anticipates will be incurred for the ensuing calendar year with respect to the maintenance and repair to be performed by Landlord as herein described (the "Maintenance Expenses"). Tenant shall pay, as additional rent, such estimated expenses in equal monthly installments in advance on or before the first day of each month concurrent with its payment of Basic Rent. Within ninety (90) days after the end of each calendar year, Landlord shall furnish Tenant a statement showing in reasonable detail the actual expenses incurred for the period in question (the "Expense Statement") and the parties shall within thirty (30) days thereafter make payment or allowance as necessary to adjust Tenant's estimated payments to the actual expenses as shown by applicable periodic statements submitted by Landlord. If Landlord shall determine at any time that the estimate of expenses for the current calendar year is or will become inadequate to meet all such expenses for any reason, Landlord shall immediately determine the appropriate amount of such inadequacy and issue a supplemental estimate as to such expenses, and Tenant shall pay any increase in the estimated expenses as reflected by such supplemental estimate within thirty (30) days following receipt of written request from Landlord. Tenant's failure to timely pay any of the charges in connection with the performance of its maintenance and repair obligations to be paid under this Paragraph 13 shall constitute a material default under this Lease.

Further notwithstanding anything to the contrary contained in this Lease, Maintenance Expenses will not include: (i) the cost of any work or service performed for any other tenant or occupant of the Project; (ii) any cost to the extent Landlord is reimbursed therefor out of insurance proceeds or would have been reimbursed if Landlord had carried the insurance required of Landlord under this Lease; (iii) costs of repairs, alterations or replacements caused by the exercise of rights of eminent domain; (iv) any expense for which Landlord is compensated by proceeds of indemnities or warranties (it being understood that Landlord shall use commercially reasonable efforts to obtain any reimbursements to which it is entitled thereunder); (v) general overhead and administrative expenses of Landlord relating to maintaining Landlord's existence and functioning either as a corporation, partnership or other entity; (vi) costs, penalties or fines incurred due to the violation by the Landlord of any applicable laws; (vii) any costs incurred to clean up, contain, abate, remove, remediate or otherwise remedy Hazardous Materials in or around the Project which exist in violation of applicable laws prior to the date of this Lease; (viii) costs for acquiring, moving, maintaining, repairing or insuring any sculpture, paintings and other art objects at the Building or Project; and (ix) any capitalized costs incurred by Landlord in order to bring the Property into compliance with the requirements of any applicable laws, provided that such non-compliance exists as of the date of this Lease.

Further notwithstanding the foregoing, Maintenance Expenses shall also not include costs attributable to capital improvements, repairs, or replacements as determined under generally accepted accounting principles except to the extent such costs are amortized (including an interest factor of eight percent (8%) per annum) over the useful life (as determined in accordance with generally accepted accounting principles) of such capital improvements, repairs or replacements.

Landlord shall keep or cause to be kept separate and complete books of account covering costs and expenses incurred in connection with its maintenance and repair of the Building and outside areas, which costs and expenses shall include, without limitation, the actual costs and expenses incurred in connection with labor and material utilized in performance of the maintenance and repair obligations hereinafter described, public liability, property damage and other forms of insurance which Landlord may, or is required to, maintain, reasonable reserves for replacements and/or repairs of improvements to the outside areas, equipment and supplies, employment of such personnel as Landlord may deem reasonably necessary, payment or provision for unemployment insurance, worker's compensation insurance and other employee costs, depreciation of machinery and equipment used in connection with the maintenance of the outside areas, the cost of bookkeeping and accounting services, assessments which may be levied against the Premises under any recorded covenants, conditions and restrictions, and any other items reasonable necessary from time to time to properly repair, replace and maintain the outside areas and any interest paid in connection therewith. Landlord may elect to delegate its duties hereunder to a professional property manager.

In the event of any dispute as to the amount of Tenant's Share of Maintenance Expenses, Tenant or an accounting firm selected by Tenant and reasonably satisfactory to Landlord (billing hourly and not on a contingency fee basis) will have the right, by prior written notice ("Audit Notice") given within ninety (90) days ("Audit Period") following receipt of an Expense Statement and at reasonable times during normal business hours, to audit Landlord's accounting records with respect to Maintenance Expenses relative to the year to which such Expense Statement relates at the offices of Landlord's property manager. In no event will Landlord or its property manager be required to (i) photocopy any accounting records or other items or contracts, (ii) create any ledgers or schedules not already in existence, (iii) incur any costs or expenses relative to such inspection, or (iv) perform any other tasks other than making available such accounting records as aforesaid. Neither Tenant nor its auditor may leave the offices of Landlord's property manager with copies of any materials supplied by Landlord. Tenant must pay Tenant's Share of Maintenance Expenses when due pursuant to the terms of this Lease and may not withhold payment of Maintenance Expenses or any other rent pending results of the audit or during a dispute regarding Maintenance Expenses. The audit must be completed within ten (10) days of the date of Tenant's Audit Notice (so long as Landlord provides Tenant with access to the relevant accounting records as described above within such ten (10) day period)) and the results of such audit shall be delivered to Landlord within thirty (30) days of the date of Tenant's Audit Notice. If Tenant does not comply with any of the aforementioned time frames, then such Expense Statement will be conclusively binding on Tenant. If such audit or review correctly reveals that Landlord has overcharged Tenant, then within thirty (30) days after the results of such audit are made available to Landlord, Landlord agrees to reimburse Tenant the amount of such overcharge. If the audit reveals that Tenant was undercharged, then within thirty (30) days after the results of the audit are made available to Tenant, Tenant agrees to reimburse Landlord the amount of such undercharge. Tenant agrees to pay the cost of such audit, provided that if the audit reveals that Landlord's determination of the Building's and/or Project's total Maintenance Expenses as set forth in the relevant Expense Statement was in error in Landlord's favor by more than five percent (5%) of the total amount of such Maintenance Expenses pursuant to such Expense Statement, then Landlord agrees to pay the reasonable out-of-pocket cost of such audit incurred by Tenant. To the extent Landlord must pay the cost of such audit, such cost shall not exceed a reasonable hourly charge for a reasonable amount of hours spent by in connection with the audit, and in no event will exceed the amount of the error. Tenant agrees to keep the results of the audit confidential and will cause its agents, employees and contractors to keep such results confidential. To that end, Landlord may require Tenant and its auditor to execute a confidentiality agreement provided by Landlord.

Except as provided in Paragraph 17 hereof, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code or any similar law, statute or ordinance now or hereafter in effect and under the provisions of California Health and Safety Code Section 26143 with respect to those maintenance obligations which are Tenant's responsibility under the terms of this Lease.

14. ALTERATIONS.

(a) Alterations. Tenant shall not make any alterations to the Premises, including any changes to the existing landscaping, without Landlord's prior written consent, which consent shall not be unreasonably withheld. If Landlord consents to such alterations, Tenant acknowledges and agrees that it shall be required to comply with the Boeing Provisions if any of Tenant's alterations to the Premises, Building and/or the Premises Land require or permit Tenant to penetrate the Premises Land's soil. In such circumstances, Landlord and Tenant agree to promptly meet and confer regarding the applicable alterations to be performed by Tenant to ensure that Tenant complies with the Boeing Provisions and Tenant agrees not to perform any such alterations until such meeting occurs. Any alterations made shall remain on and be surrendered with the Premises upon expiration of the Term, except that Landlord may, at the time of Landlord's consent to any alterations (provided Tenant requests that Landlord make such determination at the time of Tenant's request for consent) or in the case of Cosmetic Alterations (as defined hereinbelow), by written notice to Tenant within fifteen (15) days after Landlord's receipt of Tenant's notice of such Cosmetic Alterations (provided Tenant requests that Landlord make such determination at the time of Tenant's notice), elect to require Tenant to remove any alterations which Tenant may have made to the Premises. If Landlord so elects, Tenant shall, at its own cost, restore the Premises to the condition designated by Landlord in its election, before the last day of the Term or within thirty (30) days after notice of its election is given, whichever is later. Notwithstanding anything to the contrary contained herein, Tenant may make strictly cosmetic changes to the finish work in the Premises (the "Cosmetic Alterations"), without Landlord's consent, provided that the aggregate cost of any such alterations does not exceed Fifty Thousand Dollars ($50,000.00) in any consecutive twelve (12) month period during the Term, and further provided that such alterations do not (i) require any structural or other substantial modifications to the Premises, (ii) require any changes to, nor adversely affect, the systems and

equipment of the Project (including, without limitation, the sprinkler system), or (iii) affect the exterior appearance of the Building or the Project. Tenant shall give Landlord at least thirty (30) days prior notice of such Cosmetic Alterations, which notice shall be accompanied by reasonably adequate evidence that such alterations meet the criteria contained in this Paragraph 14.

(b) Standard of Work. Should Landlord consent in writing to Tenant's alteration of the Premises (or in the event Landlord's consent is not required as provided in Subparagraph 14(a) above), Tenant shall contract with a reputable, licensed contractor approved by Landlord, which approval shall not be unreasonably withheld, for the construction of such alterations, shall secure all appropriate governmental approvals and permits, and shall complete such alterations with due diligence, in a first-class manner, and, if applicable, in compliance with plans and specifications approved by Landlord, and in compliance with all applicable laws, statutes and regulations. Tenant shall pay all costs for such construction (including a commercially reasonable construction management fee payable to Landlord or Landlord's property manager equal to four percent (4%) of the total cost in connection with Tenant's performance of any alterations, but excluding (i) the Cosmetic Alterations and (ii) the Conceptually Approved Improvements), shall keep the Premises free and clear of all mechanics' liens which may result from construction by Tenant, and shall provide Landlord with periodic construction updates. Landlord shall have the right, but not the obligation, to inspect periodically the work on the Premises and Landlord may require changes in the method or quality of the work.

(c) Liens. Tenant shall pay all costs for such construction and shall keep the Premises free and clear of all mechanics' and materialmens' liens which may result from construction by Tenant. Tenant shall provide at least ten (10) days prior written notice to Landlord before any labor is performed, supplies furnished or services rendered on or at the Premises and Landlord shall have the right to post on the Premises notices of non-responsibility.

(d) Conceptual Approval. Subject to the terms and conditions of this Paragraph 14, Landlord hereby approves in concept the alterations depicted on that certain space plan attached hereto as **Exhibit C** (collectively, the "Conceptually Approved Improvements"). Notwithstanding the foregoing, Tenant agrees that Tenant shall be obligated to remove any Conceptually Approved Improvements (and shall perform all restoration made necessary by the removal of such Conceptually Approved Improvements) prior to the expiration or earlier termination of this Lease, unless otherwise agreed to by Landlord and Tenant in writing.

15. RELEASE AND INDEMNITY.

As material consideration to Landlord, Tenant agrees that, except to the extent caused by the gross negligence or willful misconduct of Landlord or the Landlord Indemnified Parties (as hereinafter defined), and subject to the waiver of subrogation requirements set forth in Paragraph 16 below, Landlord, its agents, successors-in-interest with respect to the Premises and their respective directors, officers, partners, members, employees, shareholders, agents and representatives and the directors, officers, partners, members, employees, shareholders, agents and representatives of the partners or members of Landlord (collectively, the "Landlord Indemnified Parties") shall not be liable to Tenant, its agents, employees, invitees, licensees and other persons claiming under Tenant for: (i) any damage to any property entrusted to employees of the Premises, Landlord or the Landlord Indemnified Parties, (ii) loss or damage to any property by theft or otherwise, (iii) consequential damages arising out of any loss of the use of the Premises or any equipment or facilities therein, or (iv) any injury or damage to person or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Premises or from pipes, appliances or plumbing work therein or from the roof, street, sub-surface or from any other place or resulting from dampness or any other causes whatsoever. Landlord and/or the Landlord Indemnified Parties shall not be liable for interference with light or other incorporeal hereditaments, nor shall Landlord or the Landlord Indemnified Parties be liable for any latent defects in the Premises. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises and of defects therein or in the fixtures or equipment located therein.

To the fullest extent permitted by law and except to the extent caused by the gross negligence or willful misconduct of Landlord or the Landlord Indemnified Parties (as hereinafter defined), and subject to the waiver of subrogation requirements set forth in Paragraph 16 below, Tenant agrees to indemnify, defend (with counsel satisfactory to Landlord) and hold harmless Landlord and the Landlord Indemnified Parties from (i) all claims, actions liabilities, and proceedings arising from Tenant's use of the Premises or the conduct of its business or from any activity, work or thing done, permitted or suffered by Tenant or any Tenant Parties, in or about the Premises and any breach or default in the performance of any obligation to be performed by Tenant under the terms of this Lease, or arising from any act, neglect, fault or omission of Tenant or any Tenant Parties, and (ii) any and all reasonable costs, attorneys' fees, expenses and liabilities incurred with respect to any such claims, actions, liabilities, or proceedings (collectively, the "Indemnified Claims"), and in the event any Indemnified Claims shall be brought against Landlord, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel approved in writing by Landlord. Tenant hereby assumes all risk of damage to property or injury to person in, upon or about the Premises from any cause whatsoever, and Tenant hereby waives all its claims in respect thereof against Landlord. Notwithstanding anything in this Paragraph 15 to the contrary, the foregoing assumption of risk, release and indemnity shall not apply to any Indemnified Claims to the extent resulting from the gross negligence or willful misconduct of Landlord or any of the Landlord Indemnified Parties and not insured (or required to be insured) by Tenant under this Lease (collectively, the "Excluded Claims") and Landlord shall indemnify, protect, defend and hold harmless Tenant and Tenant's officers, agents and employees (collectively, "Tenant Indemnified Parties") from and against any such Excluded Claims, but only to the extent Landlord's liability is not waived and released by Tenant pursuant to the waivers of subrogation required of Tenant in Paragraph 16 below (provided, however, that Landlord's indemnity shall, in no event, extend to loss of profits, loss of business or other consequential damages incurred by Tenant or any Tenant Indemnified Parties). Each party's agreement to indemnify the other pursuant to

this Paragraph 15 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by the indemnifying party pursuant to the provisions of this Lease.

As used herein, the term "liabilities" shall include all suits, actions, claims and demands and all expenses (including attorneys' fees and costs of defense) incurred in or about any such liability and any action or proceeding brought thereon. If any claim shall be made or any action or proceeding brought against Landlord on the basis of any liability described in this Paragraph 15, Tenant shall, upon notice from Landlord, defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. It is understood that payment shall not be a condition precedent to recovery upon the foregoing indemnity.

16. INSURANCE.

(a) Effective as of the earlier of (1) the date Tenant enters or occupies the Premises or (2) the Commencement Date, and continuing throughout the Term, Tenant shall maintain the following insurance policies:

i) Commercial General Liability Insurance. Commercial general liability insurance (including property damage, bodily injury and personal injury coverage) in amounts of $1,000,000.00 per occurrence and $2,000,000.00 in the annual aggregate on a per location basis in primary coverage, with an additional $5,000,000.00 per occurrence and $5,000,000.00 annual aggregate on a per location basis in umbrella/excess liability coverage or, following the expiration of the initial Term, such other amounts as Landlord may from time to time reasonably require insuring Tenant (and naming as additional insureds Landlord and its subsidiaries, Landlord's property management company, Landlord's asset management company, J.P. Morgan Investment Management, Inc. and, if requested in writing by Landlord, Landlord's Mortgagee), against all liability for injury to or death of a person or persons or damage to property arising from the use and occupancy of the Premises and (without implying any consent by Landlord to the installation thereof) the installation, operation, maintenance, repair or removal of Tenant's off-Premises equipment (i.e., any equipment located outside of the Building). If the use and occupancy of the Premises include any activity or matter that is or may be excluded from coverage under a commercial general liability policy (e.g., the sale, service or consumption of alcoholic beverages), Tenant shall obtain such endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from such activity or matter (including liquor liability, if applicable) in such amounts as Landlord may reasonably require. Tenant will also ensure this policy contains a waiver of subrogation in favor of the additional insureds;

ii) Commercial Property Insurance. (1) Cause of loss-special risk form (formerly "all-risk") or its equivalent insurance (including, but not limited to, sprinkler leakage, ordinance and law, sewer back-up, flood, earthquake, windstorm and collapse coverage) covering the full value of all alterations and improvements and betterments in the Premises made by or on behalf of Tenant at Tenant's cost (excluding any work performed using the Allowance), naming Landlord and Landlord's Mortgagee as additional loss payees as their interests may appear, and (2) cause of loss-special risk form (formerly "all-risk") or its equivalent insurance covering the full value of all furniture, trade fixtures, equipment and personal property (including property of Tenant or others) in the Premises or otherwise placed in the Project by or on behalf of a Tenant Party (including Tenant's Off-Premises Equipment (i.e., any equipment located outside of the Building)). Tenant will also ensure this policy contains a waiver of subrogation in favor of the additional insureds;

iii) Contractual Liability Insurance. Contractual liability insurance sufficient to cover Tenant's indemnity obligations hereunder (but only if such contractual liability insurance is not already included in Tenant's commercial general liability insurance policy and umbrella/excess liability insurance policy);

iv) Commercial Auto Liability Insurance. Commercial auto liability insurance (if applicable) covering automobiles owned, hired or used by Tenant in carrying on its business with limits not less than $1,000,000.00 combined single limit for each accident, insuring Tenant (and naming as additional insureds Landlord, Landlord's property management company, Landlord's asset management company and, if requested in writing by Landlord, Landlord's Mortgagee) and scheduled to the umbrella/excess liability insurance policy. Tenant will also ensure this policy contains a waiver of subrogation in favor of the additional insureds;

v) Worker's Compensation Insurance; Employer's Liability Insurance. Worker's compensation insurance with statutory limits required by the state in which these Premises are located, including provisions for voluntary benefits as required in labor agreements, if applicable (or such larger amount if required by local statute) and employer's liability insurance of $1,000,000;

vi) Business Interruption Insurance. Business interruption insurance in an amount reasonably acceptable to Landlord (but not to exceed an amount equal to twelve (12) months of rent); and

vii) Environmental Impairment Liability Insurance. Environmental impairment liability insurance insuring Tenant (and naming as additional insureds Landlord and its subsidiaries, Landlord's property management company, Landlord's asset management company, JP Morgan Investment Management Inc. and, if requested in writing by Landlord, Landlord's Mortgagee) against all liability for environmental damage, including third party property damage and bodily injury liability, as well as the cost of investigation and remediation (and insuring pollution hazards from tenant materials or products), arising from the use and occupancy of the Premises and (without implying any consent by Landlord to the installation thereof) the installation, operation, maintenance, repair or removal of

Tenant's Off-Premises Equipment, with limits of not less than $2,000,000 per claim and $2,000,000 in the aggregate.

(b) Tenant's Insurance Primary. Tenant's insurance shall be primary and non-contributory when any policy issued to Landlord provides duplicate or similar coverage, and in such circumstance Landlord's policy will be excess over Tenant's policy(ies).

(c) Tenant's Vendors/Contractors. Tenant shall require any vendors or contractors that it shall hire to perform work/services on Premises to procure similar insurance, as required by Landlord of Tenant in this Lease including naming as additional insureds Landlord and its subsidiaries, Landlord's property management company, Landlord's asset management company, J.P. Morgan Investment Management, Inc. and, if requested in writing by Landlord, Landlord's Mortgagee.

(d) Certificates of Insurance; Form of Insurance. Tenant shall furnish to Landlord certificates of such insurance and such other evidence satisfactory to Landlord of the maintenance of all insurance coverages required hereunder at least ten (10) days prior to the earlier of the Commencement Date or the date Tenant enters or occupies the Premises (in any event, within ten (10) days of the effective date of coverage), and at least fifteen (15) days prior to each renewal of said insurance, and Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days before cancellation or a material change of any such insurance policies. All such insurance policies shall be in form reasonably satisfactory to Landlord and issued by companies with an A.M. Best rating of not less than A-:VIII or better. However, no review or approval of any insurance certificate or policy by Landlord shall derogate from or diminish Landlord's rights or Tenant's obligations hereunder.

(e) Self-Insured Risks. Notwithstanding anything to the contrary contained in this Lease, so long as the tenant under this Lease is the originally named Tenant herein, Tenant may elect to "self-insure" against the risks described in Subparagraph 16(a) (collectively, the "Self-Insured Risks"); i.e., Tenant may elect to absorb all liability for which Tenant would otherwise have insurance coverage under policies of insurance for the Self-Insured Risks; provided, however, Tenant shall not be released from liability hereunder by reason of such self-insurance. To the extent Tenant elects to self-insure such risks (which election shall automatically be deemed to have been made by Tenant to the extent of any failure to carry insurance on the Self-Insured Risks), then, as between Landlord and Tenant, Tenant shall be treated as if Tenant maintained such insurance and Tenant hereby waives any rights of recovery and subrogation against Landlord and/or Landlord's insurer for any loss which would have been covered had Tenant maintained insurance covering the Self-Insured Risks. Tenant's right to "self-insure" is personal to the originally named Tenant herein and may not be exercised by or assigned, transferred or otherwise conveyed to any assignee or subtenant of Tenant without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion.

(f) Default. If Tenant fails to comply with the foregoing insurance requirements or to deliver to Landlord the certificates or evidence of coverage required herein, Landlord, in addition to any other remedy available pursuant to this Lease or otherwise, may, but shall not be obligated to, obtain such insurance and Tenant shall pay to Landlord on demand the premium costs thereof, plus an administrative fee of five percent (5%) of such cost.

The policies of insurance required of Landlord and Tenant hereunder shall include a clause or endorsement denying the insurer any rights of subrogation against the other party to the extent rights have been waived by the insured before the occurrence of injury or loss. Landlord and Tenant each hereby waive any rights of recovery against the other for injury or loss to such waiving party or to its property or the property of others under its control, arising from any cause insured against under any policy of insurance required to be carried by such waiving party under this Lease (other than commercial general liability). The foregoing waiver shall be effective whether or not the waiving party shall actually obtain and maintain the insurance which such waiving party is obligated to obtain and maintain under this Lease.

Subject to being reimbursed by Tenant, Landlord shall insure the Building and the Premises Land (excluding all property which Tenant is obligated to insure) by obtaining and maintaining property insurance for any and all reasonable risks (including earthquake and flood insurance) and public liability insurance, all in such amounts and with such deductibles as Landlord considers appropriate. Tenant shall pay, as additional rent, Tenant's Share of the cost of any insurance maintained by Landlord hereunder and any other insurance Landlord may elect to obtain for the Building and/or the Premises Land from time to time during the Term (including, without limitation, earthquake and/or flood insurance). Tenant shall pay Tenant's Share of the cost of insurance policy premiums to Landlord at least five (5) days prior to the date any premiums or installments of premiums are due and payable. Landlord shall determine and notify Tenant of the amount of insurance premiums not less than fifteen (15) days in advance of the date such premium or installment of premiums is due and payable. In the event Landlord fails to deliver such timely determination and notice to Tenant, then Tenant shall have five (5) days from receipt of such notice to remit payment of insurance premiums to Landlord. The foregoing notwithstanding, upon notice from Landlord, Tenant shall pay, as additional rent, insurance premiums to Landlord in advance monthly installments equal to one twelfth (1/12) of Landlord's reasonable estimate of the insurance premiums payable under this Lease, together with monthly installments of Basic Rent, and Landlord shall hold such payments in a non-interest bearing account. Upon determination of the actual insurance premium due and payable, Landlord shall determine and notify Tenant of any deficiency in the impound account Tenant shall pay any deficiency of funds in the impound account not less than fifteen (15) days in advance of the date such insurance premium or installment of premiums is due and payable. In the event Landlord fails to deliver such timely deficiency determination and notice to Tenant, then Tenant shall have five (5) days from receipt of such notice to remit payment of such deficiency to Landlord. If Landlord determines that Tenant's impound account has accrued an amount in excess of the insurance premiums due

and payable, then such excess shall be credited to Tenant within 30-days following the date of said notice from Landlord.

Notwithstanding any contribution by Tenant to the cost of insurance premiums as provided herein, Tenant acknowledges that it has no right to receive any proceeds from any insurance policies carried by Landlord.

17. DESTRUCTION.

(a) Casualty. If during the Term of this Lease, any portion of the Premises, access to the Premises or any part of the Building which is essential to the use of the Premises is damaged or destroyed and such damage or destruction can, in Landlord's reasonable estimation, be repaired within two hundred seventy (270) days following such damage or destruction, and Landlord receives insurance proceeds sufficient to restore such damage this Lease shall remain in full force and effect and Landlord shall promptly commence to repair and restore the damage or destruction to substantially the same condition as existed prior to such damage and shall complete such repair and restoration with due diligence in compliance with all then existing laws. Notwithstanding the foregoing, if (1) such damage or destruction cannot, in Landlord's reasonable estimate, be repaired within two hundred seventy (270) days following such damage or destruction; or (2) more than forty percent (40%) of the Building is damaged or destroyed; or (3) any Mortgagee of the Building will not allow the application of insurance proceeds for repair and restoration; or (4) the damage or destruction is not covered in full by Landlord's Insurance required by Paragraph 16, subject to the deductible, or (5) the damage or destruction occurs within the last twelve (12) months of the Term of this Lease or any extension hereof, then Landlord may, in its sole discretion, terminate this Lease by delivery of notice to Tenant within thirty (30) days of the date Landlord learns of the damage.

(b) Rent Abatement. In the event of repair, reconstruction and restoration by Landlord as herein provided, the rent payable under this Lease shall be abated proportionately to the extent to which there is substantial interference with Tenant's use of the Premises during the period of such repair, reconstruction or restoration; provided that there shall be no abatement of rent if such damage is the result of Tenant's negligence or intentional wrongdoing. Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Premises, damage to Tenant's personal property and/or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

(c) Repair or Restoration. If Landlord is obligated to or elects to repair or restore as herein provided, Landlord shall be obligated to make repair or restoration only to those portions of the Building and the Premises which were originally provided at Landlord's expense, and the repair and restoration of items not provided at Landlord's expense shall be the obligation of Tenant. Tenant agrees to coordinate the restoration and repair of those items it is required to restore or repair with Landlord's repair and restoration work and in accordance with a work schedule prepared by Landlord, or Landlord's contractor. Further, Tenant's work shall be performed in accordance with the terms, standards and conditions contained in Paragraph 14 above.

(d) Waiver. The provisions of California Civil Code Section 1932, Subsection 2, and Section 1933, Subsection 4, and any other similarly enacted statute or court decision relating to the abatement or termination of a lease upon destruction of the leased premises, are hereby waived by Tenant; and the provisions of this Paragraph 17 shall govern in case of such destruction.

(e) Tenant's Right to Terminate. Where Landlord is obligated or otherwise elects to effect restoration of the Premises or Building, unless such restoration is completed within two hundred seventy (270) days from the date of such damage or destruction (subject to delays caused by Tenant and force majeure), Tenant shall have the right to terminate this Lease by written notice at any time after the expiration of such 270-day period (subject to delays caused by Tenant and force majeure) but prior to the time that the restoration is substantially completed (at which time Tenant's right to terminate this Lease shall be null and void), such termination to take effect as of the sixtieth (60th) day after such notice is given. Notwithstanding the foregoing, if Landlord causes the restoration to be substantially completed within sixty (60) days after receiving such notice from Tenant of its election to terminate this Lease pursuant to the foregoing sentence, then Tenant's right to terminate this Lease shall be null and void. Additionally, if the Premises are destroyed or damaged during the last twelve (12) months of the Term and the damage or destruction cannot, in Landlord's reasonable estimate, be repaired within ninety (90) days following such damage or destruction (and Tenant has not elected to extend this Lease pursuant to **Rider 1** attached hereto) then, in each case, Tenant shall have the right to terminate this Lease upon delivery of notice to Landlord within thirty (30) days after receipt of Landlord's notice regarding Landlord's estimate to repair such damage or destruction, in which case this Lease shall terminate on the date that is sixty (60) days after the date of Tenant's notice.

18. CONDEMNATION.

(a) Definitions. The following definitions shall apply: (1) "Condemnation" and/or "Taking" means (a) the exercise of any governmental power of eminent domain, whether by legal proceedings or otherwise by condemnor, or (b) the voluntary sale or transfer by Landlord to any condemnor either under threat of condemnation or while legal proceedings for condemnation are proceeding; (2) "Date of Taking" means the date the condemnor has the right to possession of the property being condemned; (3) "Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation; and (4) "Condemnor" means any public or quasi-public authority, or private corporation or individual, having a power of condemnation.

(b) Obligations to be Governed by Lease. If during the Term of this Lease there is any Taking of all or any part of the Premises, the rights and obligations of the parties shall be determined pursuant to this Lease.

(c) Total or Partial Taking. If the Premises is taken in its entirety by condemnation, this Lease shall terminate on the date of Taking. If any portion of the Premises is taken by condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if the remaining portion of the Premises is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after receipt of notice of the Taking from Landlord. If Tenant elects to terminate this Lease, Tenant shall also notify Landlord of the date of termination, which date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the date of Taking if the date of Taking falls on a date before the date of termination as designated by Tenant. If any portion of the Premises is taken by condemnation and this Lease remains in full force and effect, on the date of taking the rent shall be reduced by an amount in the same ratio as the total number of square feet in the portion of the Premises taken bears to the total number of square feet in the Premises immediately before the Date of Taking. In the case where a portion of the Premises is taken and this Lease remains in full force and effect, Landlord shall, at its own cost and expense, to the extent of condemnation proceeds, make all alterations or repairs to the Building so as to make the portion of the Building not taken a complete architectural unit. Such work shall not, however, exceed the scope of work done by Landlord in originally constructing the Building. If severance damages from the condemnor are not available to Landlord in sufficient amounts to permit such restoration, Landlord may terminate this Lease upon written notice to Tenant. Rent due and payable hereunder shall be temporarily abated during such restoration period in proportion to the extent to which there is substantial interference with Tenant's use of the Premises, as reasonably determined by Landlord or Landlord's architect. Each party hereby waives the provisions of Section 1265.130 of the California Code of Civil Procedure and any present or future law allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Building or Premises.

If the Premises are totally or partially taken by condemnation, Tenant shall not assert any claim against Landlord or the condemnor for any compensation because of such Taking, and Landlord shall be entitled to receive the entire amount of the award without any deduction for any estate or interest of Tenant; provided, however, Tenant shall have the right to file a separate claim against the condemnor (but not Landlord) and receive a condemnation award so long as Tenant's claim and/or award does not affect Landlord's claim or award.

19. ASSIGNMENT OR SUBLEASE.

Tenant shall not assign or encumber its interest in this Lease or any portion of the Premises or sublease all or any part of the Premises or allow any other person or entity (except Tenant's authorized representatives, employees, invitees, or guests) to occupy or use all or any part of the Premises without first obtaining Landlord's consent, which consent shall not be unreasonably withheld. In addition to any other reasonable grounds upon which Landlord may withhold its consent, Landlord shall be deemed reasonable in withholding its consent if it determines in its sole discretion that: (i) the financial net worth of the proposed assignee is not adequate to support the tenant obligations under this Lease; (ii) the intended use of the Premises by the proposed assignee or sublessee will require more than an insignificant alteration of the Premises; (iii) the intended uses of the Premises by the proposed assignee or sublessee will constitute a violation of this Lease or any governmental law, rule, ordinance or regulation governing the Premises or would involve the storage, use or keeping of Hazardous Materials in, on or about the Premises; or (iv) the proposed assignee or sublessee is a tenant of Landlord or has negotiated to be a tenant of Landlord any time in the six (6) months just preceding Tenant's request for Landlord's consent. Any assignment, encumbrance or sublease without Landlord's written consent shall be voidable and at Landlord's election, shall constitute a default hereunder. Landlord's waiver or consent to any assignment or subletting shall not relieve Tenant or any assignee or sublessee from any obligation under this Lease whether or not accrued.

If Tenant is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of any partner, or the dissolution of the partnership, shall be deemed a voluntary assignment. If Tenant is a limited liability company, a withdrawal or change, voluntary, involuntary or by operation of law of any member, or the dissolution of the limited liability company, shall be deemed a voluntary assignment. If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or sale or other transfer of a controlling percentage of the capital stock of Tenant, or the sale of at least 50% of the value of the assets of Tenant shall be deemed a voluntary assignment. The phrase "controlling percentage" means ownership of and right to vote stock possessing at least 50% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding and entitled to vote for election of directors. The preceding two sentences of this paragraphs shall not apply to corporations the stock of which is traded through a public exchange. If Landlord shall consent to any assignment or sublease of this Lease, 50% of all sums and other consideration payable to or for the benefit of the Tenant from its assignees or subtenants in excess of (i) the rent payable by Tenant to Landlord under this Lease (calculated on a per square foot basis), plus (ii) the following out-of-pocket costs and expenses reasonably incurred by Tenant for the subletting or assignment: (1) reasonable brokerage commission and reasonable attorney fees and expenses, (2) reasonable advertising costs for tenants, and (3) the reasonable costs paid in making any reasonable improvements or substitutions in the Premises (pursuant to the terms and conditions of Paragraph 14 above) required by the new occupant, shall be paid to Landlord, as and when such sums are due and payable.

If Tenant requests Landlord's consent to an assignment or sublease, Tenant shall submit to Landlord, in writing, the name of the proposed assignee or subtenant and the nature and character of the business of the proposed assignee or subtenant, the term, use, rental rate and all other material terms and conditions of the proposed assignment or sublease, including, without limitation, evidence satisfactory to Landlord that the proposed assignee satisfies the financial criteria set forth in the first paragraph of this Paragraph 19, sixty (60) days prior to the proposed effective date of such assignment or sublease. Tenant shall also submit to Landlord a processing fee of One Thousand Dollars ($1,000.00) as a condition to Landlord reviewing Tenant's proposed assignment or subletting materials. Landlord shall within fourteen (14) days after Landlord's receipt of such written request and information either (i) consent to or refuse to consent to such assignment or sublease in writing (but no such consent to an

assignment or sublease shall relieve Tenant or any guarantor of Tenant's obligations under this Lease of any liability hereunder), (ii) in the event of a proposed assignment of this Lease or a proposed sublease of the entire Premises for the entire remaining Term of this Lease, terminate this Lease effective the first to occur of ninety (90) days following written notice of such termination or the date that the proposed assignment or proposed sublease would have come into effect. If Landlord should fail to notify Tenant in writing of its decision within such fourteen (14) day period after the later of the date Landlord is notified in writing of the proposed assignment or sublease or the date Landlord has received all required information concerning the proposed assignee or subtenant and the proposed assignment or sublease, Landlord shall be deemed to have refused to consent to such assignment or sublease, and to have elected to keep this Lease in full force and effect. If Tenant requests Landlord's consent to any such assignment or sublease, the assignment shall be on a form approved by Landlord, and Tenant shall pay Landlord, whether or not consent is ultimately given, any attorneys' fees up to One Thousand Five Hundred Dollars ($1,500.00) per request for consent and other costs incurred in connection with the preparation, review and/or approval of such documentation.

No interest of Tenant in this Lease shall be assignable by involuntary assignment through operation of law (including, without limitation, the transfer of this Lease by testacy or intestacy). Each of the following acts shall be considered an involuntary assignment: (a) If Tenant is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes proceedings under the Bankruptcy Act in which Tenant is the bankrupt; or if Tenant is a partnership or consists of more than one person or entity, if any partner of the partnership or other person or entity is or becomes bankrupt or insolvent, or makes an assignment for the benefit of creditors; or (b) If a writ of attachment or execution is levied on this Lease; or (c) If in any proceeding or action to which Tenant is a party, a receiver is appointed with authority to take possession of the Premises. An involuntary assignment shall constitute a default by Tenant and Landlord shall have the right to elect to terminate this Lease, in which case this Lease shall not be treated as an asset of Tenant.

No assignment or subletting, occupancy or collection of rent from any proposed assignee or sublessee shall be deemed a waiver on the part of Landlord, or the acceptance of the applicable assignee or sublessee, as applicable, as Tenant, and no such assignment or subletting shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay rent and to perform all other obligations to be performed by Tenant hereunder. Landlord may require that any assignee or sublessee remit directly to Landlord on a monthly basis, all monies due Tenant by said assignee or sublessee, and each sublease shall provide that if Landlord gives said sublessee written notice that Tenant is in default under this Lease, said sublessee will thereafter make all payments due under the sublease directly to or as directed by Landlord, which payments will be credited against any payments due under this Lease. Tenant hereby irrevocably and unconditionally assigns to Landlord all rents and other sums payable under any sublease of the Premises; provided, however, that Landlord hereby grants Tenant a license to collect all such rents and other sums so long as Tenant is not in default under this Lease. Consent by Landlord to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting. In the event of default by any assignee or sublessee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee or sublessee or successor. Landlord may consent to subsequent assignments of this Lease or sublettings or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease. Tenant hereby waives (for itself and all persons claiming under Tenant) the provisions of Civil Code Section 1995.310.

Notwithstanding the terms of this Paragraph 19 above, provided Tenant is not in default under this Lease, Tenant may affect an assignment or a sublease, without Landlord's consent, to any parent, subsidiary or affiliate entity which controls, is controlled by, or is under common control with, Tenant, or to any entity resulting from a merger or consolidation of Tenant, or to any person or entity which acquires all or substantially all of the assets of Tenant's business as a going concern (each such assignment or sublease being a "Permitted Transfer," and each such assignee or sublessee being a "Permitted Transferee"), provided that (a) Tenant delivers to Landlord, substantially concurrently with such transfer, written notice and supporting documentation of such transfer, (b) in the event of an assignment, the assignee assumes in full the obligations of Tenant under this Lease arising after the transfer, (c) Tenant remains fully liable under this Lease, and (d) Tenant and Permitted Transferee shall execute an assignment or sublease agreement, as applicable, in a form acceptable to Landlord.

20. DEFAULT.

The occurrence of any of the following shall constitute a default by Tenant under this Lease: (a) A failure to pay rent or any other charge within five (5) calendar days after receipt of written notice that same is past due; (b) Abandonment of the Premises (failure to occupy and operate the Premises for thirty (30) consecutive days without paying rent shall be deemed an abandonment); (c) The making by Tenant or any guarantor of this Lease ("Guarantor") of any general assignment for the benefit of creditors; the filing by or against Tenant or any Guarantor of a petition to have Tenant or such Guarantor adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant or a Guarantor, the same is dismissed within thirty (30) days; the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, or of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, or of substantially all of Guarantor's assets, where possession is not restored to Tenant or such Guarantor, as the case may be, within thirty (30) days; the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days; or if this Lease shall, by operation of law or otherwise, pass to any person or persons other than Tenant except as provided in Paragraph 19 herein; (d) The failure of Tenant to timely comply with the provisions of Paragraph 24 or Paragraph 31 of this Lease regarding, respectively, Subordination and Estoppel Certificates and such failure shall continue for three (3)

business days following written notice that Tenant has not executed any Subordination and Estoppel Certificates within the time periods set forth in Paragraphs 24 and 31, respectively; or (e) The failure of Tenant to perform any other provision of this Lease within thirty (30) days following receipt of written request from Landlord.

21. LANDLORD'S REMEDIES.

Landlord shall have the remedies described in this Paragraph 21 if Tenant is in default hereunder. These remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law (including, without limitation, to the extent the Premises are located in California, the remedies of Civil Code Section 1951.4 and any successor statute or similar law, which provides that Landlord may continue this Lease in effect following Tenant's breach and abandonment and collect rent as it falls due, if Tenant has the right to sublet or assign, subject to reasonable limitations).

Upon any default by Tenant, Landlord may:

(a) Maintain this Lease in full force and effect and recover the rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises. If Landlord elects not to terminate this Lease, Landlord shall have the right to attempt to relet the Premises at such rent and upon conditions, and for such a term, and to do all acts necessary to maintain or preserve the Premises, as Landlord deems reasonable and necessary, without being deemed to have elected to terminate this Lease, including re-entering the Premises to make repairs or to maintain or modify the Premises, and removing 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 Tenant. Reletting may be for a period shorter or longer than the remaining Term of this Lease, and for more or less rent, but Landlord shall have no obligation to relet at less than prevailing market rental rates. If reletting occurs, this Lease shall terminate automatically when the new tenant takes possession of the Premises. Notwithstanding that Landlord fails to elect to terminate this Lease initially, Landlord at any time thereafter may elect to terminate this Lease by virtue of any previous uncured default by Tenant. In the event of any such termination, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, as well as all costs of reletting, including, without limitation, brokerage commissions and/or finder's fees, attorneys' fees, and restoration or remodeling costs.

(b) Terminate Tenant's right to possession by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, without limitation thereto, the following: (i) the worth, at the time of award, of any unpaid rent which had been earned at the time of such termination; plus (ii) the worth, at the time of award, of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth, at the time of award, of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iv) any other amount, and court costs, necessary to compensate Landlord for all the detriment proximately caused by Tenant's default or which in the ordinary course of things would be likely to result there from (including, without limiting the generality of the foregoing, the amount of any brokerage commissions and/or finder's fees for a replacement tenant, maintaining the Premises after such default, and preparing the Premises for reletting); plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. As used in (i) and (ii) above, the "worth at the time of the award" is computed by allowing interest at the Interest Rate. As used in (iii) above, the "worth at the time of the award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%). Tenant hereby waives for Tenant and all those claiming under Tenant all rights now or hereafter existing, including, without limitation, any rights under California Code of Civil Procedure Sections 1174 and 1179 and Civil Code Section 1950.7 to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

(c) Collect sublease rents (or appoint a receiver to collect such rents) and otherwise perform Tenant's obligations at the Premises, it being agreed, however, that neither the filing of a petition for the appointment of a receiver for Tenant nor the appointment itself shall constitute an election by Landlord to terminate this Lease.

(d) Proceed to cure the default at Tenant's sole cost and expense. If at any time Landlord pays any sum or incurs any expense as a result of or in connection with curing any default of Tenant, the amount thereof shall be deemed additional rent hereunder and shall be immediately due and payable by Tenant to Landlord upon demand.

(e) Intentionally Deleted.

(f) Pursue any and all other legal or equitable remedies as may be available to Landlord by reason of such default by Tenant.

The remedies of Landlord, as hereinabove provided, are cumulative and in addition to and not exclusive of any other remedy of Landlord herein given or which may be permitted by law. The remedies of Landlord, as hereinabove provided, are subject to the other provisions herein. Nothing contained in this Paragraph 21 shall constitute a waiver of Landlord's right to recover damages by reason of Landlord's efforts to mitigate the damage to it caused by Tenant's default; nor shall anything herein adversely affect Landlord's right, as in this Lease elsewhere provided, to indemnification against liability for injury or damage to persons or property occurring prior to the termination of this Lease.

22. DEFAULT BY LANDLORD.

Landlord shall not be in default hereunder unless Landlord fails to perform the obligations required of Landlord within thirty (30) days after written notice by Tenant to Landlord and to any Mortgagee or Ground Lessor (as defined in Subparagraph 34(m) below) in writing specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days is required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30)-day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate this Lease as a result of Landlord's default; Tenant's remedies shall be limited to any other remedy available at law or in equity; provided, however, notwithstanding anything herein to the contrary, under no circumstances shall Landlord be liable hereunder to Tenant for any consequential damages or for loss of business, revenue, income or profits and Tenant hereby waives any and all claims for any such damages. Nothing herein contained shall be interpreted to mean that Tenant is excused from paying rent due hereunder as a result of any default by Landlord.

23. ENTRY OF PREMISES AND PERFORMANCE BY TENANT.

Upon at least twenty-four (24) hours' prior written notice, Landlord and its authorized representatives shall have the right to enter the Premises at all reasonable times during Tenant's normal business hours, except in the event of an emergency, then at any time without prior written notice, for any of the following purposes without abatement of rent or liability to Tenant: (a) To determine whether the Premises is in good condition and whether Tenant is complying with its obligations under this Lease; (b) To do any necessary maintenance and to make any restoration to the Premises or the Building that Landlord has the right or obligation to perform; (c) To post "for sale" signs at any time during the Term, to post "for rent" or "for lease" signs during the last twelve (12) months of the Term, or during any period while Tenant is in default; (d) To show the Premises to prospective brokers, agents, buyers, tenants or persons interested in an exchange, at any time during the Term; (e) To repair, maintain or improve the Premises and to erect scaffolding and protective barricades around and about the Premises but not so as to prevent entry to the Premises and to do any other act or thing necessary for the safety or preservation of the Premises; or (f) To discharge Tenant's obligations hereunder when Tenant has failed to do so in accordance with the terms of this Lease. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising of out Landlord's entry onto the Premises as provided in this Paragraph 23. Tenant shall not be entitled to an abatement or reduction of rent if Landlord exercises any rights reserved in this Paragraph 23. Landlord shall reasonably attempt to conduct its activities on the Premises as provided herein in a manner that will reasonably minimize the inconvenience, annoyance or disturbance to Tenant. For each of these purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon and about the Premises, excluding Tenant's vaults and safes. Tenant shall not alter any lock or install a new or additional lock or bolt on any door of the Premises without the prior written consent of Landlord. If Landlord gives its consent, Tenant shall furnish Landlord with a key for any such lock.

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense without any abatement of rent. If Tenant shall fail to pay any sum of money to any third party which Tenant is obligated to pay under this Lease or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for ten (10) days after notice thereof by Landlord (or such other period as specifically provided herein), Landlord may, without waiving or releasing Tenant from any obligations of Tenant, but shall not be obligated to, make any such payment or perform any such other act on Tenant's part to be made or performed in this Lease, without liability to Tenant for any loss or damage which might occur to Tenant's merchandise, fixtures or other property or to Tenant's business by reason thereof, and upon completion thereof, Tenant shall pay to Landlord all sums so paid by Landlord and all necessary incidental costs for making such repairs plus ten percent (10%) for overhead, upon presentation of a bill therefor. Said bill shall include interest on all sums so paid by Landlord and all necessary incidental costs for making such repairs at the Interest Rate, from the date of such payment by Landlord. Tenant covenants to pay any such sums to Landlord upon demand, and Landlord shall have (in addition to all other rights or remedies of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of rent.

24. SUBORDINATION.

Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, and unless otherwise elected by Landlord or any Mortgagee (defined below) with a lien on the Premises or any Ground Lessor (defined below) with respect to the Premises (or any part thereof), this Lease shall be subject and subordinate at all times to (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Premises, or the land upon which the Premises is situated, or both, and (b) the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which the Premises, ground leases or underlying leases, or Landlord's interest or estate in any of said items is specified as security. Notwithstanding the foregoing, Tenant acknowledges that Landlord shall have the right to subordinate or cause to be subordinated this Lease to any such ground leases or underlying leases or any such liens. In the event that any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, attorn to and become the tenant of the successor in interest to Landlord, at the option to such successor in interest. Tenant covenants and agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord any additional documents evidencing the priority or subordination of this Lease with respect to any such ground lease or underlying leases or the lien of any such mortgage or deed of trust. At Tenant's request, Landlord shall use commercially reasonable efforts to promptly obtain from any existing or future Mortgagees or Ground Lessors a commercially reasonable subordination, non-disturbance and attornment agreement on such existing or future

Mortgagees or Ground Lessors' standard form; provided, however, that if Landlord, after using commercially reasonable efforts, cannot obtain such subordination, non-disturbance and attornment agreement, then (i) such failure shall not be deemed a breach or default under this Lease, (ii) Landlord shall not have any liability to Tenant for such failure, and (iii) Tenant shall have no right to terminate this Lease. Tenant shall pay upon demand Landlord's actual attorneys' fees and costs incurred in connection with any negotiation or modification of Landlord's lender's standard subordination agreement form.

25. NOTICE.

Any notice, demand, request, consent, approval or communication desired by either party or required to be given, shall be in writing and served personally or sent prepaid by commercial overnight courier or prepaid certified first class mail (return receipt requested), addressed as set forth in Subparagraphs 1(b) and 1(c). Either party may change its address by notification to the other party. Notice shall be deemed to be communicated seventy-two (72) hours from the time of mailing (if sent via first class mail), or at the time of service if sent by other than first class mail as provided in this Paragraph 25.

26. WAIVER.

No delay or omission in the exercise of any right or remedy by Landlord shall impair such right or remedy or be construed as a waiver. No act or conduct of Landlord, including, without limitation, acceptance of the keys to the Premises, shall constitute acceptance of the surrender of the Premises by Tenant before the expiration of the Term. Only written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish termination of this Lease. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Lease.

27. LIMITATION OF LIABILITY.

In consideration of the benefits accruing hereunder, Tenant and all successors and assigns of Tenant covenant and agree that, in the event of any actual or alleged failure, breach or default hereunder by Landlord or otherwise pertaining to any obligation of Landlord with respect to the Building:

(a) The liability of Landlord and/or any Landlord Indemnified Parties shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Building, provided that in no event shall such liability extend to any sales or insurance proceeds received by Landlord and/or any Landlord Indemnified Parties in connection with the Building or the Premises Land;

(b) No member, partner, officer, director, owner, shareholder or advisor of Landlord shall be sued or named as a party in any suit or action (except as may be necessary to secure jurisdiction of the entity in question);

(c) No service of process shall be made against any member, partner, officer, director, owner, shareholder or advisor of Landlord (except as may be necessary to secure jurisdiction of the entity in question);

(d) No member, partner, officer, director, owner, shareholder or advisor of Landlord shall be required to answer or otherwise plead to any service of process;

(e) No judgment may be taken against any member, partner, officer, director, owner, shareholder or advisor of Landlord;

(f) Any judgment taken against any member, partner, officer, director, owner, shareholder or advisor of Landlord may be vacated and set aside at any time after the fact;

(g) No writ of execution will ever be levied against the assets of any member, partner, officer, director, owner, shareholder or advisor of Landlord;

(h) The obligations under this Lease do not constitute personal obligations of any individual member, partner, officer, director, owner, shareholder or advisor of Landlord, and Tenant shall not seek recourse against any such persons or entities of Landlord or any of their personal assets for satisfaction of any liability in respect to this Lease; and

(i) These covenants and agreements are enforceable both by Landlord and also by any member, partner, officer, director, owner, shareholder or advisor of Landlord.

Tenant agrees that each of the foregoing provisions shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by statute or at common law.

28. FORCE MAJEURE.

Landlord shall have no liability whatsoever to Tenant on account of (a) the inability or delay of Landlord in fulfilling any of Landlord's obligations under this Lease by reason of strike, other labor trouble, terrorism, governmental controls in connection with a national or other public emergency, or shortages of fuel, supplies or labor resulting there from or any other cause, whether similar or dissimilar to the above, beyond Landlord's reasonable control; or (b) any failure or defect in the supply, quantity or character of electricity or water furnished to

the Premises, by reason of any requirement, act or omission of the public utility or others furnishing the Premises with electricity or water, or for any reason, whether similar or dissimilar to the above, beyond Landlord's reasonable control. If this Lease specifies a time period for performance of an obligation of Landlord, that time period shall be extended by the period of any delay in Landlord's performance caused by any of the events of force majeure described above.

29. PROFESSIONAL FEES.

(a) If Landlord should engage any professional including, without limitation, attorneys, appraisers, accountants or environmental or other consultants for the purpose of bringing suit for possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provisions of this Lease, or for any other relief against Tenant hereunder, or in the event of any other litigation between the parties with respect to this Lease, then all reasonable costs and expenses including, without limitation, actual professional fees such as appraisers', accountants', attorneys' and other consultants' fee, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment. If Landlord employs a collection agency to recover delinquent charges, Tenant agrees to pay all collection agency fees charged to Landlord in addition to rent, late charges, interest and other sums payable under this Lease.

(b) If Landlord is named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy hereunder, Tenant shall pay to Landlord its costs and expenses incurred in such suit including, without limitation, its actual professional fees incurred, including, without limitation, appraisers', accountants' and attorneys' fees.

30. EXAMINATION OF LEASE.

Submission of this instrument for examination or signature by Tenant shall not create a binding agreement between Landlord and Tenant nor shall it constitute a reservation or option to lease on the part of Tenant and this instrument shall not be effective as a lease and shall not create any obligations on the part of Landlord or Tenant until this Lease has been validly executed first by Tenant and second by Landlord, and delivered Tenant.

31. ESTOPPEL CERTIFICATE.

(a) Within fifteen (15) days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord a statement ("Estoppel Certificate"), in a form substantially similar to the form of **Exhibit E** attached hereto or in such other form as Landlord's lender or purchaser may require, certifying: (i) the date of commencement of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications, stating the nature and date of such modifications), (iii) the date to which the rent and other sums payable under this Lease have been paid; (iv) that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (v) such other matters requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Paragraph 31 may be relied upon by any Mortgagee, beneficiary, purchaser or prospective purchaser of the Premises or any interest therein.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in Landlord's performance, and (iii) that not more than one (1) month's rent has been paid in advance. Tenant's failure to deliver said statement to Landlord within fifteen (15) days of receipt shall constitute a default under this Lease and Landlord shall have the remedies provided in Paragraph 21.

32. RULES AND REGULATIONS.

Tenant shall faithfully observe and comply with the "Rules and Regulations", a copy of which is attached hereto and marked **Exhibit F**, and all reasonable and nondiscriminatory modifications thereof and additions thereto from time to time put into effect by Landlord; provided, however, that Tenant has been given prior written notice of such modifications and additions. Landlord shall not be responsible to Tenant for the violations or nonperformance by any other tenant or occupant of the Project of any of said Rules and Regulations.

33. LIENS.

Tenant shall, within ten (10) days after receiving notice of the filing of any mechanic's lien for material or work claimed to have been furnished to the Premises on Tenant's behalf or at Tenant's request, discharge the lien or post a bond equal to the amount of the disputed claim with a bonding company reasonably satisfactory to Landlord. If Tenant posts a bond, it shall contest the validity of the lien with all due diligence. Tenant shall indemnify, defend and hold Landlord harmless from any and all losses and costs incurred by Landlord as a result of any such liens attributable to Tenant. If Tenant does not discharge any lien or post a bond for such lien within such ten (10) day period, Landlord may discharge such lien at Tenant's expense and Tenant shall promptly reimburse Landlord for all costs incurred by Landlord in discharging such lien including, without limitation, attorneys' fees and costs and interest on all sums expended at the Interest Rate. Tenant shall provide Landlord with not less than ten (10) days written notice of its intention to have work performed at or materials furnished to the Premises so that Landlord may post appropriate notices of non-responsibility. Tenant shall pay upon demand Landlord's attorneys' fees and other costs incurred in connection with any request by Tenant for any subordination or clarification of any Landlord lien right arising under this Lease or at law.

34. MISCELLANEOUS PROVISIONS.

(a) Time of Essence. Time is of the essence of each provision of this Lease.

(b) Successors. This Lease shall be binding on and inure to the benefit of the parties and their successors, except as provided in Paragraph 19 herein.

(c) Landlord's Consent. Any consent required by Landlord under this Lease must be granted in writing and may be withheld by Landlord in its sole and absolute discretion, unless otherwise expressly provided herein.

(d) Commissions. Each party represents that it has not had dealings with any real estate broker, finder or other person with respect to this Lease in any manner, except for the broker(s) identified in Subparagraph 1(k) above. If either party has dealt with any other person or real estate broker with respect to leasing or renting the Premises, the party in breach of this covenant shall be responsible for the payment of any fees due said person or firm and the breaching party shall hold the non-breaching party free and harmless and indemnify and defend the non-breaching party from any liabilities, damages or claims with respect thereto, including reasonable attorney's fees and costs.

(e) Landlord's Successors. In the event of a sale or conveyance by Landlord of the Premises, the same shall operate to release Landlord from any liability under this Lease, and in such event Landlord's successor-in-interest shall be solely responsible for all obligations of Landlord under this Lease.

(f) Prior Agreement or Amendments. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended except by an agreement in writing signed by the parties hereto or their respective successors-in-interest.

(g) Recording. Tenant shall not record this Lease or a short form memorandum thereof without the consent of Landlord. Landlord may record a short form memorandum of this Lease and Tenant shall execute and acknowledge such form if requested to do so by Landlord.

(h) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect.

(i) No Partnership or Joint Venture. Nothing in this Lease shall be deemed to constitute Landlord and Tenant as partners or joint venturers. It is the express intent of the parties hereto that their relationship with regard to this Lease and the Premises be and remain that of lessor and lessee.

(j) Interpretation. When required by the context of this Lease, the singular shall include the plural, and the masculine shall include the feminine and/or neuter. "Party" shall mean Landlord or Tenant.

(k) No Light, Air or View Easement. Any diminution or blocking of light, air or view by any structure which may be erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord.

(l) Governing Law. This Lease shall be governed by and construed pursuant to the laws of the State of California.

(m) Mortgagee Protection. In the event of any default on the part of Landlord, Tenant will give simultaneous notice consistent with Paragraph 25 to any beneficiary of a deed of trust, mortgagee, or ground lessor of the Premises ("Mortgagee" or Ground Lessor"), and shall offer such Mortgagee or Ground Lessor, a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial foreclosure, or in the event of a Ground Lessor, by appropriate judicial action, if such should prove necessary to effect a cure.

(n) WAIVER OF JURY TRIAL; JUDICIAL REFERENCE.

i) Jury Trial Waiver. EACH PARTY HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS PARAGRAPH 34(n)(i) IS SUBJECT IN ITS ENTIRETY TO PARAGRAPH 34(n)(ii) HEREOF.

ii) Reference Provision. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, UNTIL SUCH TIME (IF AT ALL) AS THE CALIFORNIA LEGISLATURE ENACTS A LAW THAT WOULD RENDER THE JURY TRIAL WAIVER SET FORTH IN

PARAGRAPH 34(n)(i) HEREOF VALID AND ENFORCEABLE OR FOR ANY OTHER REASON A COURT OF COMPETENT JURISDICTION DETERMINES THAT THE JURY TRIAL WAIVER SET FORTH IN PARAGRAPH 34(n)(i) HEREOF IS VALID AND ENFORCEABLE, THE REFERENCE PROVISION CONTAINED IN **EXHIBIT J** HERETO SHALL APPLY TO ANY SUIT, ACTION OR PROCEEDING COMMENCED PRIOR TO SUCH TIME IN LIEU OF THE JURY TRIAL WAIVER SET FORTH IN PARAGRAPH 34(n)(i) HEREOF.

(o) Intentionally Deleted.

(p) Counterparts. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement.

(q) Financial Statements. Upon ten (10) days prior written request from Landlord (which Landlord may make at any time during the Term including in connection with Tenant's exercise of any option to extend or other option granted to Tenant in this Lease, but no more often that two (2) times in any calendar year, other than in the event of a default by Tenant during such calendar year, the exercise of any option in such calendar year or in connection with Landlord's prospective sale or refinancing of the Building, when such limitation shall not apply), Tenant shall deliver to Landlord (i) a current financial statement of Tenant and any guarantor of this Lease, and (ii) financial statements of Tenant and such guarantor for the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally acceptable accounting principles and certified as true in all material respects by Tenant (if Tenant is an individual) or by an authorized officer, member/manager or general partner of Tenant (if Tenant is a corporation, limited liability company or partnership, respectively).

(r) Cannabis. Tenant acknowledges and agrees that neither the Premises nor any portion of the Building and/or the Project shall be used by Tenant for the use, growing, producing, processing, storing (short or long term), distributing, transporting, or selling of cannabis, cannabis derivatives, or any cannabis containing substances ("Cannabis"), or any office uses related to the same, nor shall Tenant permit, allow or suffer, any of Tenant's officers, employees, agents, servants, licensees, subtenants, concessionaires, contractors and invitees to bring any Cannabis onto the Premises, the Building and/or the Project. Without limiting the foregoing, the prohibitions in this Subparagraph shall apply to all Cannabis, whether such Cannabis is legal for any purpose whatsoever under state or federal law or both. Notwithstanding anything to the contrary, any failure by Tenant to comply with each of the terms, covenants, conditions and provisions of this Subparagraph shall automatically and without the requirement of any notice be a default that is not subject to cure, and Tenant agrees that upon the occurrence of any such default, Landlord may elect, in its sole discretion, to exercise all of its rights and remedies under this Lease, at law or in equity with respect to such default.

(s) Green Lease. Landlord may elect, in Landlord's sole discretion, to implement any energy, water and waste efficiency, and environmentally sustainable practices (collectively, the "Sustainability Initiative") established by Landlord for the Building and, in furtherance of same, may pursue an environmental sustainability monitoring and certification program such as Energy Star, Green Globes-CIEB, LEED, IREM or similar programs ("Green Certification"). Tenant shall comply with any Sustainability Initiative established by Landlord, and Tenant shall pay Tenant's Share of any costs incurred by Landlord to comply with any Sustainability Initiative and/or to maintain any Green Certification; provided that (i) Tenant's Share of such costs shall be limited to cost savings actually realized by Tenant attributable to such Sustainability Initiative and/or Green Certification, and (ii) such costs shall be amortized over the reasonable estimated useful life of the improvements installed in connection with such Sustainability Initiative and/or Green Certification. Notwithstanding the foregoing, Tenant shall pay Tenant's Share of any costs incurred by Landlord to comply with any Sustainability Initiative and/or to maintain any Green Certification to the extent Landlord is required to comply with any Sustainability Initiative and/or to maintain any Green Certification in order to comply with applicable laws.

35. TERMINATION RIGHT.

(a) Notwithstanding anything to the contrary contained in this Lease, if a Funding Event (as defined below) occurs, Tenant will have the one-time option to terminate and cancel this Lease ("Termination Option"), effective as of 11:59 p.m. on the last day of the twenty-seventh (27th) full calendar month of the Term (i.e., July 31, 2023) ("Termination Date"), by delivering to Landlord, on or before the date which is six (6) months prior to the Termination Date (i.e., January 31, 2023), written notice of Tenant's exercise of its Termination Option. As a condition to the effectiveness of Tenant's exercise of its Termination Option and in addition to Tenant's obligation to satisfy all other monetary and non-monetary obligations arising under this Lease through the Termination Date, Tenant shall pay to Landlord an amount equal to Five Hundred Thirty-Four Thousand Eight Hundred Forty-Three and No/100 Dollars ($534,843.00) (the "Termination Consideration"). Tenant agrees that the Termination Consideration is not in the nature of a penalty and represents the value of other unamortized economic concessions granted to Tenant under this Lease, as well as consideration for the uncertainty in the amount of time Landlord will require in order to re-lease the Premises. The Termination Consideration shall be due and payable by Tenant to Landlord concurrently with Tenant's delivery of notice to Landlord of the exercise of the Termination Option. If Tenant properly and timely exercises its Termination Option and properly and timely delivers the Termination Consideration to Landlord as set forth above and satisfies all other monetary and non-monetary obligations under this Lease including, without limitation, the provisions regarding surrender of the Premises, all of which must be accomplished on or before the Termination Date, then this Lease will terminate as of 11:59 p.m. on the Termination Date.

(b) Intentionally Deleted.

(c) The rights contained in this Paragraph 35 shall be personal to original Tenant executing this Lease, and may only be exercised by original Tenant while occupying the entire Premises. Tenant shall not have the Termination Option, if: (a) as of the date of the exercise of the Termination Option by Tenant, or as of Termination Date, Tenant is in default under this Lease or Tenant has previously been in default under this Lease more than three times; or (b) the Tenant's full-term funding has been approved by the County of Los Angeles (the "County").

(d) As used herein, a "Funding Event" shall mean that the Tenant has lost full-term funding from the County. Tenant agrees that it shall use good faith efforts to obtain full-term funding from the County and shall not request, or cause in anyway, the County to not fund the Tenant.

36. LEASE EXECUTION.

(a) Tenant's Authority. If Tenant executes this Lease as a partnership or corporation, then Tenant and the persons and/or entities executing this Lease on behalf of Tenant represent and warrant that: (i) Tenant is a duly authorized and existing partnership or corporation, as the case may be, and is qualified to do business in the state in which the Building is located; (ii) such persons and/or entities executing this Lease are duly authorized to execute and deliver this Lease on Tenant's behalf in accordance with the Tenant's partnership agreement (if Tenant is a partnership), or a duly adopted resolution of Tenant's board of directors and the Tenant's by-laws (if Tenant is a corporation); and (iii) this Lease is binding upon Tenant in accordance with its terms.

(b) Joint and Several Liability. If more than one person or entity executes this Lease as Tenant: (i) each of them is and shall be jointly and severally liable for the covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and (ii) the act or signature of, or notice from or to, any one or more of them with respect to this Lease shall be binding upon each and all of the persons and entities executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

TENANT:

CITY OF LONG BEACH
a municipal corporation

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER

By: Linda F. Tatum
Name: LINDA F. TATUM
Its: ASST CITY MANAGER

By:_____
Name:_____
Its:_____

LANDLORD:

DOUGLAS PARK ASSOCIATES III, LLC,
a Delaware limited liability company

By: SRG Long Beach III, L.P.,
a California limited partnership
Its: Managing Member

By: Regis Contractors, Inc.,
a California corporation
Its: General Partner

By:_____
Name:_____
Its:_____

APPROVED AS TO FORM
4.29, 2021
CHARLES PARKIN, City Attorney
By _____
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

TENANT:

CITY OF LONG BEACH
a municipal corporation

By:_____
Name:_____
Its:_____

By:_____
Name:_____
Its:_____

LANDLORD:

DOUGLAS PARK ASSOCIATES III, LLC,
a Delaware limited liability company

By: SRG Long Beach III, L.P.,
a California limited partnership
Its: Managing Member

By: Regis Contractors, Inc.,
a California corporation
Its: General Partner

By:_____
Name:_____
Its:_____

EXHIBIT A

DEPICTION OF PREMISES

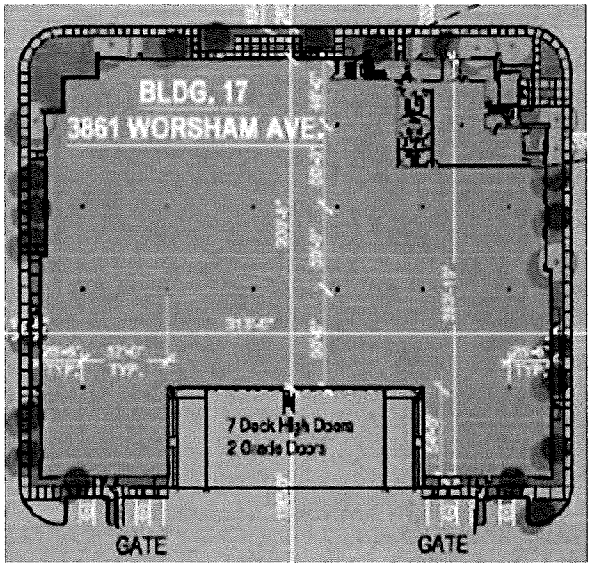


EXHIBIT B

DESCRIPTION/DEPICTION OF PREMISES LAND

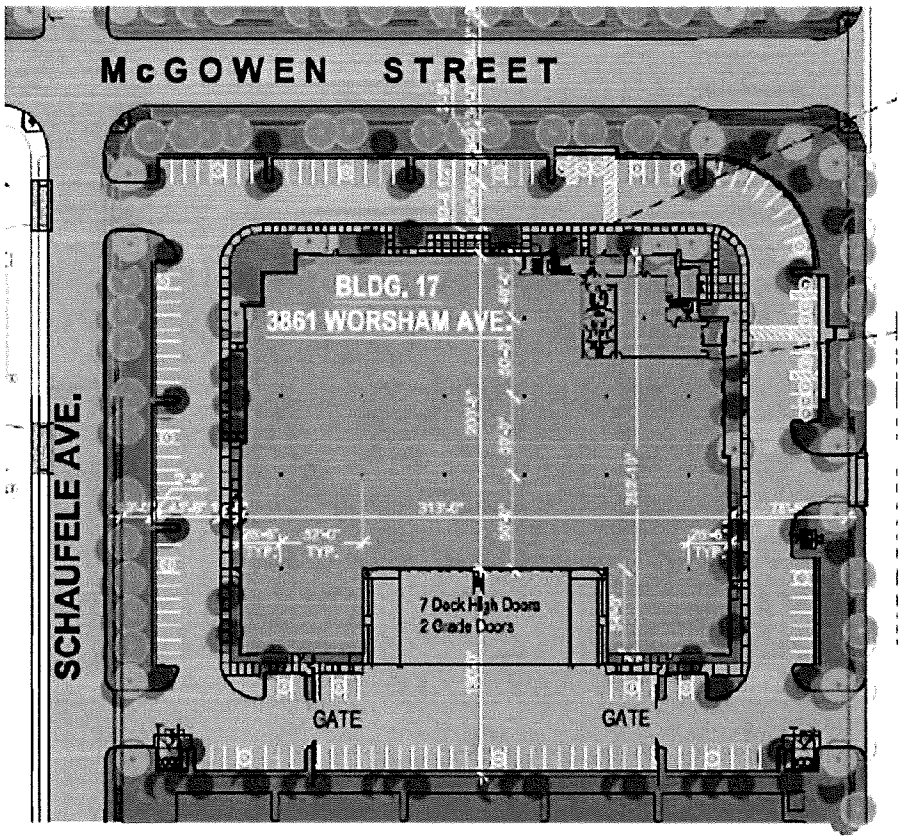
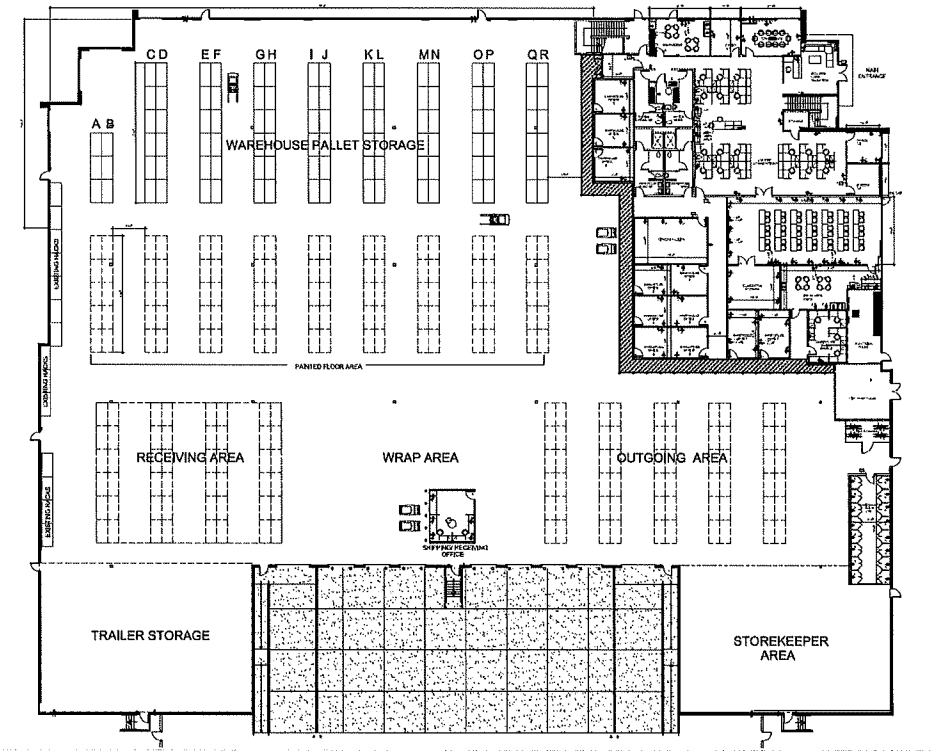
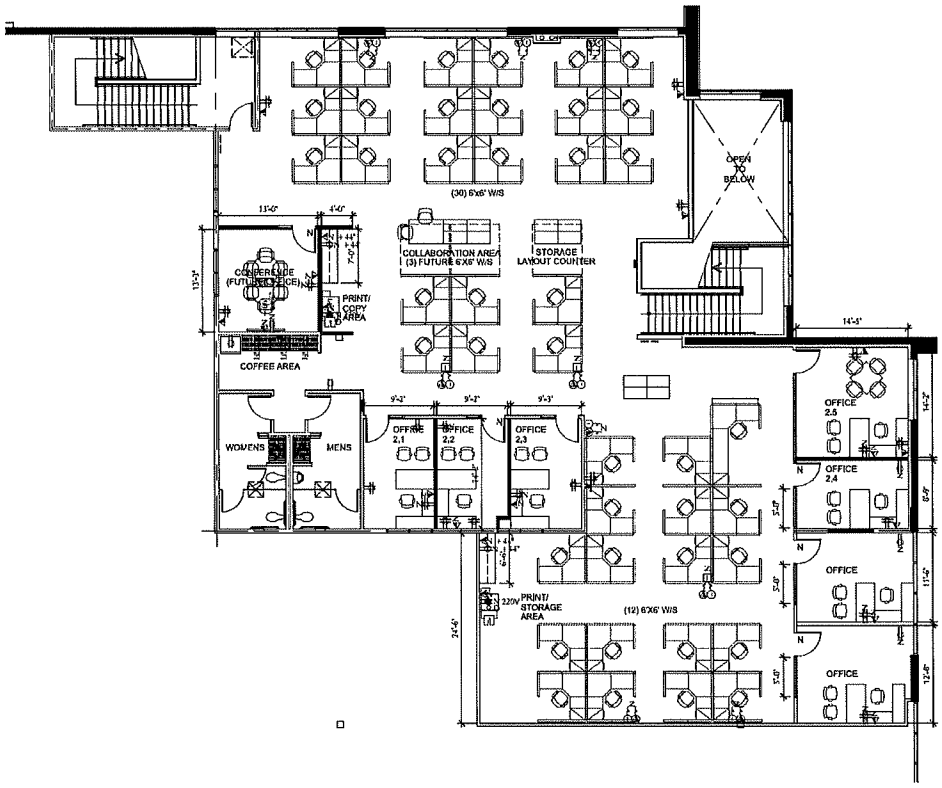


EXHIBIT C

CONCEPTUALLY APPROVED IMPROVEMENTS

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COLLABORATION AREA (3) FUTURE 6'x6' W/S
STORAGE LAYOUT COUNTER
COPIER/SIDE (FUTURE RECEPTION)
PRINT/ COPY AREA
COFFEE AREA
WOMENS
MENS
OFFICE 2.1
OFFICE 2.2
OFFICE 2.3
OFFICE 2.5
OFFICE 2.4
OFFICE
OFFICE
220V
PRINT/ STORAGE AREA
(12) 6'X6' W/S

EXHIBIT D

INTENTIONALLY DELETED

EXHIBIT E

TENANT ESTOPPEL CERTIFICATE

The undersigned, i.e., _____, a _____ ("Tenant"), hereby certifies to _____, a _____, and Landlord (defined below), as follows:

1. Attached hereto is a true, correct and complete copy of that certain lease dated _____, 20__, between _____, a _____ ("Landlord") Landlord and Tenant (the "Lease"), which demised premises located _____ (the "Premises").

The Lease is now in full force and effect and has not been amended, modified or supplemented, except as set forth in Paragraph 4 below.

2. The Term of the Lease commenced on _____, 20__.

3. The Term of the Lease shall expire on _____, 20__.

4. The Lease has: (initial one)

(_____) not been amended, modified, supplemented, extended, renewed or assigned.

(_____) been amended, modified, supplemented, extended, renewed or assigned by the following described agreements, copies of which are attached hereto: _____
_____.

5. Tenant has accepted and is now in possession of the Premises.

6. Tenant and Landlord acknowledge that the Lease will be assigned to _____ _____ and that no modification, adjustment, revision or cancellation of the Lease or amendments thereto shall be effective unless written consent of _____ is obtained, and that until further notice, payments under the Lease may continue as heretofore.

7. The amount of fixed monthly rent is $_____.

8. The amount of security deposits (if any) is $_____. No other security deposits have been made.

9. Tenant is paying the full lease rental which has been paid in full as of the date hereof. No rent or other charges under the Lease have been paid more than thirty (30) days in advance of its due date.

10. All work required to be performed by Landlord under the Lease has been completed.

11. There are no defaults on the part of the Landlord or Tenant under the Lease.

12. Tenant has no defense as to its obligations under the Lease and claims no set-off or counterclaim against Landlord.

13. Tenant has no right to any concession (rental or otherwise) or similar compensation in connection with renting the space it occupies except as provided in the Lease.

14. Tenant has no right or option to purchase the Premises or the Building, to relocate within the Project, or to terminate the Lease.

15. All provisions of the Lease and the amendments thereto (if any) referred to above are hereby ratified.

The foregoing certification is made with the knowledge that _____ is about to fund a loan to Landlord or _____ is about to purchase the Project (or part thereof) from Landlord and that _____ is relying upon the representations herein made in funding such loan or in purchasing the Project (or part thereof).

IN WITNESS THEREOF, this certificate has been executed and delivered by the authorized officers of the undersigned as of _____, 20__.

[TENANT NAME],
[type of Tenant business entity]

By:_____
_____
(Typed Name)
Its:_____
(Title)

By:_____
_____
(Typed Name)
Its:_____
(Title)

SAMPLE ONLY

(Not for Execution)

EXHIBIT F

RULES AND REGULATIONS

1. Except as specifically provided in the Lease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside the Building or Premises without the prior written consent of landlord, which consent Landlord may withhold in its sole and absolute discretion. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person reasonably approved by Landlord.

2. If Landlord objects in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which is visible from the exterior of the Premises, Tenant shall immediately discontinue such use. Tenant shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Premises.

3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, stairways, elevators or escalators (if any) of the Project. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interest of the Project and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal or unlawful activities. No tenant and no employee or invitee of any tenant shall go upon the roof(s) of the Project.

4. The directory of the Building or Project will be provided exclusively for the display of the name and location of tenants only and Landlord reserves the right to exclude any other names there from.

5. All cleaning and janitorial services for the Premises shall be provided exclusively by Tenant at Tenant's sole cost and expense. Tenant shall not cause any unnecessary labor or carelessness or indifferent to the good order and cleanliness of the Premises.

6. Landlord will furnish Tenant, free of charge, with two keys to each door lock in the Premises. Landlord may make a reasonable charge for any additional keys. Tenant shall not make or have made additional keys, and Tenant shall not alter existing locks or install any new additional locks or bolts on any door of the Premises. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys to all doors which have been furnished to Tenant, and in the event of any loss of any keys so furnished shall pay Landlord therefor.

7. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply with Landlord's reasonable instructions in their installation.

8. Intentionally Deleted.

9. Tenant shall not place a load upon any floor the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Landlord shall have the right to reasonably prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if reasonably considered necessary by Landlord, stand on such platforms as determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. Business machines and mechanical equipment belonging to Tenant, which cause noise or vibration that may be transmitted to the structure of the building or to any space therein to such a degree as to be reasonably objectionable to Landlord or to any tenants in the Project, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devises sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be reasonably acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintain or moving such equipment or other property shall be repairs at the expense of Tenant.

10. Except as otherwise expressly permitted in the Lease, Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantifies necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds or animals.

11. Tenant shall not use any method of heating or air conditioning other than that supplied by Landlord.

12. Tenant shall comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice.

13. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.

14. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Project or by Landlord for noncompliance with this rule.

16. Intentionally Deleted.

17. The toilet rooms, toilets, 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 invitees, shall have caused it.

18. Tenant shall not sell, or permit the sale at retail of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the Project. Tenant shall not use the Premises for any business or activity other than that specifically provided for in this Lease.

19. Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the Building or Project. Tenant shall not interfere with radio or television broadcasting or reception from or in the Project or elsewhere.

20. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any deface the Premises or any part thereof, except in accordance with the provisions of the Lease pertaining to alterations. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

21. Intentionally Deleted.

22. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Project are prohibited, and Tenant shall cooperate to prevent such activities.

23. Landlord reserves the right to exclude or expel from the Project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.

24. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with reasonable directions issued from time to time by Landlord.

25. The Premises shall not be used for the storage of merchandise held for sale to the general public from the Premises, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted on the Premises without Landlord's consent, except the use by Tenant of Underwriters' Laboratory approved equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted, and the use of a microwave oven for employees use shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

26. Tenant shall not bring any vehicles of any kind (other than forklifts, material handling equipment, and delivery trucks, cars or vans to be loaded (but not parked)) into the Building.

27. Without the written consent to Landlord, Tenant shall not use the name of the Building or Project in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

28. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

29. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

30. To the extent Landlord reasonably deems it necessary to exercise exclusive control over any portions of any common areas for the mutual benefit of the tenants in the Project, Landlord may do so subject to non-discriminatory additional Rules and Regulations.

31. Tenant's requirements will be attended to only upon appropriate application to the project management office by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.

32. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or other tenant(s) of the Project, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations against any or all of the tenants of the Project.

33. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms covenants, agreements and conditions of the Lease.

34. Landlord reserves the right to make such other and reasonable Rules and Regulations as, in its judgment, may from time to time to be needed for safety and security, for care and cleanliness of the Project and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted.

35. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees and guests.

EXHIBIT G

INTENTIONALLY DELETED

EXHIBIT H

HAZARDOUS MATERIALS ADDENDUM

This **Exhibit H** is hereby attached to and made a part of the Lease dated: April 30, 2021 by and between DOUGLAS PARK ASSOCIATES III, LLC, a Delaware limited liability company, as Landlord and CITY OF LONG BEACH, a municipal corporation, as Tenant for the Premises known as 3861 Worsham Avenue, Long Beach, California 90808.

1. Landlord hereby discloses to Tenant and Tenant hereby acknowledges that it understands and accepts the following:

(a) Prior to Landlord's acquisition of the real property underlying the Project" and the adjacent properties surrounding the Project (hereinafter, the "Douglas Park Real Property"), the Project and the Douglas Park Real Property were owned by The Boeing Company ("Boeing") and previously used by Boeing (and its predecessors through mergers and reorganizations) for industrial operations. As a result of Boeing's (and its predecessors through mergers and reorganizations) industrial operations, releases of certain Hazardous Substances have occurred which have impacted both the soil at the Project (as well as the Douglas Park Real Property) and the groundwater underlying the Project (as well as the Douglas Park Real Property). Further, Tenant acknowledges that environmental investigations, monitoring and remediation activities have been, are being and will continue to be conducted by Boeing on the Project and the Douglas Park Real Property pursuant to certain state governmental administrative orders, agreements and requirements, including, without limitation, the requirements of the Los Angeles Region of the California Regional Water Quality Control Board ("RWQCB") under Revised Cleanup and Abatement Order 95-048, Former Boeing C-1 Facility, Long Beach (Cleanup and Abatement Order 95-048, File No. 95-034)("CAO"). Tenant acknowledges receipt of a copy of the CAO.

(b) There is presently situated within the Project certain remediation equipment including groundwater extraction wells and groundwater monitoring wells and associated wells, manifolds, vaults, hatches, conduits, pipes, manholes and monitoring devices ("Remediation Equipment"). The Remediation Equipment treats impacted groundwater underlying the Project and the Douglas Park Real Property.

2. Tenant hereby further acknowledges that:

(a) Due to Landlord's recent acquisition of the Project and its affiliates' acquisition of the Douglas Park Real Property, the existing environmental condition of the Project and the Douglas Park Real Property was not caused by Landlord. Except as otherwise expressly set forth in this Lease, Tenant acknowledges and agrees that it is accepting the Premises and the Project "AS IS" without any representation or warranty of Landlord, express, implied or statutory as to Hazardous Substances or the environmental condition of the Project.

(b) Hazardous Substances are present in the soil of the Project and Hazardous Substances are present in the groundwater underlying the Project. Tenant further understands and acknowledges that the Project (including the Douglas Park Real Property) has in the past been subject to enforcement actions by various governmental agencies, including actions by the RWQCB, and the Project is currently subject to CAO, for which Boeing has been identified as the potentially responsible party.

(c) Section 25359.7 of the California Health and Safety Code requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of a hazardous substance has come to be located on or beneath the real property, to provide written notice of such to a lessee of the real property. Landlord hereby discloses to Tenant that certain Hazardous Substances have been released on the Project, as more particularly described in that certain Phase I Environmental Site Assessment prepared by Iris Environmental prior to the date of the Lease ("Phase I ESA"), a copy of which Tenant received prior to the date hereof. By execution of this Lease, Tenant: (i) acknowledges its receipt of the foregoing notice given pursuant to Section 25359.7 of the California Health and Safety Code; (ii) is fully aware of the matters described in the Phase I ESA; and (iii) after receiving advice of its legal counsel, waives any and all rights Tenant may have to assert that Landlord has not complied with the requirements of Section 25359.7 of the California Health and Safety Code. Tenant further acknowledges that Landlord shall have no liability or responsibility for the accuracy of any of the information contained in the Phase I ESA and that Tenant shall rely on its own environmental experts and counsel regarding the contents of such document.

(d) Boeing and Landlord are parties to that certain Agreement for Purchase of Real Property and Joint Escrow Instructions dated March 8, 2012 (as subsequently amended, the "Boeing Purchase Agreement"). Certain portions of the Boeing Purchase Agreement have been provided to Tenant prior to the date of this Lease ("Boeing Provisions"), which are attached hereto as Schedule "1". The Boeing Purchase Agreement contains various provisions allocating responsibility for soil impacts at the Project between Landlord and Boeing; Boeing retains all responsibility for pre-existing groundwater impacts on and emanating from the Project. Tenant further understands and acknowledges that as part of the Boeing Purchase Agreement, Boeing recorded documents which pertain to environmental matters, including that certain Grant of Easement (Private Environmental) (hereinafter, the "Environmental Easement") dated October 4, 2012 and recorded on October 4, 2012 as Instrument No. 20121495701 in the Official Records of Los Angeles County, California ("Official Records"), and the Declaration of Special Land Use Restrictions and Environmental Restrictions dated October 4, 2012 and recorded on October 4, 2012 as Instrument No. 20121495702 in the Official Records ("Declaration"). Tenant has received copies of the Environmental Easement and the Declaration prior to the date hereof.

(e) Based upon the foregoing, Tenant acknowledges and agrees that (i) its use and enjoyment of the Premises and the Project shall be subject to the terms, conditions and restrictions of the Environmental Easement, the Declaration, and Boeing Provisions and that Tenant will comply with all of the terms, conditions and restrictions of the Environmental Easement, the Declaration and the Boeing Provisions, all to the extent applicable to the Premises; and (ii) Boeing, its contractors, subcontractors and agents shall have the right to access and use certain portions of the Project during the term of the Lease to perform its required remediation in accordance with the terms of the Environmental Easement, the Declaration and the Boeing Provisions.

(f) Vapor barriers reasonably acceptable to Boeing are required to be installed at no cost or expense to Boeing, under the footprint of any new buildings constructed on the Douglas Park Real Property. Boeing has the right to approve, prior to the commencement of construction of any improvements by Tenant under the Premises, Tenant's working drawings, such approval not to be unreasonably withheld or delayed provided that the specifications comply with Boeing's environmental health standards.

3. Tenant shall not cause or permit any Hazardous Materials to be brought upon, stored, used, generated, released into the environment or disposed of on, in, under or about the Premises and/or any portion of the Premises Land by Tenant or any Tenant Parties (as defined in Subsection 8(c) of the Lease), without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. Landlord, in its sole and absolute discretion, may consent to Tenant's generation, storage or use of Hazardous Materials on or in the Premises and/or the Premises Land.

4. Upon the expiration or sooner termination of this Lease, Tenant covenants to remove from the Premises and/or the Premises Land, at its sole cost and expense, any and all Hazardous Materials, and/or equipment, fixtures, systems and other tenant improvements used in connection with storing, handling, treating and/or dispensing of such Hazardous Materials, which are brought upon, stored, used, generated or released into the environment or disposed of on, in, under or about the Premises and/or any other portion of the Premises Land by Tenant or any Tenant Parties and to restore such portions of the Premises and/or the Premises Land to substantially the same condition it was in prior thereto (e.g., restore asphalt or concrete surfaces, including, without limitation, cleaning such surfaces and if required to restore the same to substantially its original condition, including, without limitation, removing and replacing any stained or contaminated asphalt or concrete surfaces). Upon the expiration or sooner termination of this Lease, Tenant shall also be obligated to close all permits obtained in connection with Hazardous Materials in accordance with applicable laws and to obtain closure letters or appropriate governmental sign-offs from the issuing agency with respect to all such permits if such closure letters or sign-offs are required or customarily obtained and available. Tenant's failure to satisfy the obligations set forth in this **Exhibit H** prior to the expiration or earlier termination of this Lease shall constitute a failure to timely surrender the Premises to Landlord, and at Landlord's election, Tenant shall not be deemed to have vacated the Premises until such obligations are satisfied.

5. Notwithstanding anything to the contrary in Paragraph 15 of the Lease, to the fullest extent permitted by law, Tenant hereby agrees to indemnify, defend and hold harmless Landlord and its agents, directors, officers, partners, members, employees, shareholders, representatives and any of their agents, directors, officers, partners, members, employees, shareholders, representatives, Landlord's lender(s) and any owners and operators of the Premises and/or the Premises Land (the "Landlord Indemnities") from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in the value of the Premises or the Premises Land, damages for the loss or restriction on use of rentable space or of any amenity of the Premises or any other portion of the Premises Land, and sums paid in settlement of claims, attorneys' fees consultant fees and expert fees) (collectively, "Claims") which arise during or after the Term of this Lease directly or indirectly from the presence of Hazardous Materials on, in, under or about the Premises or any other portion of the Premises Land which is caused or permitted by Tenant or any Tenant Parties. This indemnification by Tenant of Landlord and Landlord's Indemnities includes, without limitation, any and all costs incurred in connection with any investigation of site conditions or any clean up, remedial, removal, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision because of the presence of such Hazardous Material in, on, under or about the Premises or any other portion of the Premises Land. Tenant shall immediately notify Landlord of any release of Hazardous Materials at the Premises or any other portion of the Premises Land which Tenant becomes aware of during the Term of this Lease, whether caused by Tenant or any other persons or entities. As used in this Lease, the term "Hazardous Materials" includes, without limitation, any hazardous or toxic material, substance, irritant, chemical, or waste, including without limitation (A) any material defined, classified, designated, listed or otherwise considered under any environmental law as a "hazardous waste," "hazardous substance," "hazardous material," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "biohazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," or any other term or expression intended to define, list, regulate or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment, (B) any material, substance or waste which is toxic, ignitable, corrosive, reactive, explosive, flammable, infectious, radioactive, carcinogenic or mutagenic, and which is or becomes regulated by any local, state or federal governmental authority, any agency of the State of California or any agency of the United States Government, (C) any oil, petroleum, petroleum based products, petroleum additives, and/or derived substances of breakdown product, (D) asbestos, (E) petroleum and petroleum based products, (F) urea formaldehyde foam insulation, (G) polychlorinated biphenyls ("PCBs"), and (H) freon and other chlorofluorocarbons, (I) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources, (J) lead-based paint and (K) solvents.

6. Tenant shall promptly notify Landlord of, and shall promptly provide Landlord with true, correct, complete and legible copies of, all of the following environmental items relating to the Premises and/or the Premises Land which may be filed or prepared by or on behalf of, or delivered to or served upon, Tenant: reports filed pursuant to any self-reporting requirements, all permit applications, permits, monitoring reports, workplace exposure and

community exposure warnings or notices and all other reports, disclosures, plans or documents (even those which may be characterized as confidential) relating to water discharges, air pollution, waste generation or disposal, underground storage tanks or Hazardous Materials.

7. In addition to Tenant's routine reporting obligations described above, Tenant shall promptly notify Landlord of, and shall promptly provide Landlord with true, correct, complete and legible copies of, all of the following environmental items relating to the Premises and/or the Premises Land which may be filed or prepared by or on behalf of, or delivered to or served upon, Tenant: all orders, reports, notices, listings and correspondence (even those which may be considered confidential) pertaining to or concerning the release, investigation of, compliance, clean up, remedial and corrective actions, and abatement and/or monitoring of Hazardous Materials whether or not required by any applicable laws, including, but not limited to, reports and notices required by or given pursuant to any applicable laws, and all orders, decrees, notices of non-compliance, complaints, pleadings and other legal documents issued to or filed against Tenant related to Tenant's generation, use, handling, storage, release or disposal of Hazardous Materials. In the event of a release of any Hazardous Materials in, on, under or about the Premises or the Premises Land, Tenant shall promptly provide Landlord with copies of all reports and correspondence with or from all governmental agencies, authorities or any other persons relating to such release. Landlord hereby notifies Tenant that it may access all current environmental information regarding the Premises at geotracker.waterboards.ca.gov and by searching for "Boeing C-1 Facility" under Advanced Search and Facility Name.

8. Prior to the execution of this Lease, Tenant shall complete, execute and deliver to Landlord a Hazardous Materials Questionnaire (the "Hazardous Materials Questionnaire") in the form of **Exhibit I** attached hereto, and Tenant shall certify to Landlord all information contained in the Hazardous Materials Questionnaire as true and correct to the best of Tenant's knowledge and belief. The completed Hazardous Materials Questionnaire shall be deemed incorporated into this Lease for all purposes, and Landlord shall be entitled to rely fully on the information contained therein. On each anniversary of the Commencement Date (each such date is hereinafter referred to as a "Disclosure Date"), until and including the Disclosure Date first occurring after the expiration or sooner termination of this Lease, Tenant shall disclose to Landlord in writing the names and amounts of all Hazardous Materials, or any combination thereof, which were stored, generated or used or disposed of on, in, under or about the Premises and/or the Premises Land for the twelve-month period prior to each Disclosure Date (all of which use shall be subject to Landlord's consent pursuant to the other provisions of this Lease), or after each Disclosure Date with respect to any Hazardous Materials which Tenant intends to store, generate, use or dispose of, on, under or about the Premises and/or the Premises Land. At Landlord's option, Tenant's disclosure obligations under this Paragraph 8 shall include a requirement that Tenant update, execute and deliver to Landlord the Hazardous Materials Questionnaire, as the same may be reasonably modified by Landlord from time to time.

9. Landlord and Landlord's agents and employees shall have the right, but not the obligation, to inspect, investigate, sample and/or monitor the Premises and the Premises Land, including any soil, water, groundwater or other sampling, and any other testing, digging, drilling or analyses, at any time to determine whether Tenant is complying with the terms of this **Exhibit H**, and in connection therewith, Tenant shall provide Landlord with full access to all relevant facilities, records and personnel. If Tenant is not in compliance with any of the provisions of this **Exhibit H**, Landlord and Landlord's agents and employees shall have the right, but not the obligation, without limitation upon any of Landlord's other rights and remedies under this Lease, to immediately enter upon the Premises and/or the Premises Land and to discharge Tenant's obligations under this **Exhibit H** at Tenant's expense, notwithstanding any other provision of this Lease. Landlord and Landlord's agents and employees shall endeavor to minimize interference with Tenant's business but shall not be liable for any such interference. All sums reasonably disbursed, deposited or incurred by Landlord in connection therewith, including, but not limited to, all costs, expenses and actual attorneys' fees, shall be due and payable by Tenant to Landlord, as an item of additional rent, on demand by Landlord, together with interest thereon at the Interest Rate from the date of such demand until paid by Tenant.

10. Landlord, at Tenant's sole cost and expense, shall have the right, but not the obligation, to join and participate in any legal proceedings or actions initiated in connection with any claims or causes of action arising out of the storage, generation, use, treatment, release or disposal by Tenant or any Tenant Parties of Hazardous Materials in, on, under, from or about the Premises or any other portion of the Premises Land. If the presence of any Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land caused or permitted by Tenant or any Tenant Parties, results in (i) injury to any person, (ii) injury to or any contamination of the Premises and/or the Premises Land or (iii) injury to or contamination of any real or personal property wherever situated, Tenant, at its sole cost and expense, shall promptly take all actions necessary to return the Premises or such other portion of the Premises Land, to the condition existing prior to the introduction of such Hazardous Materials to the Premises and/or the Premises Land and to remedy or repair any such injury or contamination. Notwithstanding the foregoing, Tenant shall not, without Landlord's prior written consent, take any remedial action in response to the presence of any Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land, or enter into any settlement agreement, consent decree or other compromise with any governmental agency with respect to any Hazardous Materials claims; provided, however, Landlord's prior written consent shall not be necessary in the event that the presence of Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land (i) poses an immediate threat to the health, safety or welfare of any individual or (ii) is of such a nature that an immediate remedial response is necessary and (iii) it is not possible to obtain Landlord's consent before taking such action.

11. Promptly upon the expiration or sooner termination of this Lease, Tenant shall represent to Landlord in writing that (i) Tenant has made a diligent effort to determine whether any Hazardous Materials are in, on, under or about the Premises or any other portion of the Premises Land, and (ii) no Hazardous Materials exist in, on, under or about the Premises or any other portion of the Premises Land other than as specifically identified to Landlord by

Tenant in writing. To ensure performance of Tenant's obligations under this Paragraph 11, Landlord may, at any time within one (1) year of the expiration of the Term, or upon the occurrence of an event of default, by notice to Tenant, require that Tenant promptly commence and diligently prosecute to completion an environmental evaluation of the Premises or any other portion of the Premises Land. In connection therewith, Landlord may require Tenant, at Tenant's sole cost and expense, to immediately hire an outside consultant satisfactory to Landlord to perform a complete environmental audit of the Premises or any other portion of the Premises Land, an executed copy of which shall be delivered to Landlord within thirty (30) days after Landlord's request therefor. Notwithstanding anything in this Exhibit H or in the Lease to the contrary, under no circumstances shall Tenant perform or conduct, or allow to be performed or conducted, any invasive testing (e.g., Phase II testing) of the Premises or the Premises Land without Landlord's written consent, which may be withheld by Landlord in its sole and absolute discretion. If Tenant or the environmental audit discloses the existence of Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land, Tenant shall, at Landlord's request, immediately prepare and submit to Landlord within thirty (30) days after such request a comprehensive plan, subject to Landlord's approval, specifying the actions to be taken by Tenant to return the Premises or any other portion of the Premises Land to the condition existing prior to the introduction of such Hazardous Materials. Upon Landlord's approval of such clean up plan, Tenant shall, at Tenant's sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, immediately implement such plan and proceed to clean up Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease.

12. The provisions of this **Exhibit H** shall survive any termination of this Lease.

Landlord's Initials

Tenant's Initials

APPROVED AS TO FORM

4-29, 2021

CHARLES PARKIN, City Attorney

By

RICHARD ANTHONY

DEPUTY CITY ATTORNEY

Tenant in writing. To ensure performance of Tenant's obligations under this Paragraph 11, Landlord may, at any time within one (1) year of the expiration of the Term, or upon the occurrence of an event of default, by notice to Tenant, require that Tenant promptly commence and diligently prosecute to completion an environmental evaluation of the Premises or any other portion of the Premises Land. In connection therewith, Landlord may require Tenant, at Tenant's sole cost and expense, to immediately hire an outside consultant satisfactory to Landlord to perform a complete environmental audit of the Premises or any other portion of the Premises Land, an executed copy of which shall be delivered to Landlord within thirty (30) days after Landlord's request therefor. Notwithstanding anything in this Exhibit H or in the Lease to the contrary, under no circumstances shall Tenant perform or conduct, or allow to be performed or conducted, any invasive testing (e.g., Phase II testing) of the Premises or the Premises Land without Landlord's written consent, which may be withheld by Landlord in its sole and absolute discretion. If Tenant or the environmental audit discloses the existence of Hazardous Materials in, on, under or about the Premises or any other portion of the Premises Land, Tenant shall, at Landlord's request, immediately prepare and submit to Landlord within thirty (30) days after such request a comprehensive plan, subject to Landlord's approval, specifying the actions to be taken by Tenant to return the Premises or any other portion of the Premises Land to the condition existing prior to the introduction of such Hazardous Materials. Upon Landlord's approval of such clean up plan, Tenant shall, at Tenant's sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease, immediately implement such plan and proceed to clean up Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease.

12. The provisions of this **Exhibit H** shall survive any termination of this Lease.

Landlord's Initials _____ Tenant's Initials _____

SCHEDULE "1" TO EXHIBIT H

BOEING PROVISIONS

[Attached.]

1.3 **Other Purchase Agreement**. Seller and Buyer acknowledge that, concurrently with the execution of this Agreement, Seller is entering into another purchase agreement with Buyer (the "**Other Purchase Agreement**") for the sale of that certain property commonly known as the 717 Site located near the Property in Long Beach, California, as more particularly described in the Other Purchase Agreement (the "**Other Property**"). This Agreement and the Other Purchase Agreement are sometimes collectively referred to hereinafter as "**Both Purchase Agreements**", and the Property and the Other Property are sometimes collectively referred to hereinafter as "**Both Properties**"). Buyer and Seller are entering into separate purchase agreements for the Property versus the Other Property due to differences in description, location, nature, use, development, entitlements, restrictions, reservations and post-Closing obligations affecting or that will affect the Property versus the Other Property. However, Buyer and Seller acknowledge and agree that Both Purchase Agreements are intended to act as a single purchase agreement for purposes of the Purchase Price, Deposit, Escrow and Closing matters and remedies for default. In furtherance of the foregoing, Buyer and Seller agree that:

4.3.1 Buyer shall have until 5:00 p.m. Pacific Standard Time on March 22, 2012 (the "**Contingency Period**", with said date being the "**Contingency Deadline**"), to confirm in Buyer's sole and absolute discretion that (a) Buyer is satisfied with the physical condition of the Property (including without limitation all structural, seismic, mechanical, environmental and all other physical aspects and conditions of the Property), (b) Buyer is satisfied with all financial, legal and other aspects of the Property (including without limitation income, expenses, contracts, laws, ordinances, rules, regulations and legal proceedings affecting the Property), the availability of power, water, gas and other utilities and access, and the suitability and use of the Property in accordance with Buyer's plans and intended purposes and (c) Buyer can feasibly use the Property in accordance with Buyer's plans (collectively, the "**Feasibility Contingency**"). Buyer shall be solely responsible for determining existing zoning classifications, building regulations, governmental entitlements, development requirements and all other legal matters applicable to

the Property. To assist Buyer's investigation of the Property and feasibility study, but subject to the prior execution and delivery by Buyer to Seller of a confidentiality and nondisclosure agreement satisfactory to Seller (the "**Confidentiality Agreement**"), Seller shall, within three (3) business days after Opening of Escrow, make available to Buyer for inspection and copying, at Buyer's sole cost, during normal business hours at Seller's Seal Beach office, copies of the following documents to the extent they are in Seller's possession or under Seller's control (collectively, the "**Property Documents**"): (i) all leases, service, labor, maintenance or other contracts or agreements affecting the Property or any portion thereof (including without limitation any consent decrees, remediation agreements, indemnity agreements, or other agreements regarding Hazardous Materials, as defined below), the obligations of which may survive and be binding upon Buyer or the Property after the Closing; (ii) copies of the most recent property tax bill(s) for the Property, if available; (iii) copies of all soils, soil gas, human health risk assessment and/or groundwater reports and all other material environmental, hazardous waste, toxic materials and/or geological studies, grading maps and/or plans, topographic maps, environmental assessments, zoning ordinances, site plans, environmental impact report(s) and similar information respecting the Property along with all correspondence or determinations from any governmental authorities relating to the same; (iv) copies of any other documents that are relevant to the environmental condition of the Property, including the LUC's, any NFAs (as defined in paragraph 9.6.5(d)) and the Consent Order (as defined in paragraph 9.9); (v) copies of the PD-32 South Zoning Ordinance and the PD-32 North Zoning Ordinance (collectively, the "**PD-32 Zoning**"), the Douglas Park Conditions of Approval dated January 5, 2005, the POA Architectural Review Committee requirements and any Design Guidelines applicable to the Property under the CC&R's; (vi) copies of the Entitlements (as defined in the CC&R's) applicable to the Property; and (vii) all other material, unprivileged, non-confidential documents concerning the Property, specifically excluding, however, the ASR (as defined below) and any appraisals, valuations and/or marketing studies; provided, however, to the extent Seller or any of Seller's Consultants (as defined below) is withholding any material documents on the basis of privilege or confidentiality, Seller must separately disclose any facts contained therein which are or could be material to Buyer's decision to purchase the Property. Seller's Environmental Health and Safety ("**EHS**") organization has conducted a review of the factual information contained in the Property Documents and that the results of that review have been included in one or more internal documents proprietary to Seller known as the Assessment Summary Report (the "**ASR**"). The ASR contains, among other things, EHS's evaluation of the information contained within the Property Documents, EHS's recommended procedure for dealing with any on-site contamination disclosed thereby and internal proposals/strategies for disposition of the Property. Buyer acknowledges and agrees that the ASR is proprietary to Seller, is not part of the Property Documents and will not be disclosed or delivered to Buyer, and that Buyer will evaluate the Property as provided in this Agreement without access to and without reliance upon the ASR. Except as expressly set forth in paragraphs 9 and 10 hereof, (i) Seller makes no representations or warranties concerning the insufficiency or inaccuracy of the Property Documents, (ii) Seller shall not be liable to Buyer in any way whatsoever for any insufficiency or inaccuracy of the Property Documents, and (iii) Buyer shall be solely responsible for determining the sufficiency and accuracy of the Property Documents. Except as expressly set forth in paragraphs 9 and 10, the Parties expressly stipulate and agree that it is not, and shall not be deemed to be, reasonable for the Buyer to rely in any way upon any Property Documents received from Seller except to the extent provided in the Reliance Letter as to

Seller's Phase I Report (as hereinafter defined), nor shall any information set forth therein (including within any Phase I Report) be, or be deemed to be, a representation or warranty by or on behalf of the Seller. Through and including the Close of Escrow, Seller shall provide Buyer and/or Buyer's consultants, engineers, and architects with access to the Property and all current and future findings, results, plans, reports and information generated and/or obtained by Seller in connection with the environmental condition of the Property, so long as Buyer has executed and fully performed its obligations under the Confidentiality Agreement. Notwithstanding the foregoing or any contrary provision hereof, unless Seller's Phase I Report or a third party peer review of Seller's Phase I Report, specifically recommends a Phase II environmental assessment, Buyer shall have no right to conduct any Phase II environmental assessment(s) on the Property (regarding soil or groundwater), without first obtaining Seller's prior written consent to the proposed scope of such Phase II assessment(s), which may be given or withheld in Seller's sole and absolute discretion (but, in any event, within five (5) days of Buyer's request therefor). If Seller provides its consent, the provisions of subclauses (b) through (e) of paragraph 9.2.2 shall apply to such Phase II assessment(s). The provisions of this paragraph 4.3.1 shall not, however, limit Seller's express representations and warranties set forth in paragraph 10 of this Agreement.

9. PROPERTY "AS IS"; RELEASE

9.1 AS-IS. Except as expressly otherwise provided in this Agreement or in the documents to be delivered by Seller at the Closing (the "**Seller Closing Documents**"), in the event that the Closing occurs under this Agreement, Buyer agrees that: (a) the sale of the Property is to be concluded without warranties, representations or guarantees made by Seller of any kind or nature, express or implied; (b) the Property is to be purchased by Buyer on an "**AS-IS**," "**WHERE IS**," "**WITH ALL FAULTS**" basis with regard to all matters, including without limitation the physical condition of the Property and improvements, all agreements and legal matters now or hereafter affecting the Property, all environmental matters and conditions, and all other material facts and/or issues, now or hereafter existing or arising, known or unknown, suspected or unsuspected, now or hereafter, existing or discovered; (c) all non-privileged reports, studies, analyses, maps, drawings, materials and other documents that are made available by Seller to Buyer, including, without limitation, Seller's Phase I Report defined in paragraph 9.2.1 below and the other Property Documents (collectively, the "**Seller Disclosures**") are provided

only as an accommodation to Buyer or any other party to whom Buyer may disclose same (with no representations or warranties by Seller as to their completeness or accuracy), except that Seller represents and warrants that it has no actual knowledge (such knowledge being limited to that of Mario Stavale and Robert Scott, without any personal liability therefor, who Seller represents and warrants are Seller's employees most knowledgeable with respect to such subject matter) that would indicate that the Seller Disclosures are incomplete, false or misleading in any material respect; and (d) Buyer's decision to purchase the Property is based only on the investigation, study and analysis of all aspects of the Property as made by Buyer and/or Buyer's agents, employees, representatives and/or independent contractors (collectively, "**Buyer's Investigation**"). Except as otherwise specifically provided in this Agreement, it is expressly understood by the Parties that all statements and representations made by Seller and Seller's agents and independent contractors and the Seller Disclosures are intended by the Parties to be made only as an accommodation to Buyer and Buyer's Investigation and not in lieu of Buyer's Investigation, and it shall be Buyer's responsibility to independently validate and confirm Seller's Disclosures if Buyer intends to rely or cause others to rely thereon. Subject to the provisions in clauses (a) through (d) above, Buyer shall have the right to utilize the Seller Disclosures and the other materials provided by Seller pursuant to this paragraph 9 and to disclose the contents and information contained therein subsequent to the Closing.

9.2 **Seller Disclaimers**. Except as expressly otherwise provided in this Agreement or in the Seller Closing Documents: (a) if the Close of Escrow occurs under this Agreement, Buyer shall accept the Property "**AS-IS**," "**WHERE IS**," and "**WITH ALL FAULTS**" and conditions thereon; (b) Seller makes no representations or warranties, expressed or implied, with respect to the physical condition or environmental condition of the Property and the surrounding property (including without limitation the seismic condition of the Property, any latent or patent defects concerning any and all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder or therefrom), compliance or noncompliance with any federal, state or local planning, building, fire, seismic, environmental, health or safety or any other statute, laws, ordinances, directives or regulations (including without limitation the Americans with Disabilities Act), or any economic aspects of the Property (including without limitation its value, desirability, developability and/or economic incentives, if any, available concerning the Property whether by reason of its designation as being located within an "enterprise zone" or otherwise); and (c) Seller shall have no indemnification, reimbursement, contribution or other obligations, express or implied, for any costs or liabilities arising out of or related to the presence, discharge, treatment, recycling, storage, use, transportation, generation, disposal, migration or release of a hazardous or toxic waste, substance, material or constituent as defined in any applicable environmental, federal, state or local law, ordinance or regulation (including, without limitation, any asbestos, asbestos containing materials, polychlorinated biphenyls, oil, petroleum or any fraction thereof, or crude oil or any fraction thereof) (collectively, "**Hazardous Materials**") on, in, under or from the Property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder or therefrom).

9.2.1 **Seller Phase I**. Seller has made available to Buyer a Phase I environmental assessment prepared by Tetra Tech ("**Seller's Phase I Consultant**") dated September 23, 2011 ("**Seller's Phase I Report**") covering the Property. Seller shall deliver to

Buyer prior to the Contingency Deadline a letter from Seller's Phase I Consultant indicating that Buyer is authorized to rely on Seller's Phase I Report to the same extent as if Buyer were a "user" and a party to such (the "**Reliance Letter**"), substantially in the form of **Exhibit "Q"** attached hereto.

9.2.2 **Buyer's Environmental Diligence.** Notwithstanding any other rights provided herein, subsequent to the execution of this Agreement but prior to Closing, Buyer shall have the right at its own expense (but subject to the provisions of paragraph 8.1 relating to Reimbursable Expenses) to conduct an environmental assessment of the Property, provided that: (a) for assessments other than Phase II assessments (which are covered by paragraph 4.3.1), the proposed scope of the assessment is reasonably acceptable to the Seller (provided that Buyer may terminate this Agreement if Seller does not agree to the proposed scope of Buyer's assessment within five (5) days of presentation of such scope to Seller, in which case the Initial Deposit shall be returned to Buyer and Seller shall pay any and all title and escrow cancellation charges); (b) Buyer shall deliver to Seller all data generated by this assessment, Seller shall have the right to meet with Buyer's consultant, to receive copies of any non-privileged final written report and other documents provided by Buyer's consultant, and to take and analyze split samples at Seller's expense as Seller may request (with both Buyer and Seller being entitled to use such data and/or reports, but without any representation or warranty of any kind by Buyer as to such data or reports); (c) except as otherwise required by law (in which case Buyer shall promptly notice Seller prior to any such disclosure), Buyer shall not contact or meet with any federal, state or local governmental agency without reasonable prior notice to Seller; in that regard, Buyer and its representatives, consultants and attorneys must provide at least two (2) business days prior notice to Seller and the opportunity for Seller and/or its representatives to be present with respect to any meetings or material communications with the City of Long Beach and/or the RWQCB (or successor regulatory agency with primary jurisdictional authority to oversee the groundwater remediation of the Property, the "**Lead Agency**") regarding environmental matters related to the Property; (d) prior to Closing, Buyer shall keep any information generated during its assessment as confidential in accordance with the terms of the Confidentiality Agreement; and (e) during the period between the Execution Date and the Close of Escrow, all non-privileged data, documents and reports (including without limitation all copies thereof) (collectively, "**Buyer's Disclosures**") generated during this environmental assessment and all copies thereof shall be promptly provided to Seller (at no cost to Seller) without any representation or warranty of any kind by Buyer, except that Buyer represents and warrants that it does not have (and it agrees that it shall immediately disclose to Seller in the event that Buyer at any time does have) any actual knowledge (such knowledge being limited to that of Peter M. Rooney, without any personal liability therefor, who Buyer represents and warrants is Buyer's employee most knowledgeable with respect to such subject matter, and Buyer's environmental consultant Iris Environmental) that would indicate that the Buyer's Disclosures are false or misleading in any material respect.

9.2.3 **No Representations.** Except as otherwise expressly provided in this Agreement, any Seller Disclosures provided or made available to Buyer or its consultants by Seller, its agents, employees or contractors concerning the environmental condition of the Property shall not be representations or warranties.

9.3 Demolition and Clean-Up. Each Party agrees that any demolition, clean-up and remedial measures taken by or on behalf of that Party with regard to the Property, or the soil or

the groundwater thereunder or therefrom, including without limitation any measure addressing environmental conditions of the Property, or the soil or the groundwater thereunder or therefrom, shall be in accord with all applicable federal, state and local laws and regulations and done in an environmentally sound manner. The provisions of this paragraph shall survive the Closing.

9.4 **Buyer Indemnity**. Except as otherwise expressly provided in this Agreement or in the Seller Closing Documents, if the Close of Escrow occurs under this Agreement, Buyer expressly assumes and shall indemnify, protect, defend (with counsel reasonably acceptable to Seller) and hold harmless Seller and each of the other Seller Indemnified Parties, from, against and on account of any and all actual or alleged liabilities, obligations, claims, actions, causes of action, directive(s), damages, costs and expenses (including, without limitation, attorneys' fees, fines, penalties and remedial costs), known or unknown, suspected or unsuspected, now or hereafter existing or discovered, which are asserted by persons or entities other than a Seller Indemnified Party (collectively, the **"Third Party Claimants"**) for or arising from personal injury (including bodily injury and death) or property damage (including, without limitation, Hazardous Materials contamination and investigation, monitoring and remedial action relating thereto) asserted by such Third Party Claimants (such claims asserted by such Third Party Claimants being **"Third Party Claims"**), in each case to the extent arising or accruing on or after the Closing Date and which are in any manner or way arising out of, related to or incurred in connection with: (a) the physical condition of the Property (including without limitation seismic, mechanical and/or structural condition, but excluding the environmental condition of the Property which is addressed in paragraph (b) below); (b) the environmental condition of the Property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder or therefrom), but only to the extent proximately caused by the presence, discharge, treatment, recycling, storage, use, transportation, generation, migration or disposal by any person or entity of any Hazardous Materials which first come to exist on or about the Property after the Closing Date and during Buyer's period of ownership, except to the extent (i) migrating to the Property from real property owned by Seller or any affiliate or subsidiary of Seller or Seller's predecessors which have merged into or become a part of Seller (or previously owned by any such parties, but only if the Hazardous Materials in question existed on or under such previously owned real property during such parties' period of ownership), or (ii) caused by any of the Seller Indemnified Parties or their contractors; (c) the release or migration into, onto or from the Property of any Hazardous Materials which first come to exist on or about the Property after the Closing Date and during Buyer's period of ownership, except to the extent (x) migrating to the Property from real property owned by Seller or Seller's predecessors which have merged into or become a part of Seller (or previously owned by any such parties, but only if the Hazardous Materials in question existed on or under such previously owned real property during such parties' period of ownership), or (y) caused by any of the Seller Indemnified Parties or their contractors; and (d) demolition, cleanup or other response (including without limitation any removal or remedial) measures with regard to environmental conditions on or around the Property described in subparagraph (b) above. Notwithstanding the foregoing or anything to the contrary contained herein, it is expressly agreed that (i) this indemnity does not cover consequential, speculative or punitive damages, and (ii) Buyer's obligations pursuant to this paragraph 9.4 shall not apply to the extent the Third Party Claim is caused by the acts or omissions of any of the Seller Indemnified Parties after the Closing Date, including but not limited to actions taken by any of the Seller Indemnified Parties which result in the migration of

any Hazardous Materials onto the Property after the Closing Date, and nothing contained in this paragraph 9.4 shall result in Buyer assuming or indemnifying any Seller Indemnified Parties to the extent of any Disclosed Groundwater Contamination (as hereinafter defined).

9.5 Waiver and General Release. Except as otherwise expressly provided in this Agreement or in the Seller Closing Documents, in the event that the Close of Escrow occurs under this Agreement: (a) Buyer waives, releases and discharges the Seller and the other Seller Indemnified Parties, and each of them, from any and all suits, causes of action, legal or administrative proceedings, liabilities, claims, damages, losses, costs and expenses of whatever kind, known or unknown, suspected or unsuspected, now or hereafter existing or discovered, in any manner or way connected with the physical condition of the Property as of the Closing Date, any latent or patent defects concerning same and any actual or alleged violations of law concerning same, including, without limitation, (i) any claim or action regarding the seismic, mechanical or structural condition of the Property and/or (ii) any claim or any action concerning the environmental condition of the Property as of the Closing Date, including without limitation under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. 9601, *et seq.*, as amended ("**CERCLA**") and/or the provisions of California Health & Safety Code 25300, *et seq.*, as amended, or under any other provision of federal, state or local law, which Buyer had, has or may have, based upon the past, present (as of the Closing Date) or future presence, discharge, treatment, recycling, use, migration, storage, generation, release, or transportation to or from the Property of any Hazardous Materials or the environmental condition of the Property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder or therefrom) and/or (iii) the impact any of the foregoing may have to increase construction costs or create delays in construction or occupancy, or cause loss of profits, incidental or consequential damage or other economic harm; (b) Buyer acknowledges that unknown and unsuspected Hazardous Materials may hereafter be discovered on, about or under the Property, and Buyer knowingly releases Seller and the other Seller Indemnified Parties from any and all liability related thereto; and (c) Buyer hereby agrees, represents and warrants that the matters released herein are not limited to matters which are known, disclosed, suspected or foreseeable, and Buyer hereby waives any and all rights and benefits which it now has, or in the future may have, conferred upon Buyer by virtue of the provisions of Section 1542 of the California Civil Code, which provides:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Buyer hereby represents and warrants that it is familiar with, has read, understands, and has consulted legal counsel of its choosing with respect to California Civil Code Section 1542 and the matters now unknown to it which may have given, or which may hereinafter give, rise to actions, legal or administrative proceedings, claims, demands, debts, controversies, damages, costs, losses, liabilities and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the provisions of this

paragraph 9.5 have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge, acquit Seller and the other Seller Indemnified Parties from any such unknown causes of action, legal or administrative proceedings, claims, demands, debts, controversies, damages, costs, losses, liabilities and expenses which are in any way related to the matters described in this paragraph 9.5.

9.6 Exclusive Rights and Obligations Regarding Disclosed Groundwater Contamination. Notwithstanding any provision of this Agreement or of law to the contrary, Seller and Buyer agree as follows:

9.6.1 **Disclosure.** Seller has disclosed and shall continue to promptly disclose to Buyer (including without limitation through the Property Documents) all unprivileged, material information actually known to Seller (such knowledge being limited to that of Mario Stavale and Robert Scott, without any personal liability therefor, who Seller represents and warrants are Seller's employees most knowledgeable with respect to such subject matter) regarding any Hazardous Materials located on, under or migrating to or from the Property (and, to the extent Seller is withholding any material documents on the basis of privilege or confidentiality, Seller shall separately disclose any facts contained therein which are or could be material to Buyer's decision to purchase the Property). Likewise, because Buyer may discover prior to the Closing certain Hazardous Materials located on or under the Property, in addition to the Hazardous Materials disclosed by Seller to Buyer, Buyer shall promptly disclose to Seller any and all Hazardous Materials on or under the Property or migrating to or from the Property to which Buyer has actual knowledge (such knowledge being limited to that of Peter Rooney, without any personal liability therefor, who Buyer represents and warrants is Buyer's employee most knowledgeable with respect to such subject matter, and Buyer's consultant Iris Environmental) and are discovered by Buyer prior to the Closing which have not previously been disclosed by Seller to Buyer (or vice versa), as a condition to Seller's obligations to Buyer under this paragraph 9.6. In that regard, Buyer acknowledges that Seller has disclosed to Buyer that certain Hazardous Materials as described in the environmental reports provided by Seller to Buyer may have migrated onto or under a portion of the Property from other property within the Park.

9.6.2 **Definition.** The term "**Disclosed Groundwater Contamination**" means all Hazardous Materials that are located in the groundwater under the Property (a) on or before the Close of Escrow, or (b) had migrated or are migrating from the Property as a result of Hazardous Materials located in, on or under the Property on or before the Close of Escrow, or (c) had migrated or are migrating to the Property (i) from real property owned by Seller or any affiliate or subsidiary of Seller or Seller's predecessors which have merged into or become a part of Seller (or previously owned by any such parties, but only if the Hazardous Materials in question existed on or under such previously owned real property during such parties' period of ownership), or (ii) as a result of actions of any of the Seller Indemnified Parties or their contractors. "**Disclosed Groundwater Contamination**" shall expressly exclude (x) Hazardous Materials which migrate after the Close of Escrow from property(ies) not previously owned by Seller or any affiliate or subsidiary of Seller or Seller's predecessors which have merged into or become a part of Seller, (y) Hazardous Materials initially introduced and/or released on, near, about, or under the Property by Buyer or tenants of Buyer, or their respective agents, employees,

contractors, transferees, successors or assigns, and (z) Hazardous Materials on, under or from the Property in the event or to the extent their presence was exacerbated by actions of Buyer or any other Buyer Indemnified Parties or their contractors.

9.6.3 **Access Rights; License**. Buyer agrees that:

(a) **Access**. In addition to the rights and obligations of Seller and Buyer under the Environmental Easement, Seller reserves unto itself (and Buyer hereby grants to Seller) and its successors, any and all governmental environmental authorities, and its and their respective agents, employees, independent contractors, insurers and environmental consultants (collectively the "**Seller Licensed Parties**"), a continuing license and right (coupled with an interest) (without payment of rent or other monetary obligation) to enter the Property or any respective portion(s) thereof from time to time at any and all reasonable times during the License Period (as hereinafter defined), in order to investigate, assess, quantify, monitor, remediate and/or otherwise evaluate and respond to the Disclosed Groundwater Contamination (or the "Disclosed Groundwater Contamination" defined in the Other Purchase Agreement or any other contamination or Hazardous Materials now or hereafter known or suspected to be located on, under or from the Property or the Other Property that Seller elects, in its sole discretion, to investigate, assess, quantify, monitor, remediate and/or otherwise evaluate or respond to) or to exercise its rights and/or discharge its obligations under paragraphs 9.11, 9.12 and 9.13 (collectively, "**Access Rights**"); provided that if Seller (or any Seller Licensed Party) elects (in its reasonable business judgment) to engage in any such activities, Seller (and such Seller Licensed Party) shall do so at its sole cost and expense and agrees (i) to use commercially reasonable efforts to conduct such activities in a manner which reasonably minimizes the impact upon and interference with Buyer's (and its successors' and/or tenants') ownership, possession, development and/or use of the Property; (ii) except in emergencies (in which case Seller shall provide Buyer with such advance notice as may be reasonable under the circumstances), to provide Buyer with no less than three (3) business days prior written notice of any proposed entry onto the Property; (iii) except as may be directed, ordered or mandated by the Lead Agency (in which case, Seller shall provide Buyer with reasonable prior written notice of any such proposed direction, order or mandate by the Lead Agency in order to give Buyer reasonable time to protest same), and except for easement areas specifically designated in the Environmental Easement, as the same may be modified from time to time in accordance with the later provisions hereof (collectively, "**Specific Easement Areas**"), Seller's Access Rights shall not extend to the following areas of the Property (collectively, but excluding Specific Easement Areas, "**Limited Access Areas**"): (1) areas that have been improved with a building or structure, (2) areas that are then under development with a building or structure, (3) areas that are then proposed for development (as shown on a site plan submitted by Buyer to the City for approval) with a building or structure, or (4) except for vehicular or pedestrian ingress or egress by Seller or any Seller Licensed Party thereon, surface and above-ground areas that are located in then existing or proposed (as shown by a site plan submitted by Buyer to the City for approval) heavy traffic driveways or drive aisles (the Parties specifically agreeing that areas below the surface of such heavy traffic driveways or drive aisles shall not constitute Limited Access Areas); and (iv) other than Remediation Equipment installed in Specific Easement Areas, no Remediation Equipment shall be installed or placed by Seller on or under any areas on the Property unless and until the installation of such Remediation Equipment on or under such area(s) has been approved in writing by Buyer, which approval shall not be unreasonably

withheld or delayed, or has been directed, ordered or mandated by the Lead Agency (in which case, Seller shall provide Buyer with reasonable prior written notice of any such proposed direction, order or mandate by the Lead Agency in order to give Buyer reasonable time to protest the Remediation Equipment to be installed or the location of the installation). In any plans or proposals submitted by Seller to the Lead Agency related to the Required Remediation (as defined in paragraph 9.6.5(b) below), Seller shall not advocate or recommend to the Lead Agency to direct, order or mandate Seller access to Limited Access Areas, or the placement or installation of any Remediation Equipment in any Limited Access Areas, and Seller shall support Buyer's efforts to change or alter any initial determination by the Lead Agency to direct, order or mandate such Seller access, or to locate any Remediation Equipment, in any Limited Access Areas so long as such change or alteration will not materially increase Seller's costs or obligations with respect to remediation or such Remediation Equipment (unless Buyer agrees to bear such costs). The term "**License Period**" means the period that commences on the Close of Escrow and concludes on the completion by Seller of all of its obligations to perform the Required Remediation in accordance with paragraph 9.6.5 (and the "Required Remediation" as defined in the Other Purchase Agreement in accordance with paragraph 9.6.5 of the Other Purchase Agreement), provided however, that if subsequent to such determination(s) further remedial actions shall be directed, ordered or mandated by the Lead Agency, the License Period shall be reinstated until such time as such additional remedial actions have been completed. "**Remediation Equipment**" means any and all equipment used in connection with Seller's remediation, monitoring, assessment and treatment of Disclosed Groundwater Contamination (or the "Disclosed Groundwater Contamination" defined in the Other Purchase Agreement or any other contamination or Hazardous Materials that Seller elects, in its sole discretion, to remediate, monitor, assess or treat under this paragraph 9.6.3(a)) or in connection with Seller's exercise of its rights and/or discharge of its obligations under paragraphs 9.11 and 9.12, including without limitation, monitoring wells, injection wells, extraction wells, piping and associated conduit and/or facilities, passive product skimmers, vapor extraction equipment and vaults. Seller covenants and agrees that it shall only exercise the Access Rights under this paragraph 9.6.3(a) in connection with investigating, assessing, monitoring, treating, remediating or otherwise responding to Hazardous Materials which Seller reasonably believes (x) may have been located on or under the Property or the Other Property as of the Closing Date, (y) may have been generated or released by Seller (or any direct or indirect affiliate of any tier, subsidiary, shareholder, agent, predecessor or successor of Seller, whether past, present or future) or may have migrated to, under or from the Property or the Other Property from real property owned or previously owned or operated by Seller (or any direct or indirect affiliate of any tier, subsidiary, shareholder, agent, predecessor or successor of Seller, whether past, present or future), or (z) that Seller (or any direct or indirect affiliate of any tier, subsidiary, shareholder, agent, predecessor or successor of Seller, past, present or future) may be otherwise potentially directly or indirectly liable for any other reason(s).

(b) **Repairs and Utilities.** In exercising its Access Rights, Seller shall be and remain responsible, at Seller's sole cost and expense, to: (i) promptly repair (at its sole cost) any physical damage caused by Seller or Seller Licensed Parties to the Property or any improvements then existing thereon by Seller's (or Seller Licensed Parties') exercise of the Access Rights; and (ii) maintain in operating condition and repair all Remediation Equipment installed on, under or near the Property by Seller or Seller Licensed Parties. With Buyer's prior written consent, which shall not be unreasonably withheld or delayed, such Access Rights shall

include Seller's right reasonably to connect to and use utilities serving the Property (providing Seller pays for such connections and for the use of same within thirty (30) days following Buyer's request therefor, without markup).

(c) **Buyer's Cooperation**. Buyer shall cooperate with Seller and the Seller Licensed Parties in connection with any and all of the aforesaid activities, as reasonably requested from time to time by Seller (provided that such cooperation will (i) be at no out of pocket cost or expense incurred to unrelated third parties unless Seller agrees to pay Buyer for same, and (ii) not unreasonably impair, impede or delay the redevelopment of the Property). Notwithstanding the foregoing, Buyer shall promptly reimburse Seller for the costs of repairing any damage to the Remediation Equipment caused by Buyer or any other Buyer Indemnified Parties.

(d) **Buyer Initiated Relocation of Remediation Equipment**. If Buyer determines after the Close of Escrow that the then-existing locations of any Remediation Equipment (other than Remediation Equipment in the perimeter Specific Easement Areas shown on Exhibit C to the Environmental Easement, which Seller shall in no event be required to relocate) that has been installed by Seller unreasonably interferes with ongoing operations, tenancies, occupancies or any proposed development or redevelopment on the Property, then upon written request by Buyer, Seller shall do the following: (i) promptly apply to the Lead Agency for approval to relocate any such Remediation Equipment to locations reasonably requested by Buyer that do not pose such unreasonable interference; and (ii) upon obtaining approval by the Lead Agency, Seller shall relocate any such Remediation Equipment to the requested locations. The application, removal and relocation costs of the first (and only the first) relocation pursuant to this paragraph 9.6.3(d) of each component of Remediation Equipment shall be borne by Seller provided that Buyer's request for such first relocation occurs prior to the earlier of (i) the date on which Buyer commences or causes to be commenced construction of a building or structure or heavy traffic driveway or drive aisle on the particular parcel, lot or other portion of the Property on which (or in which) the interfering Remediation Equipment is located (provided, however, that commencement of construction of a heavy traffic driveway or drive aisle shall not limit Seller's "first relocation" obligations hereunder with respect to Remediation Equipment located outside of those portions of the particular parcel or lot on which construction of a heavy traffic driveway or drive aisle has commenced), and (ii) the date that is ten (10) years after the Closing. The application, removal and relocation costs of any relocation pursuant to this paragraph 9.6.3(d) of Remediation Equipment that is not a Seller obligation pursuant to the immediately preceding sentence shall be borne by Buyer, and Buyer shall advance to Seller all estimated reasonable out-of-pocket costs to be paid or incurred by Seller for such application, removal and relocation. If the actual reasonable out-of-pocket costs incurred by Seller are lesser or greater than the estimated costs advanced by Buyer, then within thirty (30) days following the completion of the relocation and removal work, Seller shall refund to Buyer any excess or Buyer shall pay to Seller the amount of any shortfall, as applicable.

(e) **Seller Initiated Relocation of Remediation Equipment**. If after the Close of Escrow either (i) Seller is required by the Lead Agency to relocate any Remediation Equipment that has been installed by Seller in accordance with this Agreement (subject to compliance by Seller with the provisions of paragraph 9.6.3(a) of this Agreement), (ii) Seller desires to move any Remediation Equipment that has been installed by Seller to another location

that is within a Specific Easement Area, or (iii) Seller desires to move any Remediation Equipment that has been installed by Seller to a location that is not within a Specific Easement Area but which has been approved by Buyer in accordance with the provisions of paragraph 9.6.3(a), then Seller shall perform all such removal and relocation work at its sole cost and expense. Any dispute between Seller and Buyer regarding the proposed location of Remediation Equipment that Seller desires to move pursuant to clause (iii) above shall be resolved by expedited arbitration under paragraph 9.13.

(f) **Further Relocation**. If an extraction well is relocated pursuant to paragraphs 9.6.3(d) or (e) shall fail, in Seller's reasonable judgment, to achieve the same groundwater recapture rate and/or zone of influence as the well it replaces ("**Recapture Capability**"), then Seller may, subject to the provisions of Section 9.6.3(a) above, compel the relocation of such well (and related facilities) to yet another location, and successive locations, until such replacement well achieves Recapture Capability. All such removal and relocation costs and expenses shall be borne by the Party responsible for the relocation costs of the extraction well and "related facilities" pursuant to paragraph 9.6.3(d) or (e), as applicable.

(g) **Modification to Environmental Easement**. If any relocation shall be from an area within a Specific Easement Area to an area outside of same, then such change shall be promptly reflected in the legal descriptions of the Specific Easement Areas covered by the applicable recorded Environmental Easement by way of a recorded modification thereto (including, as necessary, a quitclaim or termination of the Specific Easement Areas no longer included in the applicable recorded Environmental Easement), provided that any such change shall not affect the priority of the Environmental Easement. If the Title Company recommends to assure such priority that the Parties execute and record a new easement in substantially the same form, then Buyer shall execute such new easement and shall cause senior or potentially senior lien holders to subordinate their respective interest in the new easement (in form acceptable to the Title Company). All of the foregoing work shall be performed at the sole cost and expense of the Party responsible for the relocation costs pursuant to paragraph 9.6.3(d) or (e), as applicable.

(h) **Removal of Remediation Equipment**. Subject to the provisions of paragraph 9.6.3(a), 9.6.3(d) and 9.6.3(e) above, Remediation Equipment installed by Seller or any Seller Licensed Party may remain on the Property until such time as the Lead Agency authorizes its removal and Seller reasonably determines that such Remediation Equipment is no longer reasonably necessary. Within one hundred twenty (120) days following the completion of the Required Remediation and issuance by the Lead Agency of the Groundwater NFA (as hereinafter defined) and the "Groundwater NFA" under (and as defined in) the Other Purchase Agreement (the "**Other Property Groundwater NFA**"), Seller shall apply to the Lead Agency for approval to remove the Remediation Equipment that has been installed on the Property by Seller or any Seller Licensed Party. Within one hundred twenty (120) days following the receipt of authorization of the Lead Agency for the removal of such Remediation Equipment, Seller shall thereafter, at its sole cost and expense, perform the following acts in accordance with the requirements of the Lead Agency and applicable environmental laws: (a) remove all above-ground Remediation Equipment and restore the grade and surface of the portions of the Property on which such above-ground Remediation Equipment was located to substantially the condition of the then surrounding area (provided, however, if Seller anticipates that the cost of such

restoration will be substantially greater than the cost of restoring the grade and surface of such portions to substantially the condition as existed prior to the installation of such above-ground Remediation Equipment, then Seller shall notify Buyer and Seller shall only be required to restore the grade and surface to substantially the condition as existed prior to the installation of such above-ground Remediation Equipment unless Buyer agrees to pay the increased cost); and (b) abandon and cap all wells.

(i) **Contribution Rights**. Seller shall be exclusively entitled to pursue, litigate, abandon, settle, receive and/or retain any and all recoveries (whether by way of indemnity, contribution, reimbursement, statutory or regulatory claim(s) or procedure(s), settlement, compromise, or otherwise) from any and all potentially responsible parties, insurers or other third parties (specifically excluding, however, Buyer's or its assign's/successor's insurers in their capacity as Buyer's or its assign's/successor's insurers under Buyer's or its assign's/successor's insurance policies) whomsoever, which in any manner or way relate to or result from the remediation or monitoring of the Disclosed Groundwater Contamination (or any other contamination or Hazardous Materials now or hereafter known or suspected to be located on or under the Property which Seller may elect in its sole discretion to investigate, assess, remediate or otherwise address), and Buyer hereby irrevocably and absolutely assigns to Seller any and all such rights, title, interest and claims, and Buyer shall have no right or claim in, to or against such recoveries, but only to the extent such rights, title, interest, claims and recoveries fall within the scope of Seller's indemnity obligations to the Buyer Indemnified Parties (and Seller fulfills such indemnity obligations) and do not result in an uncovered and/or uninsured loss to Buyer. Seller shall indemnify, defend and hold harmless Buyer and the other Buyer Indemnified Parties, in accordance with and subject to the limitations and exclusions set forth in paragraph 9.6.4, if any is named in any manner, including by way of consolidation, third party claims or cross-claims, in any litigation brought or initiated by Seller against third parties for such Contribution Rights. Notwithstanding the foregoing, Seller's obligations under this paragraph shall not extend to Hazardous Materials that are released or exacerbated by Buyer or any other Buyer Indemnified Party.

(j) **Notice to Seller**. Buyer shall notify Seller at least five (5) business days in advance of any and all trenching, excavation or other invasive activities with respect to soil on the Land and Seller shall have the right (but not the obligation) to monitor any or all such activities (including, without limitation, performing environmental health safety testing reasonably related to the soil affected by the trenching, excavation or other invasive activities).

9.6.4 **Seller Indemnity**. So long as Buyer reasonably performs and observes each and all of its agreements in paragraph 9.6.1 and 9.6.3, Seller hereby agrees to indemnify, protect, defend (with legal counsel selected by Seller and reasonably approved by Buyer), and hold harmless Buyer, its affiliates, subsidiaries, officers, directors, shareholders, members, employees, partners, representatives, agents, successors and assigns, and tenants, and their respective affiliates (collectively, the "**Buyer Indemnified Parties**") from and against any and all actual and alleged third-party (not including any Buyer Indemnified Parties) claims, actions, causes of action, directive(s), liabilities, obligations, damages, costs and expenses (including without limitation attorneys' fees, fines, penalties and remedial costs), known or unknown, suspected or unsuspected, now or hereafter existing or discovered, in any manner or way arising from or related to: (a) the Required Remediation or (b) Seller's breach of any of its obligations

and covenants under this paragraph 9; but only for so long as Buyer reasonably cooperates (as requested from time to time by Seller), at no cost to Buyer, with Seller's defense of and/or response(s) to any such indemnified matter(s). Notwithstanding the foregoing or anything to the contrary contained herein, it is expressly agreed that (i) this indemnity does not cover consequential, speculative or punitive damages, and (ii) in no event shall Seller be obligated to indemnify, defend or hold harmless any Buyer Indemnified Parties from or against any claims, actions, causes of action, directive(s), liabilities, obligations, damages, costs or expenses to the extent caused by the acts or omissions of any of the Buyer Indemnified Parties. Buyer shall provide prompt notice to Seller of any claim or matter which is or may be indemnified against by Seller hereunder (provided, however, that Buyer's failure to give such prompt notice to Seller in a timely fashion shall not result in the loss of Buyer's rights with respect thereto except to the extent Seller is prejudiced by the delay), and Seller shall have the sole and exclusive obligation, right and authority to respond to and control the defense, response, remediation, settlement or litigation concerning any and all such claim(s) and/or matter(s) and/or governmental directive(s) indemnified against by Seller hereunder with legal counsel selected by Seller and approved by Buyer, such approval not to be unreasonably withheld.

9.6.5 **Required Remediation.** Buyer and Seller acknowledge and agree that:

(a) **Soils NFAs**. Seller has obtained one or more "no further action" letters from the Lead Agency for certain soils of the Property (the "**Soils NFA's**"). Buyer and Seller further acknowledge and agree that, except as provided in paragraphs 9.11 and 9.12, Seller shall not be obligated to Buyer to undertake any further assessment, response or remediation as regards the soils of the Property.

(b) **Remediation of Disclosed Groundwater Contamination**. Seller is required by governmental authorities before and after the Closing to conduct and perform certain environmental monitoring and remediation on, near or about the Property concerning Disclosed Groundwater Contamination that has been disclosed in the Seller Disclosures, which remediation will extend beyond the date of Closing for a substantial and indeterminate period of time. Seller shall be solely responsible for completing environmental monitoring and remediation concerning the Disclosed Groundwater Contamination and such other groundwater monitoring and remediation, if any, required pursuant to the Consent Order (as defined in paragraph 9.10), as is required by the Lead Agency (the "**Required Remediation**"), at Seller's sole cost and expense and, subject to paragraph 9.6.3(c) above and the other provisions of this paragraph 9, Buyer shall reasonably cooperate with Seller in connection with the Required Remediation, including without limitation permitting Seller and/or its Seller Indemnified Parties access to the Property in accordance with terms and conditions of paragraph 9.6.3(a) and the Environmental Easement.

(c) **Completion of Required Remediation**. Seller shall use reasonably diligent efforts to complete the Required Remediation, if any, which shall be strictly limited to Seller obtaining, and Seller shall have no obligation to perform any remediation beyond that required to obtain, governmental clearance certificates, "no further action" letters (or their equivalent), and/or approvals or other comfort letter(s) from the Lead Agency, with respect to the Disclosed Groundwater Contamination that does not impose any further restrictions on, or otherwise further impair Buyer's ability to construct Buyer's Improvements, upon the Property

(as a matter of clarification, any restriction or impairment contained in this Agreement or in any of the Seller Closing Documents is not a restriction or impairment and is acceptable to Buyer), or otherwise completing the Required Remediation to the level required by the Consent Order, and that, subject to typical "re-opener" provisions, no further remediation or monitoring is required as regards to the Disclosed Groundwater Contamination (the "**Groundwater NFA**"). In addition, so long as Seller is using any portion of the Property in connection with Seller's remediation, monitoring, assessment and treatment of "Disclosed Groundwater Contamination" under the Other Purchase Agreement, Seller also shall use reasonably diligent efforts to complete the "Required Remediation" and obtain the Other Property Groundwater NFA under the Other Purchase Agreement in accordance with and subject to the terms thereof. Buyer and Seller acknowledge and agree that it may take a substantial and indeterminate period of time after Closing for Seller to obtain the Groundwater NFA. Seller shall have the sole and absolute right to determine what remediation and other methods will be employed from time to time regarding the issuance of the Groundwater NFA and Seller's remediation efforts related thereto, so long as such methods and efforts are acceptable to the Lead Agency. So long as Seller is using commercially reasonable efforts acceptable to the Lead Agency to achieve issuance of the Groundwater NFA and remediation of the Disclosed Groundwater Contamination, Seller shall be under no obligation to utilize the most expensive or quickest methods available to obtain the Groundwater NFA or to remediate or otherwise respond with respect to the Disclosed Groundwater Contamination, and in fact Seller shall be free to select less expensive and/or longer term procedures, responses and remediation techniques, so long as the same are commercially reasonable and acceptable to the Lead Agency and Seller takes commercially reasonable measures to not unreasonably interfere with Buyer's (or its successors' or tenants') use or development of the Property.

9.6.6 **Sole Remedies**. As between Seller and Buyer, Seller's liabilities and Buyer's rights regarding the Disclosed Groundwater Contamination and/or any other Hazardous Materials now or hereafter discovered at, on, near, about or under the Property are exclusively set forth in this Agreement, and except as set forth in this Agreement, Buyer irrevocably waives and releases (under paragraph 9.5) any and all other rights, remedies and/or recourse it otherwise might have had against Seller as regards same, whether or not arising under CERCLA, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the California Hazardous Waste Control Law, any common law theories of recovery (including without limitation negligence, nuisance, trespass or otherwise), and/or any other federal, state or local law now or hereafter existing or arising. Without limitation on Seller's obligations expressly set forth in this Agreement with respect to Required Remediation, and except for Seller's obligations under paragraphs 9.11, 9.12 and 9.13, Buyer and Seller acknowledge and agree that Seller shall have no obligation to Buyer to investigate, remediate, indemnify Buyer (or any other party) against, or take any other action with respect to any and all soil contamination on or under the Property, whether known or unknown to Buyer or Seller as of the Closing or at any time(s) thereafter.

9.6.7 **Notices of Non-Compliance**. If Seller believes that Buyer is not observing Buyer's obligations in paragraph 9.6.1 or 9.6.3 or is not reasonably cooperating with Seller pursuant to paragraphs 9.6.4 or 9.6.5, then before any obligations of Seller pursuant to paragraphs 9.6.4 or 9.6.5 can be suspended, altered or abated: (a) Seller must first deliver a written notice to Buyer stating Seller's position that Buyer is not currently in compliance, and the

actions that Seller believes are required for Buyer to be in compliance with paragraphs 9.6.1, 9.6.3, 9.6.4 or 9.6.5, as applicable (the **"Non-Compliance Notice"**); and (b) Buyer must fail to take the required actions within the respective periods hereafter set forth. If Buyer contests Seller's Non-Compliance Notice, Seller and Buyer shall meet within five (5) business days following delivery of the Non-Compliance Notice to attempt to resolve the contested issues prior to commencing any legal action. Buyer shall have ten (10) business days following delivery of the Non-Compliance Notice to take the actions required in the Non-Compliance Notice (or if there are contested issues, ten (10) business days following resolution of these issues, whether by agreement of the Parties or otherwise). If the required actions cannot reasonably be completed within ten (10) business days, then Buyer shall have such additional time as may be reasonably required to complete the required actions as long as Buyer commences the required actions within such ten (10) business day period. Buyer shall hold harmless, defend (with counsel selected by Seller) and indemnify Seller from any all claims, damages, costs and expenses (including without limitation fines, penalties and remedial costs) incurred by Seller as a result of Buyer's non-compliance.

9.7 **Covenants Run With Land**. Except as otherwise set forth herein, each and all of the covenants, agreements, benefits and burdens of Buyer and Seller under this paragraph 9 (including without limitation all access, indemnification, release, and limitation and/or assumption of liabilities provisions under this paragraph 9) are covenants running with the land and shall be binding upon and inure to the benefit of each and all future owners, encumbrancers and tenants of the Property or any portion(s) thereof (provided any lender that has a lien encumbering the Property shall only be bound by the terms of this paragraph 9 if such lender becomes an owner of the Property)). The foregoing shall be reserved and reflected in the Special Restrictions which shall further expressly provide that by accepting title, encumbrance or lease of all or any portion(s) of the Property, each and all such future vestee(s), encumbrancer(s) and/or lessee(s) shall automatically thereupon be conclusively deemed to have agreed to be bound by and entitled to the benefits of each and all of the terms, provisions, covenants, benefits and burdens applicable to Buyer under this paragraph 9, and including without limitation releases and limitations on Seller's liability regarding the Property and/or the Disclosed Groundwater Contamination and cooperation with Seller's remediation thereof and access to the Property under the Access Rights. Whenever a bona fide transfer of a party's interest in the Property or portion thereof takes place (excluding, however, a transfer of the Property by Seller to Buyer pursuant to this Agreement), the transferor shall not be liable for breach of the provisions and obligations set forth in this paragraph 9 occurring thereafter with respect to the transferred portion of the Property, and the transferor shall be released from further obligations hereunder with respect to the transferred portion of the Property, but such transferor shall not be released from any breach of the provisions or any of the obligations set forth in this paragraph 9 arising after the transferor acquired an interest in the transferred portion of the Property and prior to or relating to the period of time prior to transferor's transfer thereof. Seller agrees to execute estoppel certificates within ten (10) business days of request from Buyer for lenders or future purchasers of the Property or any portion thereof, confirming that the provisions of this Section 9 are in full force and effect and have not been amended or modified (or specifying such amendments or modifications, if applicable) and that, to Seller's knowledge (without investigation or inquiry), neither Seller nor Buyer are in default thereunder, nor will they be with the giving of notice or passage of time (or specifying such known defaults) and that any such lender or future purchaser, upon taking title to the Property or portion thereof, shall be bound by

and entitled to the benefits of each and all of the terms, provisions, covenants, benefits and burdens applicable to Buyer under this paragraph 9.

9.8 Remediation Equipment. Any Seller or Seller Licensed Parties shall use commercially reasonable efforts to ensure that any Remediation Equipment installed by Seller or any Seller Licensed Parties will not cause excessive noise or vibrations that would unreasonably disturb any tenants or occupants on the Property. All above ground Remediation Equipment installed by Seller shall be fenced and reasonably screened from view from other areas of the Property, in a manner reasonably acceptable to Buyer. All wells shall be reasonably flush with the surface of the area in which the wells are located. All wells located in streets, sidewalks and parking areas shall be capped with traffic caps.

9.9 Vapor Barriers. Buyer will install (at Buyer's sole cost and expense) vapor barriers reasonably acceptable to Seller under the footprint of any new buildings constructed after the Closing. Seller shall have the right to approve, prior to commencement of construction of Buyer's Improvements, Buyer's working drawings for vapor barriers (the "**Vapor Barrier Specs**") and discharge of stormwater runoff, which approval shall not be unreasonably withheld or delayed provided the Vapor Barrier Specs comply with Seller's environmental health standards. Buyer shall provide at least thirty (30) days' written notice to Seller before commencing the installation of any vapor barrier and shall provide construction quality assurance documentation to Seller, as required by the Vapor Barrier Specs, within thirty (30) days after completion of such installation. The Vapor Barrier Specs shall, at a minimum, comply with the Guidance for Commercial/Industrial Building Passive Vapor Barrier Design and Construction, Douglas Park Development, Long Beach, California dated September 29, 2006, prepared by Geosyntec Consultants, a copy of which has been provided to Buyer.

9.10 Consent Order. On or about December 20, 2000, the RWQCB issued the Revised Cleanup and Abatement Order 95-048, Former Boeing C-1 Facility, Long Beach (Cleanup and Abatement Order 95-048, File No. 95-034), such order, as modified, amended, supplemented or supplanted from time to time, is hereby referred to as the "**Consent Order**". Seller reserves the right, in its sole discretion, to enter into such changes to the Consent Order, so long as such changes do not materially: (a) impose greater burdens, obligations or liabilities upon Buyer or its successors and assigns; (b) reduce the obligations of Seller, if any, under this Agreement; (c) impose greater impairments or restrictions on the rights of Buyer or its successors and assigns to own, sell, develop, use or operate the Property than are set forth in this Agreement; or (d) unreasonably interfere with the business operations of Buyer or any building tenant at the Property so as to subject Buyer (as landlord under any lease), to claims for rent abatement or of default under the Leases with such building tenants. Seller shall be solely responsible for Seller's compliance with the Consent Order as it relates to Disclosed Groundwater Contamination and shall continue to comply with the Consent Order after Closing as it relates to Disclosed Groundwater Contamination. Notwithstanding the foregoing, from and after the Close of Escrow, Buyer agrees to comply with sections 2 (giving certain rights to RWQCB's authorized representatives to access the Property), section 4 (providing advance notice to the RWQCB of physical changes or activities which may affect compliance with the

order; a copy of any such notices to be given concurrently to Seller), and section 6 (providing advance notice of any change in name, ownership or control of the Property, providing a copy of the Consent Order to succeeding owners or operators of the Property, and providing a copy of such notification to the RWQCB; a copy of any such notices to be given concurrently to Seller) of the Consent Order. From and after the Close of Escrow, Buyer shall cooperate (at no additional cost to Buyer) with and not unreasonably interfere with such actions as may be required thereunder whether by Seller or its affiliates, or the rights therein of RWQCB. If Buyer fails to so cooperate or does so unreasonably interfere, and such interference and lack of cooperation is not cured within ten (10) business days written notice from Seller to Buyer, Buyer shall hold harmless, defend (with counsel selected by Seller) and indemnify Seller and its affiliates from and against all claims, damages, costs and expenses (including without limitation fines, penalties and remedial costs) incurred by Seller as a result of any failure to do, including any penalties which Seller or its affiliates may incur as a result of such failure. Buyer specifically acknowledges the Consent Order and shall execute, on demand by Seller, a separate acknowledgement of receipt of Consent Order.

9.11 Post-Closing Obligations Regarding Deep Soils. Except as otherwise provided in this Agreement, if at any time prior to the date that is ten (10) years after the Closing Date (as the same may be accelerated pursuant to paragraph 9.11.5, the "**Deep Soils Sunset Date**"), the Lead Agency requires in writing ("**Lead Agency Deep Soils Requirements**"), with respect to soils located below the Shallow Soils Areas (as defined in Section 9.12 below);and above first encountered groundwater ("**Deep Soils**") (i) additional soils borings, testing or analyses (collectively, "**Deep Soils Characterization**") to determine whether Hazardous Materials contamination of Deep Soils ("**Deep Soils Contamination**") exists, and/or (ii) if Deep Soils Contamination exists, monitoring, mitigation, remediation, removal or other response action with respect thereof ("**Deep Soils Remediation**"), then, Seller shall perform (at Seller's cost and expense) such Deep Soils Characterization and Deep Soils Remediation in accordance with the provisions (and subject to the terms, conditions and limitations) of this paragraph 9.11.

9.11.1 Meet and Confer. Seller shall be the primary interface with the Lead Agency in responding to Lead Agency Deep Soils Requirements and any associated Deep Soils Characterization and Deep Soils Remediation. If the Lead Agency notifies either Buyer or Seller of any Lead Agency Deep Soils Requirements, such Party shall promptly provide the other Party with a copy of such notice. Thereafter, Seller and Buyer shall meet and confer to discuss Seller's proposed actions in response to the Lead Agency Deep Soils Requirements. Such meeting(s) shall be at such time(s) as may be reasonably necessary to enable Seller to respond to the Lead Agency within any Lead Agency-mandated response period with respect to the applicable Lead Agency Deep Soils Requirements, or as otherwise reasonably requested by Seller or Buyer.

9.11.2 Remediation Methods. Notwithstanding the Parties' 'meet and confer' obligations described above, Buyer acknowledges and agrees that: (i) Seller shall have the sole and absolute right to determine what response(s) will be made to Lead Agency Deep Soils Requirements and what methods and efforts will be employed by Seller from time to time regarding the Deep Soils Characterization and Deep Soils Remediation, so long as such methods and efforts are acceptable to the Lead Agency; (ii) it shall be acceptable for Seller to use the most

cost effective characterization/remediation method(s) (even if not the quickest method(s) available to characterize and/or remediate the Deep Soil Contamination) acceptable to the Lead Agency; (iii) it shall be acceptable (and preferred by both Buyer and Seller) to leave the Deep Soils Contamination in place, with no remediation, or, if the Lead Agency requires remediation, to conduct Deep Soils Remediation in situ at the Property using remediation methods, facilities or systems desired by Seller, in each case so long as the same is acceptable to the Lead Agency; (iv) Buyer shall not request Seller to excavate any Deep Soils; (v) Seller shall be entitled to install and use Remediation Equipment on the Property in connection with the Deep Soils Characterization and Deep Soils Remediation, in accordance with paragraph 9.6.3, for an extended and indeterminate amount of time; and (vi) the access and other rights of Seller set forth in paragraph 9.6.3 shall apply to the Deep Soils Characterization and Deep Soils Remediation activities of Seller under this paragraph 9.11. In discharging its Deep Soils Characterization and Deep Soils Remediation obligations under this Agreement, Seller shall use commercially reasonable efforts to accommodate Buyer's construction activities and construction schedule at the Property. Any dispute between Buyer and Seller arising under this paragraph 9.11.2 shall be subject to resolution, at the election of either Buyer or Seller, pursuant to the provisions of paragraph 9.14.

9.11.3 Additional Covenants.

(a) By Buyer. Buyer covenants and agrees as follows: (i) Buyer shall not, without Seller's prior written consent, suggest or propose to the Lead Agency, orally or in writing, any Deep Soils Characterization or Deep Soils Remediation, (ii) Buyer shall not, without Seller's prior written consent, notify the Lead Agency of any actual or suspected Deep Soils Contamination or communicate with the Lead Agency regarding same; (iii) Buyer shall use commercially reasonable efforts to avoid any excavation of or intrusion into Deep Soils in connection with its Development Activity (as defined in paragraph 9.12.1 below) or otherwise (and if Buyer believes that such excavation or intrusion cannot be so avoided, then prior to any such excavation or intrusion, Buyer shall notify Seller, provide Seller with a copy of Buyer's proposed plans with respect thereto and meet and confer with Seller to discuss alternatives to such excavation or intrusion); (iv) Buyer shall perform (at Buyer's sole cost and expense), to the satisfaction of the Lead Agency, all Lead Agency Deep Soils Requirements imposed either before or after the Deep Soils Sunset Date that are attributable to Buyer's actual or proposed excavation of or intrusion into Deep Soils; provided, however, that this clause (iv) shall apply only to the area(s) of Deep Soils actually impacted by Buyer's installation of footings or other subsurface work in Deep Soils, and not to Lead Agency Deep Soils Requirements requiring Deep Soils Characterization or Deep Soils Remediation beyond the boundaries of such impacted area(s) resulting from Buyer's discovery of Deep Soils Contamination within the impacted area(s); (v) if any Lead Agency Deep Soils Requirements could or might be mitigated or satisfied in whole or in part by Buyer's full performance of its vapor barrier obligations under paragraph 9.9 of this Agreement, Buyer shall provide the Lead Agency with such evidence and assurances as the Lead Agency may require to demonstrate that Buyer will fully perform such vapor barrier obligations; and (vi) Buyer shall cooperate with Seller in connection with any and all of Seller's Deep Soils Characterization and Deep Soils Remediation activities described herein, as reasonably requested from time to time by Seller (provided that such cooperation will be at no out of pocket cost or expense incurred to unrelated third parties unless Seller agrees to

pay Buyer for same). The Parties acknowledge and agree that the prohibitions on Buyer in clauses (i) and (ii) of this paragraph 9.11.3(a) shall not apply to the extent notification or communication by Buyer with the Lead Agency (A) is required by applicable law or governmental directive or order, the Soils NFA's or the LUC's, or (B) subject to the provisions of paragraph 9.11.4, is in response to Lead Agency Deep Soils Requirements after the Deep Soils Sunset Date (or, with respect to Buyer's obligations under clause (iv) only, is in response to Lead Agency Deep Soils Requirements regarding the Deep Soils for which Buyer is responsible under such clause (iv), either before or after the Deep Soils Sunset Date). The covenants and agreements in this paragraph 9.11.3(a) shall apply both before and after the Deep Soils Sunset Date.

(b) By Seller. Seller covenants and agrees as follows: (i) Seller shall not, without Buyer's prior written consent, suggest or propose to the Lead Agency, orally or in writing, any Deep Soils Characterization or Deep Soils Remediation, and (ii) Seller shall not, without Buyer's prior written consent, notify the Lead Agency of any actual or suspected Deep Soils Contamination or communicate with the Lead Agency regarding same. The Parties acknowledge and agree that the prohibitions on Seller in this paragraph 9.11.3(b) shall not apply to the extent notification or communication by Seller with the Lead Agency (A) is required by applicable law or governmental directive or order, the Soils NFA's or the LUC's, or (B) subject to the provisions of paragraph 9.11.4, is in response to Lead Agency Deep Soils Requirements (or Lead Agency requirements regarding groundwater), whether before or after the Deep Soils Sunset Date. The covenants and agreements in this paragraph 9.11.3(b) shall apply both before and after the Deep Soils Sunset Date.

9.11.4 Deep Soils Obligations After Deep Soils Sunset Date. Neither Party shall (i) have any obligation to the other Party under this paragraph 9.11 to perform any Deep Soils Characterization or Deep Soils Remediation after the Deep Soils Sunset Date, (ii) tender to the other Party any Lead Agency Deep Soils Requirements imposed by the Lead Agency on the first Party after the Deep Soils Sunset Date (provided, however, if the Lead Agency notifies either Party of any Lead Agency Deep Soils Requirements after the Deep Soils Sunset Date, such Party shall promptly provide the other Party with a copy of such notice), or (iii) suggest or propose to the Lead Agency, orally or in writing, any action or remedy for any Deep Soils Characterization or Deep Soils Remediation after the Deep Soils Sunset Date for which the other Party would be responsible. The foregoing prohibitions shall not apply to Seller with respect to Buyer's obligations under clause (iv) of paragraph 9.11.3(a) or limit either Party's obligations to the other Party under the indemnification provisions of this Agreement or in any of the documents executed in connection with this Agreement. In addition, if Seller elects to perform any Deep Soils Characterization or Deep Soils Remediation after the Deep Soils Sunset Date in response to Lead Agency Deep Soils Requirements (which Seller shall have the right, but not the obligation to Buyer, to do), the provisions of paragraphs 9.11.1, 9.11.2 and 9.11.6 shall apply to such post-Deep Soils Sunset Date activities by Seller.

9.11.5 Acceleration of Deep Soils Sunset Date. If any parcel, lot or other portion of the Property is developed with a building or other structure prior to the date that is ten (10) years after the Closing Date, then the Deep Soils Sunset Date shall be accelerated, with respect to such parcel, lot or other portion of the Property, to the date on which construction of such

building or structure is substantially completed on such parcel, lot or other portion of the Property. The Parties acknowledge that the effect of the foregoing is that there may be different Deep Soils Sunset Dates with respect to different parcels, lots or other portions of the Property.

9.11.6 No Expansion of Liability. If Seller fails to perform its obligations under this paragraph 9.11, Buyer's sole remedies shall be to bring an action against Seller for specific performance or for actual damages incurred by Buyer as a result of such default, but in no event shall Buyer seek (and Seller shall in no event be responsible for) any consequential damages, opportunity costs, lost profits, delay damages, carrying costs or other special or incidental damages caused by or arising out of such default. Subject to the preceding sentence, Seller's obligations under this paragraph 9.11 shall not alter any of the releases or limitations on Seller's liability set forth elsewhere in this Agreement, and in no event shall Seller be liable to Buyer for any damages or costs of Buyer caused by or arising out of any Deep Soils Contamination or any Lead Agency Deep Soils Requirements, Deep Soils Characterization or Deep Soils Remediation, or caused by or arising out of Seller's performance of its obligations under this paragraph 9.11.

9.12 Post-Closing Obligations Regarding Shallow Soils. Notwithstanding any provision of this Agreement to the contrary, if at any time prior to the date that is ten (10) years after the Closing Date (as the same may be accelerated as set forth in paragraph 9.12.2, the "**Shallow Soils Sunset Date**") and during Development Activity, Buyer discovers any Hazardous Materials in excess of commercial/industrial action levels (collectively, "**Shallow Soils Contamination**") within the following areas at the Property (collectively, the "**Shallow Soils Areas**"): (i) five (5) feet below the ground surface (based on ground surface elevation as of the Closing); (ii) ten (10) feet below the ground surface (based on ground surface elevation as of the Closing) with respect to any areas to be trenched for utilities; (iii) eight (8) feet below ground surface (based on ground surface elevation as of the Closing) with respect to any areas where the footings or foundations for Buyer's Improvements will be constructed; or (iv) above natural soils with respect to any areas of undocumented fill required to be over-excavated by Buyer, as determined in good faith by Buyer's soil engineer (but not below twelve (12) feet below ground surface, based on ground surface elevation as of the Closing), then, subject to the later provisions hereof, and provided that (a) the Shallow Soils Contamination was existing as of the Closing and was neither known by Buyer (such knowledge being limited to the actual knowledge of Peter M. Rooney, but with Shallow Soils Contamination disclosed in the LUC's being deemed actually known by Peter M. Rooney) nor caused by Buyer or any other Buyer Indemnified Party, and (b) the same interferes with the construction of Buyer's Improvements and/or removal of which is otherwise required pursuant to applicable environmental, federal, state or local law, ordinance or regulation, then Seller will be responsible to either: (y) remove (or cause to be removed) the same at Seller's sole cost; or (z) at Seller's sole option to be exercised within ten (10) business days after Buyer advises Seller in writing of such respective discovery, to direct Buyer to remove the same and to reimburse Buyer for Buyer's actual, documented out-of-pocket costs reasonably paid to unaffiliated third parties for the removal of same. Buyer agrees to notify Seller promptly in writing after Buyer's discovery of any Shallow Soils Contamination, whether before or after the Shallow Soils Sunset Date. Seller agrees to employ good faith, commercially reasonable efforts to cause any removal(s) required by this paragraph to be done as soon as commercially practicable (but only within the Shallow Soils), in an attempt to minimize interference or delay in the construction by Buyer of the Buyer Improvements. Any dispute between Buyer and Seller arising under the preceding sentence of this paragraph 9.12 shall be subject to resolution, at the

election of either Buyer or Seller, pursuant to the provisions of paragraph 9.14. If Seller fails to timely perform its obligations under this paragraph 9.12, Buyer may proceed to perform such obligations (the "**Self-Help Remedy**") provided that Buyer first gives Seller written notice of Seller's failure to so complete such performance, which notice shall specify in detail the performance that Seller has failed to timely complete and advise Seller that Buyer intends to perform such obligations at Seller's expense pursuant to this paragraph 9.12, and Seller fails (i) to commence to cure such failure within five (5) business days after receipt of Buyer's notice, and/or (ii) to thereafter diligently prosecute such cure to completion. If Buyer exercises its Self-Help Remedy as provided hereinabove, Buyer shall be entitled to reimbursement from Seller for all actual documented out of pocket costs reasonably paid to unaffiliated third parties by Buyer for so doing. If any Shallow Soils Contamination is discovered after the Shallow Soils Sunset Date and prior to the First Development Completion Date (as hereinafter defined) as a result of any development activities (including, without limitation, testing, demolition, grading, moving or removing soil, or construction, or preparing for any of the foregoing) by or for the benefit of Buyer (collectively, "**Development Activity**"), then Buyer shall remove (or cause to be removed) the same at Buyer's sole cost and expense, to the extent required to be removed by the Lead Agency or applicable environmental, federal, state or local law, ordinance or regulation. As used herein, the "**First Development Completion Date**" shall mean, with respect to each parcel, lot or other portion of the Property on which Buyer constructs or causes to be constructed a commercial or industrial building or parking structure, the date that such building or structure is substantially completed on such parcel, lot or other portion of the Property and approved for use or occupancy by the applicable governmental entities.

9.12.1 Additional Covenants. Except for and with respect to Seller's and Buyer's respective obligations set forth above in this paragraph 9.12, neither Party shall (i) have any obligation to the other Party under this paragraph 9.12 to remove Shallow Soils Contamination, (ii) tender to the other Party any Lead Agency requirements regarding Shallow Soils Contamination imposed on the first Party (provided, however, if the Lead Agency notifies either Party of any such requirements, such Party shall promptly provide the other Party with a copy of such notice), (iii) suggest or propose to the Lead Agency, orally or in writing, any action or remedy against or involving the other Party regarding Shallow Soils Contamination, or (iv) notify the Lead Agency of any actual or suspected Shallow Soils Contamination or communicate with the Lead Agency regarding same, except to the extent notification or communication with the Lead Agency (A) is required by applicable law or governmental directive or order, the Soils NFA's or the LUC's, or (B) subject to the provisions of clause (iii) above, is in response to Lead Agency requirements regarding Shallow Soils Contamination. The foregoing shall not limit either Party's obligations to the other Party under the indemnification provisions of this Agreement or in any of the documents executed in connection with this Agreement.

9.12.2 Acceleration of Shallow Soils Sunset Date. If any parcel, lot or other portion of the Property is developed with a building or other structure prior to the date that is ten (10) years after the Closing Date, then the Shallow Soils Sunset Date shall be accelerated, with respect to such parcel, lot or other portion of the Property, to the date on which construction of such building or structure is substantially completed on such parcel, lot or other developed portion of the Property. The Parties acknowledge that the effect of the foregoing is that there

may be different Shallow Soils Sunset Dates (and different First Development Completion Dates) with respect to different parcels, lots or other portions of the Property.

9.12.3 No Expansion of Liability. If Seller fails to perform its obligations under this paragraph 9.12 (beyond applicable notice and cure periods), Buyer's sole remedies shall be to bring an action against Seller for specific performance or for actual damages incurred by Buyer as a result of such default, but in no event shall Buyer seek (and Seller shall in no event be responsible for) any consequential damages, opportunity costs, lost profits, delay damages, carrying costs or other special or incidental damages caused by or arising out of such default. Subject to the preceding sentence, Seller's obligations under this paragraph 9.12 shall not alter any of the releases or limitations on Seller's liability set forth elsewhere in this Agreement, and in no event shall Seller be liable to Buyer for any damages or costs of Buyer caused by or arising out of any Above Deep Soils Contamination or any Above Deep Soils Characterization or Above Deep Soils Remediation requirements, or caused by or arising out of Seller's performance of its obligations under this paragraph 9.11.

9.12.4 Manifests. If Seller removes any soils pursuant to this paragraph 9.12, then, as the generator of such soils, Seller shall be obligated to execute any manifests mandated by applicable authorities in connection with such removed soils. If Buyer removes any soils pursuant to this paragraph 9.12, then, as the generator of such soils, Buyer shall be obligated to execute any manifests mandated by applicable law in connection with such removed soils; provided, however, if Buyer's removal of soils pursuant to this paragraph 9.12 is a result either of Seller's election under clause (z) of the initial paragraph in this paragraph 9.12 or Buyer's exercise of its Self-Help Remedy, then Seller shall be obligated to execute any manifests mandated by applicable authorities in connection with such removed soils provided that Buyer (i) stockpiles the removed soil at the Property in a manner that reasonably allows Seller to test and characterize such removed soil, (ii) provides Seller with a reasonable opportunity to test and characterize such removed soil, and (iii) permits Seller to dispose of such soil at one or more disposal sites designated by Seller.

9.13 Post Closing Obligations Regarding Subsurface Obstructions. Notwithstanding any provision of this Agreement to the contrary, if at any time prior to the Shallow Soils Sunset Date, Buyer discovers any subsurface structures or improvements which were not caused by Buyer or any other Buyer Indemnified Party ("**Subsurface Obstructions**"), then Seller will be responsible to either: (a) remove (or cause to be removed) the Subsurface Obstructions at Seller's sole cost; or (b) at Seller's sole option to be exercised within ten (10) business days after Buyer advises Seller in writing of such discovery, reimburse Buyer for Buyer's actual documented out of pocket costs reasonably paid to unaffiliated third parties by Buyer for the removal of same, provided that (x) the Subsurface Obstructions are discovered within the Shallow Soils Areas, (y) were existing as of the Closing, and were not known by Buyer (such knowledge being limited to the actual knowledge of Peter M. Rooney, but with Subsurface Obstructions disclosed in any survey(s) provided to Buyer by Seller prior to the Contingency Deadline being deemed actually known by Peter M. Rooney), and (z) the same interfere with the construction of Buyer's Improvements or are otherwise required to be removed pursuant to applicable environmental, federal, state or local law, ordinance or regulation. Buyer agrees to notify Seller promptly in writing after Buyer's discovery of any Subsurface Obstructions. Seller agrees to employ good faith, commercially reasonable efforts to cause any

removal(s) required by this paragraph to be done as soon as commercially practicable (but only within the Shallow Soils), in an attempt to minimize interference or delay in the construction by Buyer of the Buyer Improvements. Any dispute between Buyer and Seller arising under the preceding sentence of this paragraph 9.13 shall be subject to resolution, at the election of either Buyer or Seller, pursuant to the provisions of paragraph 9.14. Buyer shall cooperate with Seller in connection with any and all of Seller's Subsurface Obstruction removal activities described herein, as reasonably requested from time to time by Seller (provided that such cooperation will be at no out of pocket cost or expense incurred to unrelated third parties unless Seller agrees to pay Buyer for same). If Seller fails to timely perform its obligations under this paragraph 9.13, Buyer may proceed to perform such obligations provided that (i) Buyer first gives Seller written notice of Seller's failure to so complete such removal, which notice shall specify in detail the removal that Seller has failed to timely complete and advise Seller that Buyer intends to perform such obligations at Seller's expense pursuant to this paragraph 9.13, and (ii) Seller fails (A) to commence to cure such failure within five (5) days after receipt of Buyer's notice, and/or (B) to thereafter diligently prosecute such cure to completion. If Buyer performs Seller's obligations as provided hereinabove, Buyer shall be entitled to reimbursement from Seller for all actual documented out of pocket costs reasonably paid to unaffiliated third parties by Buyer for so doing. If Seller fails to perform its obligations under this paragraph 9.13 (beyond applicable notice and cure periods), Buyer's sole remedies shall be to bring an action against Seller for specific performance or for actual damages incurred by Buyer as a result of such default, but in no event shall Buyer seek (and Seller shall in no event be responsible for) any consequential damages, opportunity costs, lost profits, delay damages, carrying costs or other special or incidental damages caused by or arising out of such default. Subject to the preceding sentence, Seller's obligations under this paragraph 9.13 shall not alter any of the releases or limitations on Seller's liability set forth elsewhere in this Agreement, and in no event shall Seller be liable to Buyer for any damages or costs of Buyer caused by or arising out of any Subsurface Obstructions, or caused by or arising out of Seller's performance of its obligations under this paragraph 9.13.

9.14 Dispute Resolution. Any dispute between Buyer and Seller arising under or with respect to paragraph 9.6.3(e)(iii) or paragraph 9.11.2 or the specified provisions of paragraphs 9.12 and 9.13 shall be resolved exclusively by arbitration with JAMS in Los Angeles, California, and before a retired judge engaged by JAMS and mutually agreed upon by the Parties. If the Parties cannot mutually agree on a retired judge, then, using a list of three (3) retired judges (with relevant experience in cases involving the disputed matter) generated by JAMS at the request of either Party, each Party shall, within five (5) business days after receipt of such list, in each other's presence (or by electronic correspondence), starting with Seller, alternatively strike one of the proposed judges off the list until only one judge remains) (the "**Arbitrator**"). If a Party fails or refuses to timely strike judges off the list as required above, the other Party shall have the right to select the Arbitrator from the list of judges and such selection shall be final and conclusive on the Parties. The prevailing Party in the arbitration (as determined by the Arbitrator) shall be entitled to recover from the non-prevailing Party all reasonable attorneys' fees, expenses and costs of arbitration pursuant to paragraph 14.2 of this Agreement. Such dispute shall be resolved exclusively in the following manner: 1) each of the Parties shall submit a letter brief (not to exceed five pages on either side, plus exhibits) within ten (10) business days after written notice by either Party to the other Party of the existence of such dispute, to JAMS in

Los Angeles, California, detailing the nature of the dispute and setting forth such Party's position and proposed resolution of the dispute; 2) there shall be no rights of discovery, and 3) the Arbitrator shall render a decision regarding the dispute and resolve such dispute via letter order within five (5) business days after the later of selection of the Arbitrator and receipt of the Parties' letter briefing, the decision which shall be binding upon the Parties and no party shall have the right to appeal same. The Arbitrator shall not, however, have the right to award damages to either Party. The term "costs" under this paragraph 9.14 shall not be limited to statutory costs, but shall include all costs or expense incurred by the prevailing Party pursuant to this paragraph 9.14.

14.2 Attorneys' Fees. In any action or dispute between the Parties arising out of or in any way connected with this Agreement or the Escrow, the prevailing Party in any such action or dispute (whether by way of judgment, arbitration award, mediation, settlement or otherwise, and whether or not suit is commenced) shall be entitled to collect from the other Party the prevailing Party's costs and expenses incurred in connection with such action or dispute, including, without limitation, all reasonable litigation costs and attorneys' fees.

EXHIBIT I

HAZARDOUS MATERIALS QUESTIONNAIRE

This questionnaire is designed to solicit information regarding your proposed use of hazardous or toxic materials. Please complete the questionnaire and return it to SARES·REGIS Group® for evaluation. If your use of materials or generation of wastes is considered to be significant, further information may be requested regarding your plans for hazardous and toxic materials management.

Your cooperation in this matter is appreciated. If you have any questions do not hesitate to call us for assistance.

I. PROPOSED LESSEE OR TENANT

City of Long Beach D.B.A.:
Name (Corporation, Individual, Corporate or Individual D.B.A., or Public Agency)

Standard Industrial Classification Code (SIC)

411 W. Ocean Blvd 10th Floor
Street Address

Long Beach CA 90802
City, State, Zip Code

Contact Person & Title: Mary Frances Torres Property Services Officer

Telephone Number: (562) 570 6846 Facsimile Number: (562) 570 6380

II. LOCATION AND ADDRESS OF PROPOSED LEASE

3861 Worsham Ave
Street Address

Long Beach CA 90815
City, State, Zip Code

III. DESCRIPTION OF PROPOSED FACILITY USE

Describe proposed use and operation of Premises including principal products or service to be conducted at facility:

General fulfillment/Distribution including supplies/equipment related to COVID19 and ancillary office use.

Does the operation of your business involve the use, generation, treatment, storage, transfer or disposal of hazardous wastes or materials? Yes _____ No X. If yes, or if your SIC code number is between 2000 to 4000, please complete Section IV.

IV. PERMIT DISCLOSURE

Does the operation of your business require permits, license or plan approval from any of the following agencies?

U.S. Environmental Protection Agency

City or County Sanitation District

State Department of Health Services

U.S. Nuclear Regulatory Commission

Air Quality Management District

Bureau of Alcohol, Firearms and Tobacco

City or County Fire Department

Regional Water Quality Control Board

Indicate permit or license numbers, issuing agency and expiration date or renewal date, if applicable.

If your answer is yes to any of the above questions please complete Sections V and VI.

V. HAZARDOUS MATERIALS DISCLOSURE

Will any hazardous or toxic materials or substances be stored onsite? Yes _____ No X. If yes, please describe the materials or substances to be stored, quantities and proposed method of storage (i.e., drums, aboveground or underground storage tanks, cylinders, other), and whether the material is a Solid (S), Liquid (L) or Gas (G):

Material	Storage Method	Quantity On A Monthly Basis

Attach additional sheets if necessary.

Is any facility modification required or planned to mitigate the release of toxic or hazardous substance or wastes into the environment? Yes _____ No X. If yes, please describe the proposed facility modifications:

VI. HAZARDOUS WASTE DISCLOSURE

Will any hazardous waste, including recyclable waste, be generated by the operation of your business?

Yes X No _____. If yes, please list the hazardous waste which will be generated at the facility, its hazard class and volume/frequency of generation on a monthly basis.

Waste Name	Hazard Class	Volume/Month
syringes	health biohazard	8 gallons/month

Attach additional sheets if necessary.

If yes, please also indicate if any such wastes are to be stored within the Premises and the proposed method of storage (i.e., drums, aboveground or underground storage tanks, cylinders, other).

Waste Name	Storage Method
syringes	sharps container

If yes, please also describe the method(s) of disposal for each waste. Indicate where disposal will take place and method of transportation to be used:

Bio waste company pick up

Is any treatment or processing of hazardous wastes to be conducted onsite? Yes _____ No X. If yes, please describe proposed treatment/processing methods:

Which agencies are responsible for monitoring and evaluating compliance with respect to the storage and disposal of hazardous materials or wastes at or from the Premises?

(Please list all agencies)

LB Department of Health & Human Services

City of Long Beach Safety office

Have there been any agency enforcement actions regarding the company facilities, or any existing company facilities, or any past, pending or outstanding administrative orders or consent decrees? Yes _____ No X. If yes, have there been any continuing compliance obligations imposed on your company as a result of decrees or orders? Yes _____ No _____. If yes, please describe:

Has the company been the recipient of requests for information, notice and demand letters, cleanup and abatement orders, or cease and desist orders or other administrative inquiries? Yes X No _____. If yes, please describe:

City receives public records requests ~~for~~ regarding disposal practices for biohazard materials specific to mass vaccination existing at offsite locations

Are there any pending citizen lawsuits, or have any notices of violations been provided to the company or any existing facilities pursuant to the citizens suit provisions of any statute? Yes _____ No X. If yes, please describe:

Have there been any previous lawsuits against the company regarding environmental concerns?

Yes _____ No X. If yes, please describe how these lawsuits were resolved?

Has an environmental audit ever been conducted at any of your company's existing facilities? Yes _____ No X. If yes, please describe:

Does your company carry environmental impairment insurance? Yes _____ No _____. If yes, what is the name of the carrier and what are the effective periods and monetary limits of such coverage?

City is self-~~in~~insured.

This Hazardous Materials Questionnaire is certified as being true and accurate and has been completed by the party whose signature appears below on behalf of Tenant as of the date set forth below.

Dated ~~June~~ April 30, 2021

Signature Linda F. Tatum

Print Name LINDA F. TATUM

Title ASST CITY MANAGER

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER

APPROVED AS TO FORM

4.29, 2021

CHARLES ~~PARKIN~~, City Attorney

By _____

RICHARD ~~ANTHONY~~

DEPUTY CITY ATTORNEY

EXHIBIT J

REFERENCE PROVISION

The following reference provision (this "Reference Provision") is an integral part of, and is incorporated by reference into, the Lease to which this **Exhibit J** is attached:

a. The parties prefer that any dispute between them be resolved in litigation subject to a jury trial waiver as set forth in Subparagraph 34(n)(i) of the Lease, but that method of dispute resolution is not currently available as a result of the decision of the California Supreme Court in Grafton Partners v. Superior Court, 36 Cal. 4th 944 (2005). Accordingly, until such time (if at all) as the California legislature enacts a law that would render the jury trial waiver set forth in Subparagraph 34(n)(i) of the Lease valid and enforceable or for any other reason a court of competent jurisdiction determines that the jury trial waiver set forth in Subparagraph 34(n)(i) of the Lease is valid and enforceable, this Reference Provision shall apply to any "Claim" (defined below), suit, action or proceeding commenced prior to such time in lieu of the jury trial waiver set forth in Subparagraph 34(n)(i) of the Lease.

b. Other than a controversy, dispute or claim involving (i) the nonjudicial foreclosure of a lien upon or security interest in real or personal property, (ii) the appointment of a receiver, (iii) the exercise of other provisional remedies (including, without limitation, attachment) prior to the appointment or pending the unavailability of the referee, or (iv) an action for unlawful detainer or forcible detainer (each, an "Excepted Claim") (any of which may be initiated pursuant to applicable law), any controversy, dispute or claim (each, a "Claim") among the parties arising out of or relating to the Lease will be resolved by a general reference proceeding in the State of California in accordance with the provisions of Sections 638 to 645.2, inclusive, of the California Code of Civil Procedure ("CCP"), or their successor sections, which shall constitute the exclusive remedy for the resolution of any Claim, including whether the Claim is subject to the reference proceeding. Except as otherwise provided in the Lease, venue for the reference proceeding will be in the Superior Court or Federal District Court in the Counties or District where venue is otherwise appropriate under applicable law (the "Court").

c. The referee shall be a retired judge or justice selected by mutual written agreement of the parties within thirty (30) days after any party to the Lease gives written notice to the other parties that it wishes to resolve a Claim (other than an Excepted Claim) by a reference proceeding as contemplated by this **Exhibit J**. If the parties do not timely agree, the referee shall be selected by the presiding judge of the Court (or his or her representative). A request for appointment of a referee may be heard on an ex parte or expedited basis, and the parties agree that irreparable harm would result if ex parte relief were not granted. The referee shall be appointed to sit with all of the powers provided by law. Each party shall have one peremptory challenge pursuant to CCP § 170.6. Pending appointment of the referee, the Court has power to issue temporary or provisional remedies.

d. The parties agree that time is of the essence in conducting any reference proceeding. Accordingly, the referee shall be requested to (i) set the matter for a status and trial-setting conference within fifteen (15) days after the date of selection of the referee, (ii) if practicable, try all issues of law or fact within ninety (90) days after the date of the conference and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision. Any decision rendered by the referee will be final, binding and conclusive, and judgment shall be entered pursuant to CCP § 644.

e. The referee will have power to expand or limit the amount and duration of discovery. The referee may set or extend discovery deadlines or cutoffs for good cause, including a party's failure to provide requested discovery for any reason whatsoever. Unless otherwise ordered, no party shall be entitled to "priority" in conducting discovery, depositions may be taken by either party upon seven (7) days' written notice, and all other discovery shall be responded to within fifteen (15) days after service. All disputes relating to discovery which cannot be resolved by the parties shall be submitted to the referee, whose decision shall be final and binding.

f. Except as expressly set forth in this **Exhibit J**, the referee shall determine the manner in which the reference proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the reference proceeding. All proceedings and hearings conducted before the referee, except for trial, shall be conducted without a court reporter, except that when any party so requests, a court reporter will be used at any hearing conducted before the referee, and the referee will be provided a courtesy copy of the transcript. The party making such a request shall have the obligation to arrange for and pay the court reporter. Subject to the referee's power to award costs to the prevailing party, the parties will equally share the cost of the referee and the court reporter at trial.

g. The referee shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. The rules of evidence applicable to proceedings at law in the State of California will be applicable to the reference proceeding. The referee shall be empowered to enter equitable as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that will be binding on the parties and rule on any motion which would be authorized in a trial, including motions for summary judgment or summary adjudication. At the close of the reference proceeding, the referee shall issue a decision which disposes of all claims of the parties that are the subject of the reference. The referee's decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court. The parties reserve the right to appeal from the final judgment or order or from any appealable decision or order entered by the referee. The parties also reserve the right to obtain findings of fact, conclusions of law and a written statement of decision as well as the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

h. If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by binding arbitration. The arbitration will be conducted by a retired judge or justice in accordance with the California Arbitration Act, CCP §§ 1280-1294.2 (as amended from time to time). The limitations with respect to discovery set forth above shall apply to any such arbitration proceeding.

i. EACH PARTY RECOGNIZES AND AGREES THAT ALL DISPUTES RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY, AND THAT IT IS IN EFFECT WAIVING ITS RIGHT TO TRIAL BY JURY IN AGREEING TO THIS REFERENCE PROVISION. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS OWN CHOICE, EACH PARTY KNOWINGLY AND VOLUNTARILY AND FOR THE MUTUAL BENEFIT OF ALL PARTIES AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY DISPUTE AMONG THE PARTIES WHICH IN ANY WAY ARISES OUT OF OR IS RELATED TO THE AGREEMENT.

EXHIBIT K

SIGNAGE PROGRAM

[Attached.]

DOUGLAS PARK

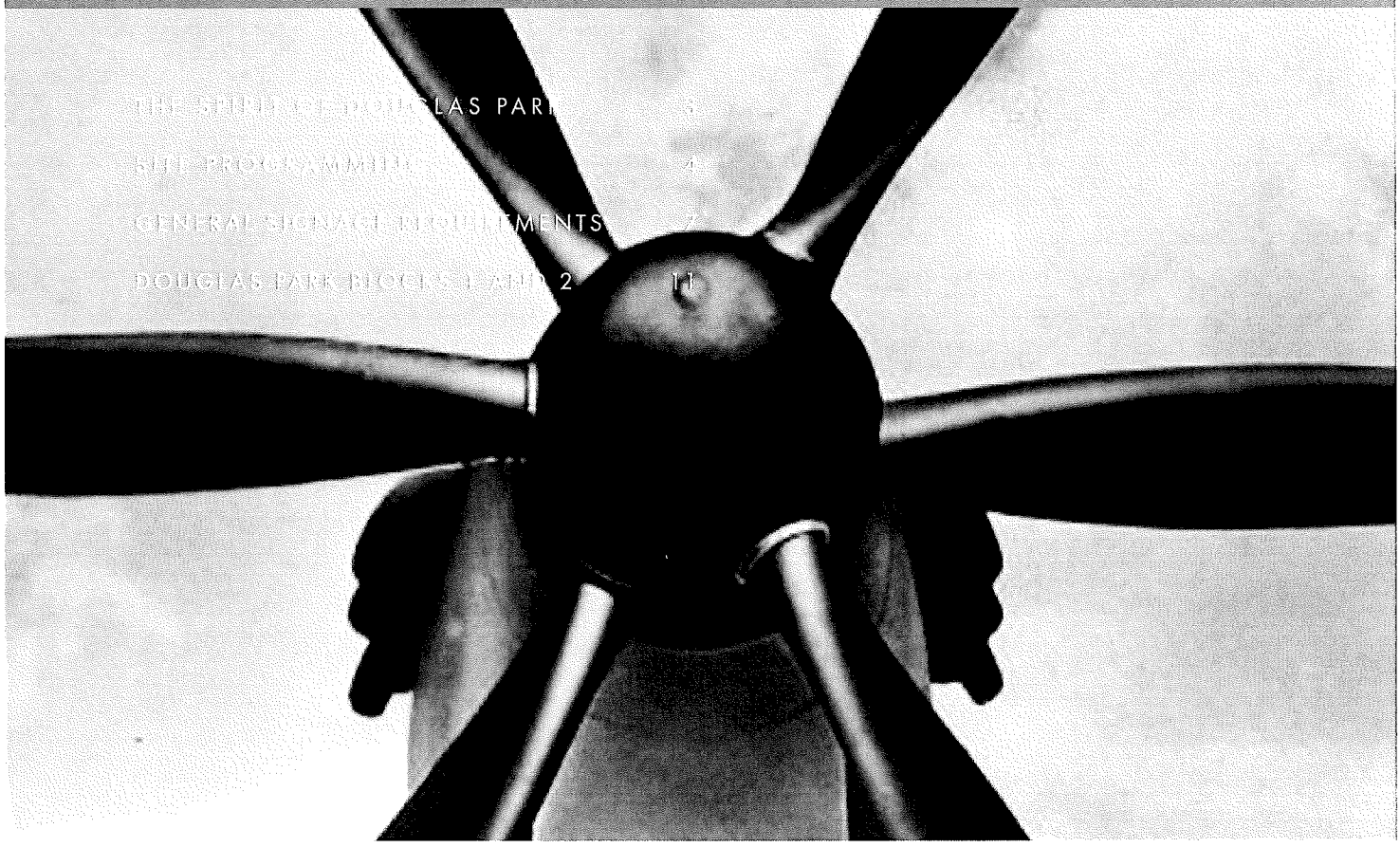
SIGNAGE DESIGN GUIDELINES

SEPTEMBER 10, 2007

Redmond Schwartz Mark
Design

DOUGLAS PARK

CONTENTS

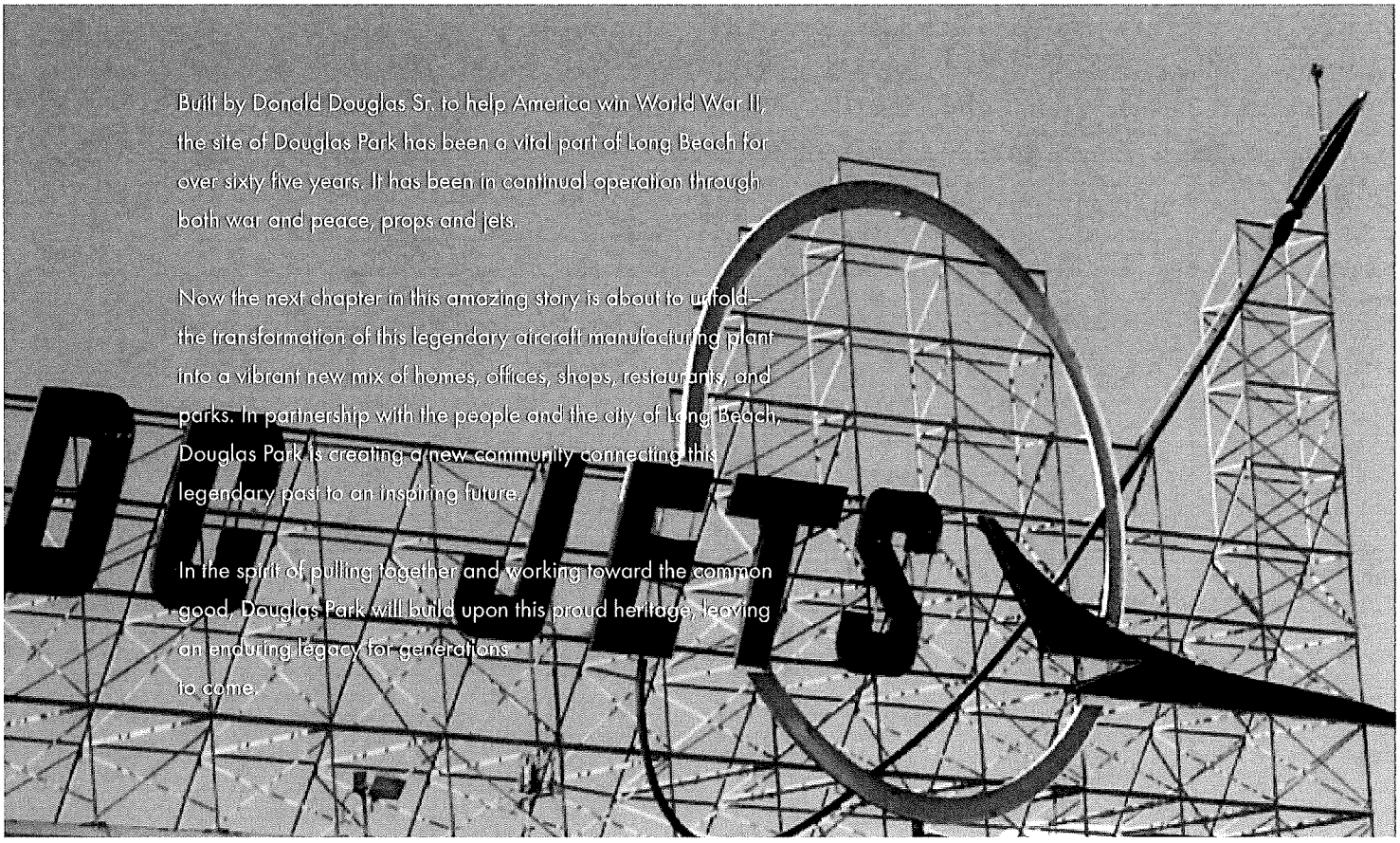


THE SPIRIT OF DOUGLAS PARK

Built by Donald Douglas Sr. to help America win World War II, the site of Douglas Park has been a vital part of Long Beach for over sixty five years. It has been in continual operation through both war and peace, props and jets.

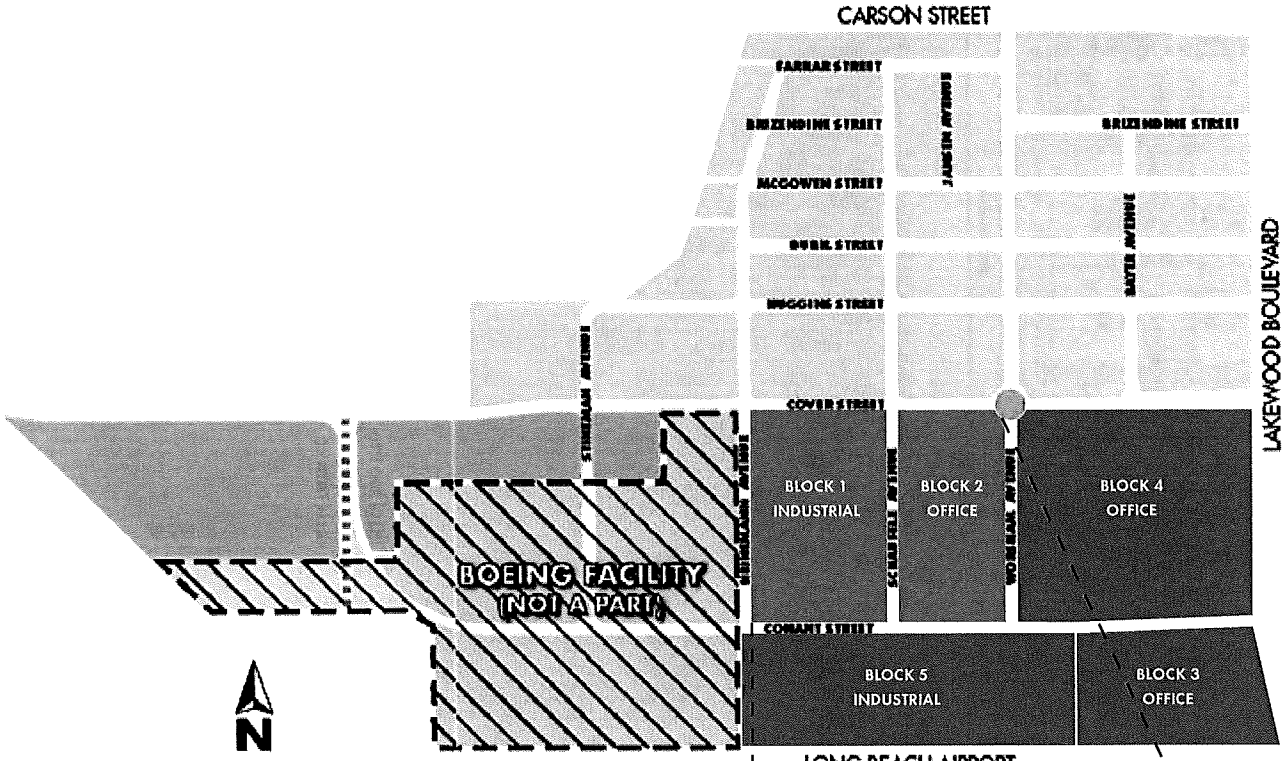
Now the next chapter in this amazing story is about to unfold– the transformation of this legendary aircraft manufacturing plant into a vibrant new mix of homes, offices, shops, restaurants, and parks. In partnership with the people and the city of Long Beach, Douglas Park is creating a new community connecting this legendary past to an inspiring future.

In the spirit of pulling together and working toward the common good, Douglas Park will build upon this proud heritage, leaving an enduring legacy for generations to come.

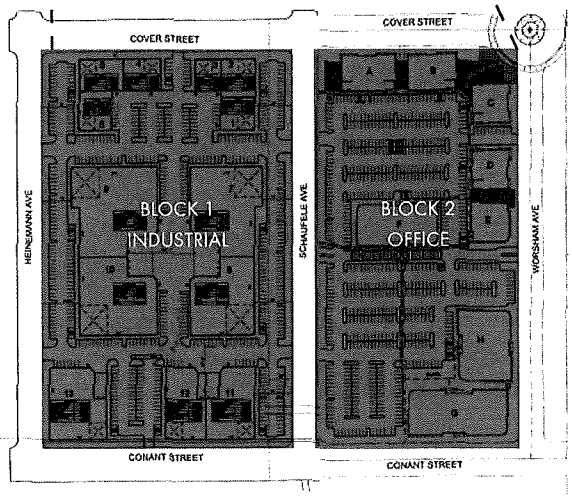


DOUGLAS PARK

OVERALL SITE PLAN



Guideline areas for industrial and office tenant blocks 1 - 5 only.



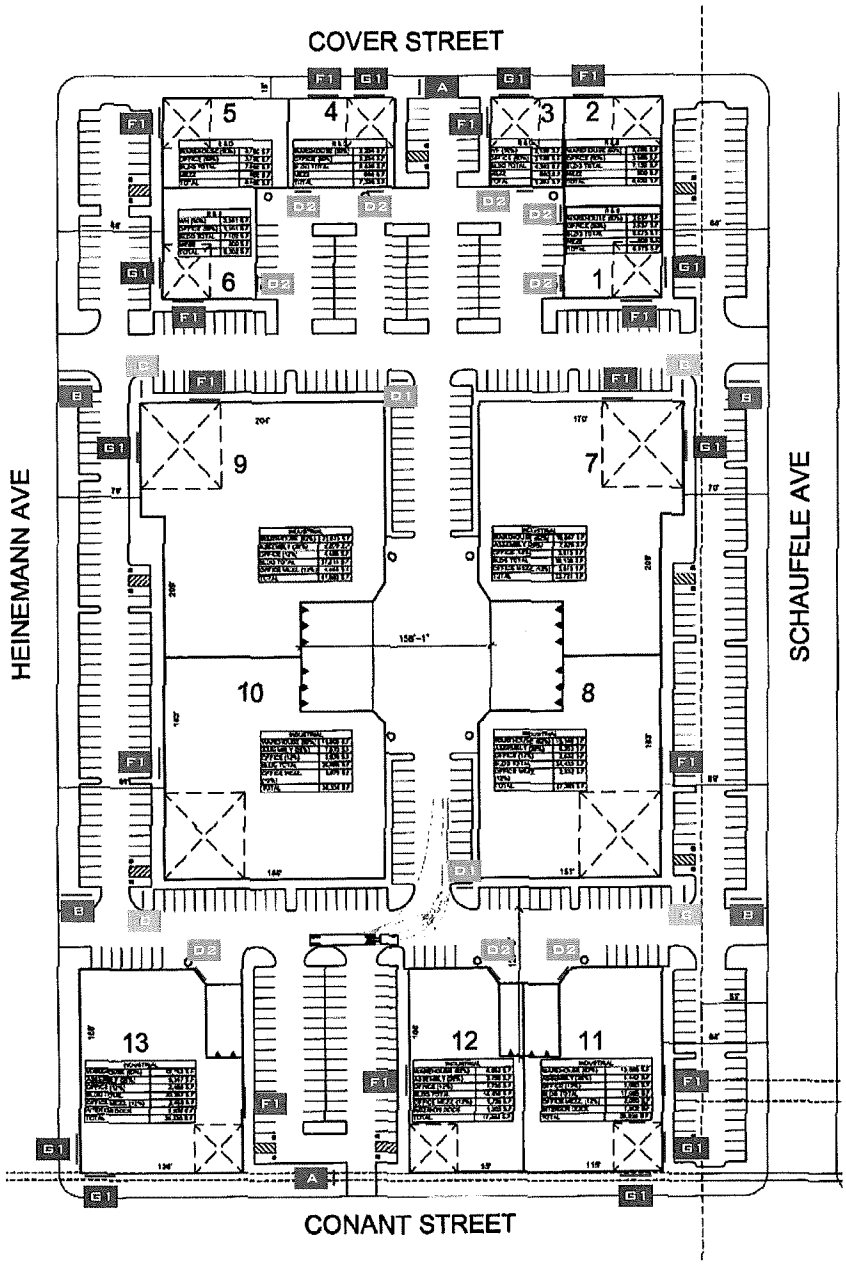
BLOCK 1

DOUGLAS PARK INDUSTRIAL

SITE PROGRAMMING

TYPE	QTY	SIGN DESCRIPTION
A	2	FREESTANDING BLOCK ADDRESS
B	4	SINGLE AND/OR MULTIPLE TENANT MONUMENT
C1	4	VEHICULAR DIRECTIONAL
D1	2	FREESTANDING DELIVERY
D2	9	BUILDING MOUNTED DELIVERY
E	TBD	REGULATORY (PLACEMENT TBD)
F1	TBD	BUILDING MOUNTED TENANT
G1	10	CANOPY MOUNTED ADDRESS
H	TBD	DOOR MOUNTED DELIVERY

NOTE: Block 1 used as typical guideline location plan for industrial blocks



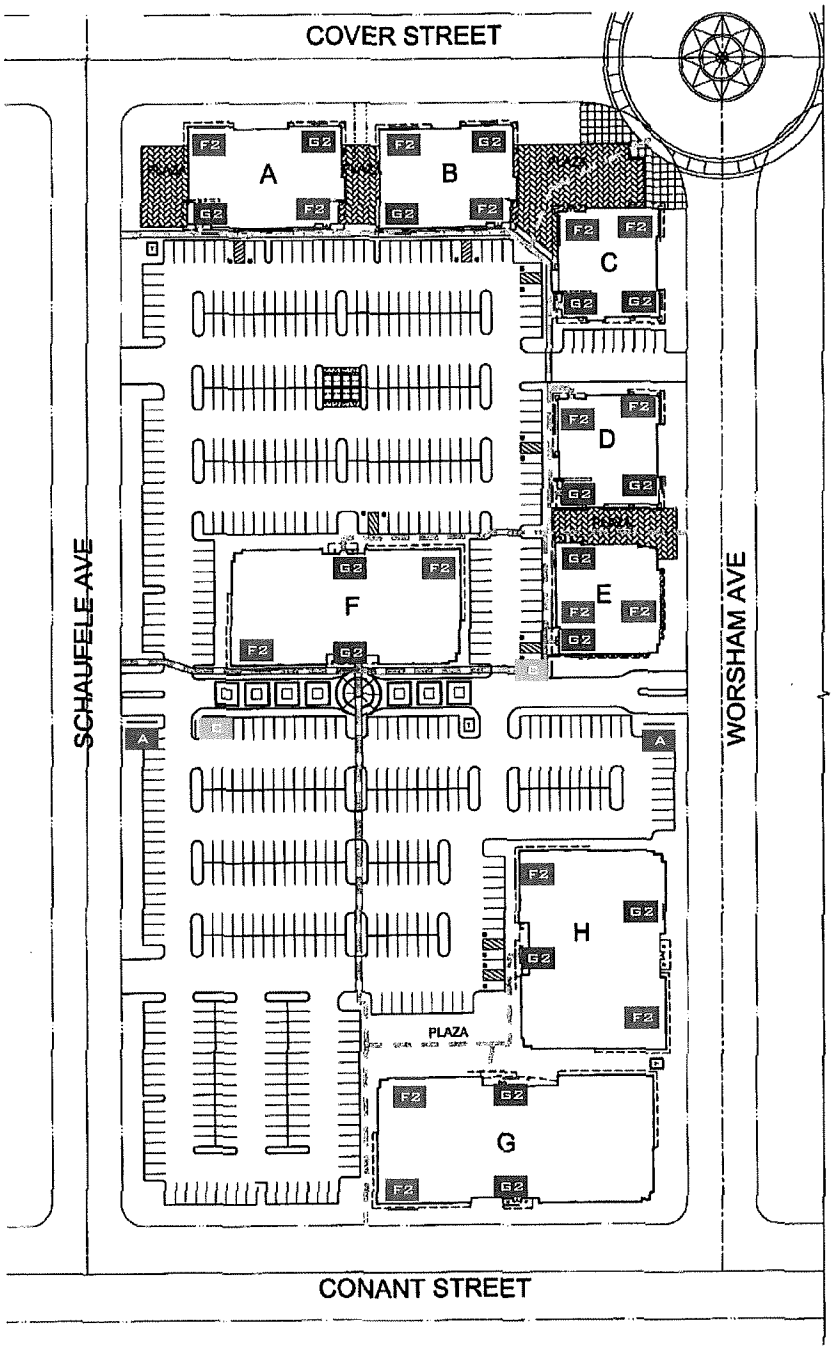
BLOCK 2

DOUGLAS PARK OFFICE

SITE PROGRAMMING

TYPE	QTY	SIGN DESCRIPTION
A	2	FREESTANDING BLOCK ADDRESS
C	2	VEHICULAR DIRECTIONAL
E	TBD	REGULATORY (PLACEMENT TBD)
F2	TBD	BUILDING MOUNTED TENANT
G2	16	CANOPY MOUNTED ADDRESS
H	TBD	DOOR MOUNTED DELIVERY

NOTE: Block 2 used as typical guideline location plan for office blocks



GENERAL SIGNAGE REQUIREMENTS

1. A comprehensive signage and graphics system must be submitted to the Douglas Park development team for approval prior to the installation of any signs. This system must address all signage, as applicable, including:

    - Project or development identification signs
    - Building identification signs
    - Tenant signs
    - Directional and service signs
    - Temporary signs
    - Building address signs
    - Regulatory signs

2. Signage should be discreet and minimized in size and quantity.

3. Exterior signage shall be for identification only and may not be treated as an advertising device. Signage text is limited to registered company name and/or logo in commercial or institutional applications.

4. Small, free-standing or building-mounted directional signs are permitted for parking, service access, drive-thru lanes, etc., or any information mandated by government regulations.

5. Corporate colors may be used on building mounted tenant signage, based upon landlord review and approval.

6. Sign conduits, transformers, junction boxes, etc. must be concealed from view.

7. The individual or group submitting the sign designs is responsible for verifying the existence and location of any easements, utilities or other restrictions that may affect the placement of signage.

8. All signs should have clear legibility for universal accessibility. They should meet or exceed ADA standards for type size, type style, color contrast, messaging and heights.

9. All signs should be integrated with the landscape. Each individual development's primary signage should be located within softscape and integrated where possible into the site landscaping.

10. Fabrication must be from the following pre-qualified bid list:
    - TFN: 3411 Lake Center Dr. Santa Ana, CA 92704 - Rick Wojcicki
    - Superior: 1700 W. Anaheim St. Long Beach, CA 90813 - Mike Gray
    - Sign Source: 1610 East McFadden Santa Ana, CA 92705 - John Mearns

11. Typefaces used on identity signs should be of easy-to-read fonts. Consideration must be given to colors and materials of the surrounding support walls.

12. Freestanding identity signs or development markers should be sited to maintain sight lines at entries and major circulation routes.

REGULATORY COMPLIANCE

Designs and drawings submitted for review by the Douglas Park development team must comply with all applicable State, Federal, City of Long Beach, and County laws, ordinances, regulations and building codes, and the requirements of all agencies having jurisdiction over the improvement. It is the responsibility of the group submitting to obtain all necessary permits and to comply with all such codes, regulations and requirements. It is not the responsibility of the Douglas Park development team to review submissions for compliance with governmental regulations. However, regulatory approvals do not preclude or supersede the authority and responsibility of the Douglas Park development team for design review and approval.

PROHIBITED SIGNS INCLUDE THE FOLLOWING

- Moving, rotating or flashing signs.
- Signs with exposed neon.
- Signs using applied wood letters or vacuum-formed plastic letters/logos.
- Wall-mounted box signs, panel signs or surface raceway-mounted signs.
- Roof-mounted signs or signs which project above the roofline.
- Flags, streamers, balloons or similar items.
- Banners, unless specifically approved as part of a grand opening event.
- Portable or trailer signs.
- No sign may be erected which does not have the written approval of the Douglas Park development team.
- No permanent building identification or development identification signs will be permitted in which letters are painted on the sign or building face yet do not project out.
- No painted and/or sand blasted wood signs.

DESIGN GUIDELINES

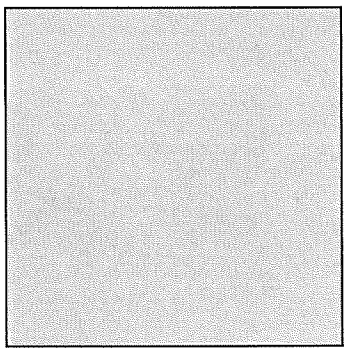
COLOR PALETTE

SITE SIGNAGE SIGNATURE PALETTE

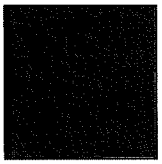
The color palette for the development is inspired by the spirit of Douglas Park. The primary color used is metallic silver (P1), inspired by the material of aircraft. Secondary colors used are blue (P2) and red (P3), reinforcing the ideas of aviation and patriotism. A tertiary color, gun-metal gray (P4), is used for directional arrows, rule lines, and the Douglas Park logo.

The Douglas Park signature palette uses P2 (blue) as the secondary color. Tenant-specific signage, however, uses P3 (red).

All painted specifications numbers are Matthews Paint, from their metallics & solids palette.

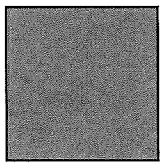


P1
MP18133



P2
MP22005

P3
MP22303



P4
MP18249

DESIGN GUIDELINES

TYPE STYLE

Designed by Paul Renner in 1927, Futura is the classic example of a geometric sans serif type. Its original concept was based on the Bauhaus design philosophy that "form follows function." Futura uses basic geometric proportions. The wide range of weights plus condensed faces provide a no-nonsense appearance.

All Douglas Park free standing signage must use Futura Book, ALL CAPS (upper case) only. Futura Demi may be substituted when legibility otherwise might be compromised.

Prohibited type styles
- Any font other than Futura Book or Futura Demi
- Upper/lower case
- Small caps

FUTURA

ABCDEFGHI

JKLMNOPQRST

UVWXYZ

1234567890

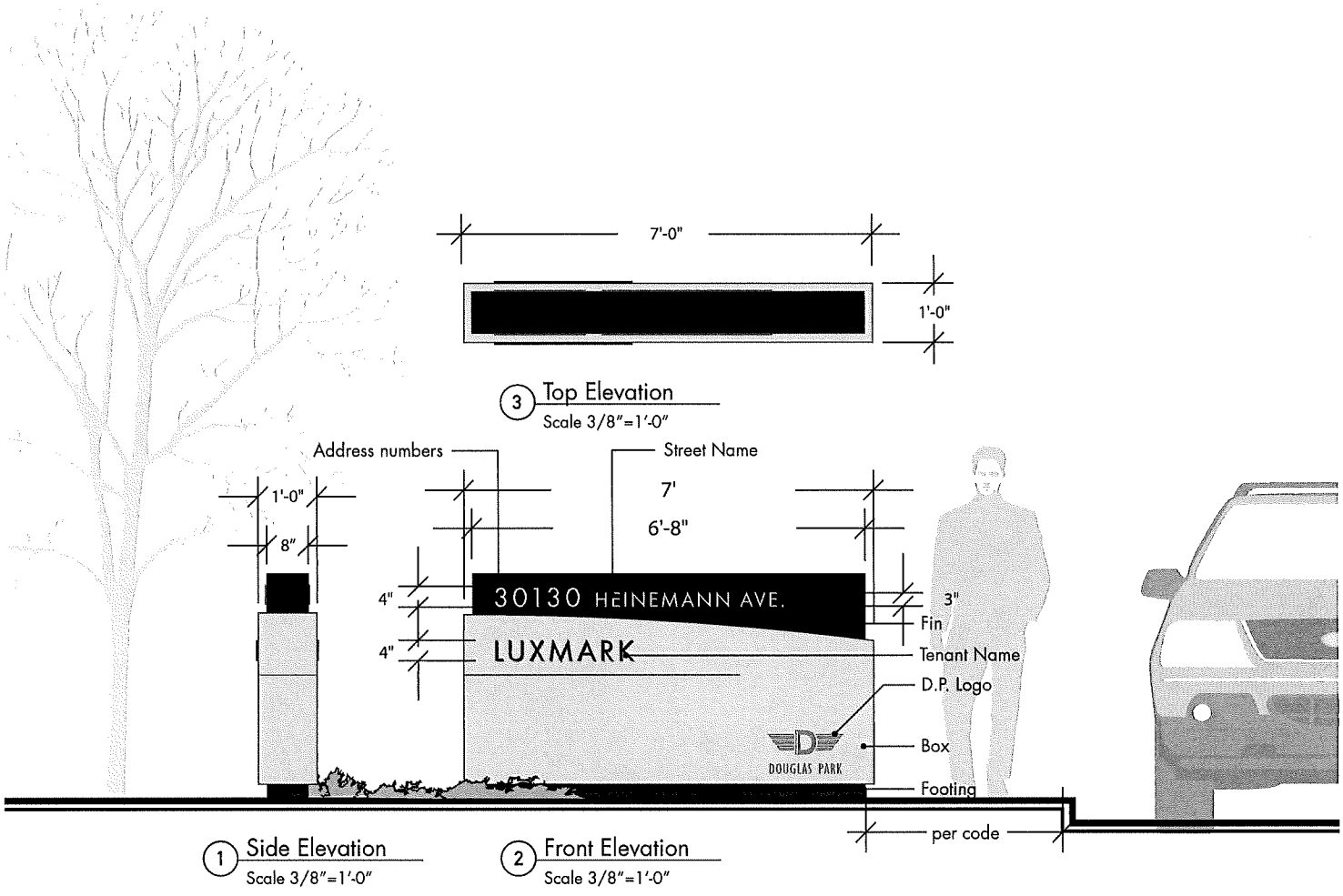
FUTURA BOOK

FUTURA DEMI

No fonts other than Futura Book or Futura Demi

No upper/lower case

No small caps

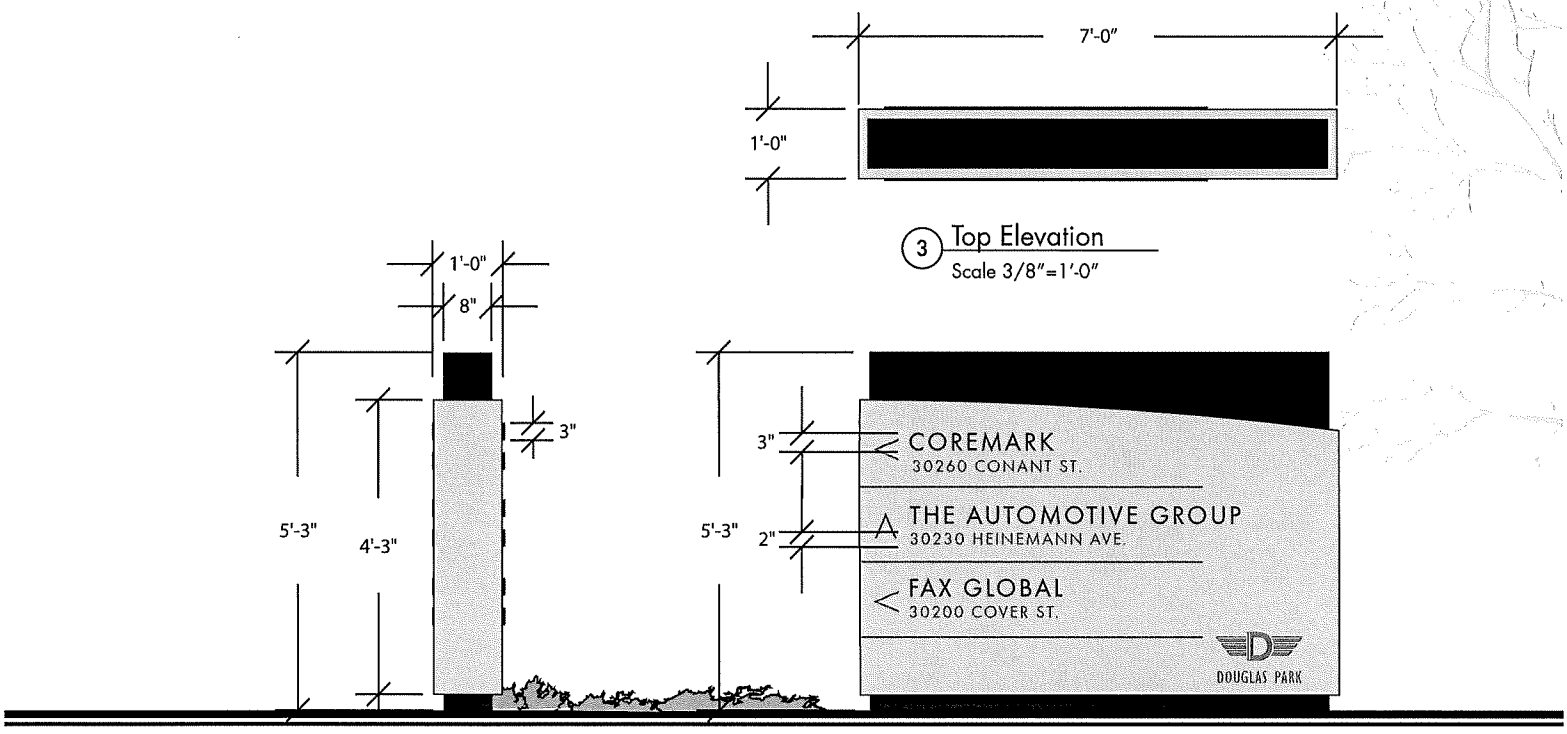


B1 SINGLE TENANT MONUMENT

SINGLE TENANT MONUMENT

- Box and fin material: painted aluminum
- Footing material: concrete
- No visible seams in box and fin cabinet
- Paint:
  - Box: P1 all sides
  - Fin: P3 all sides
  - Douglas Park logo: P4
- Letters: 3/16" thick, flat cut out, flush mounted, painted all sides
  - Tenant name: P3, 4" cap height
  - Address numbers: P1, 4" cap height
  - Street name: P1, 3" cap height
- Rule lines: 1/4" high by 3/16" thick, flush mounted, painted all sides P4
- Tenant logos prohibited; use only Futura type style for tenant name
- One monument allowed per tenant
- Note: Address shown is for placeholder only.

Addresses to be obtained and verified by City of Long Beach.



3 Top Elevation
Scale 3/8"=1'-0"

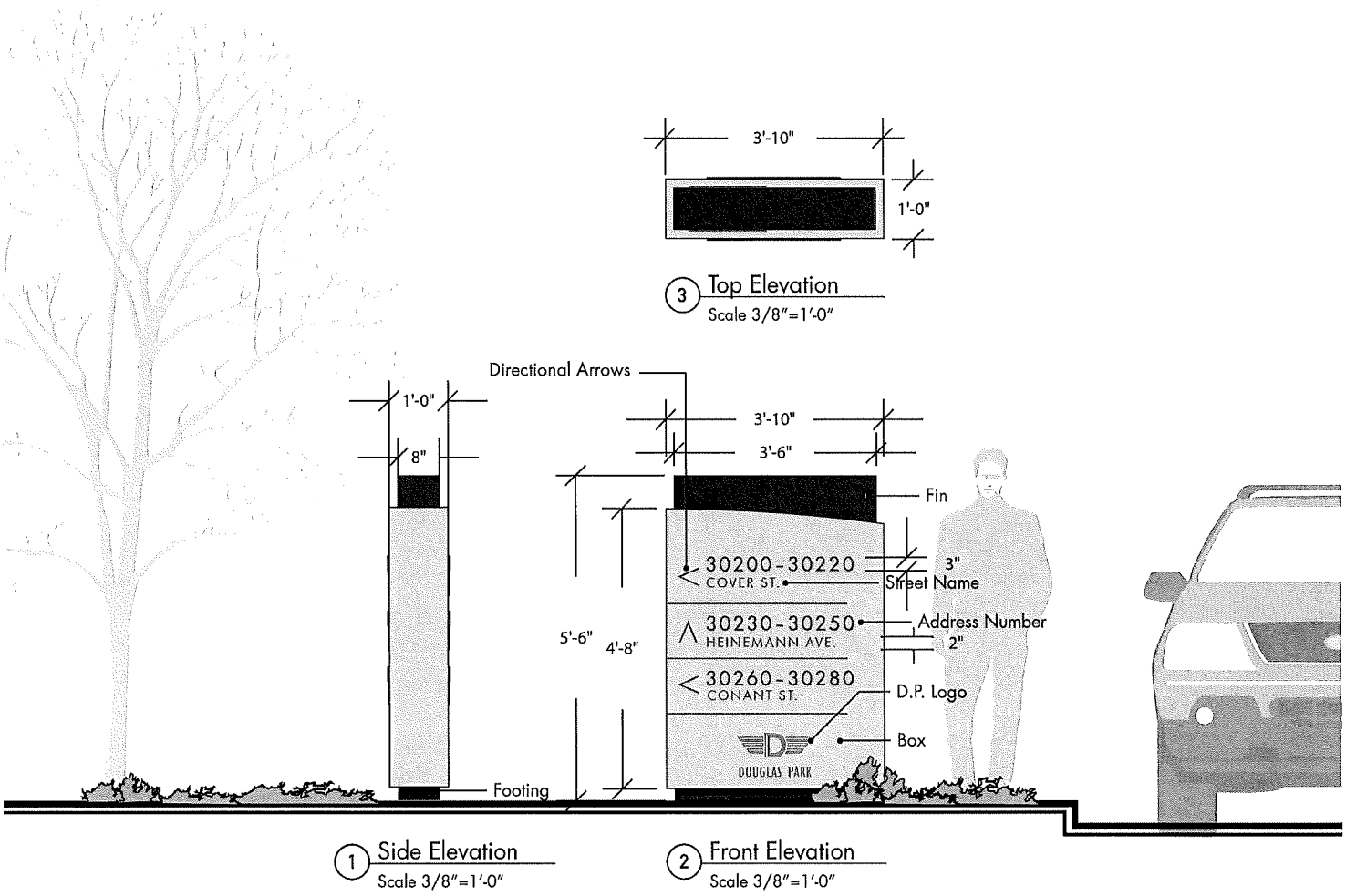
1 Side Elevation
Scale 3/8"=1'-0"

2 Front/Back Elevation
Scale 3/8"=1'-0"

B2 MULTIPLE TENANT MONUMENT

MULTIPLE TENANT MONUMENT

- Box and fin material: painted aluminum
- Footing material: concrete
- No visible seams in box and fin cabinet
- Paint:
  - Box: P1 all sides
  - Fin: P3 all sides
  - Douglas Park logo: P4
- Letters: 3/16" thick, flat cut out, flush mounted, painted all sides
  - Tenant names: P3, 3" cap height
  - Directional arrows: P4
- Rule lines: 1/4" high by 3/16" thick, flush mounted, painted all sides P4
- Tenant logos prohibited; use only Futura type style for tenant name

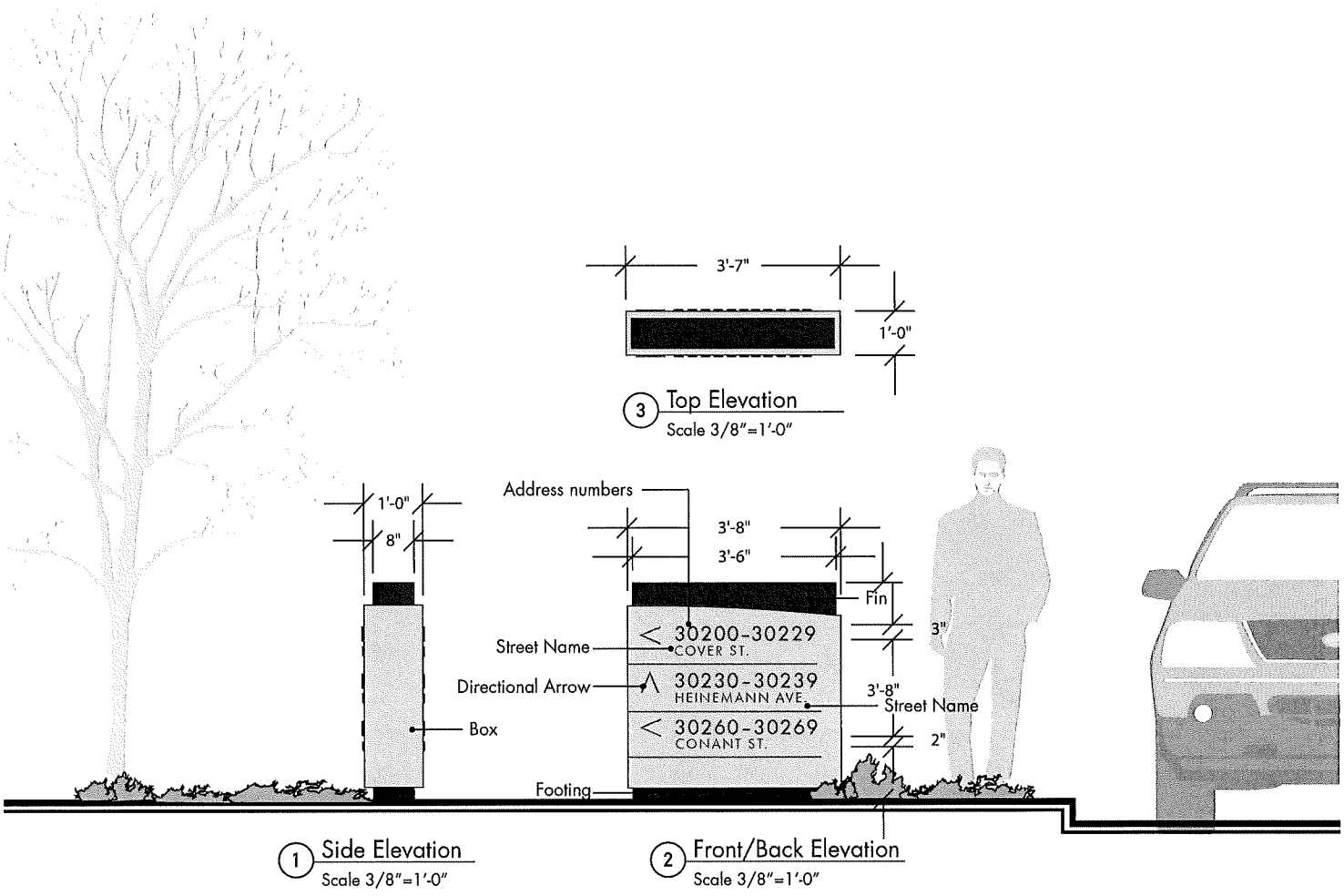


A1 FREESTANDING BLOCK ADDRESS

FREESTANDING BLOCK ADDRESS

- Box and fin material: painted aluminum
- Footing material: concrete
- No visible seams in box and fin cabinet
- Paint:
  - Box: P1 all sides
  - Fin: P2 all sides
  - Douglas Park logo: P4
- Letters: 3/16" thick, flat cut out, flush mounted, painted all sides
  - Address numbers: P2, 3" cap height
  - Street name: P4, 2" cap height
  - Directional arrows: P4
- Rule lines: 1/4" high by 3/16" thick, flush mounted, painted all sides P4
- Note: Address shown is for placeholder only.

Addresses to be obtained and verified by City of Long Beach.

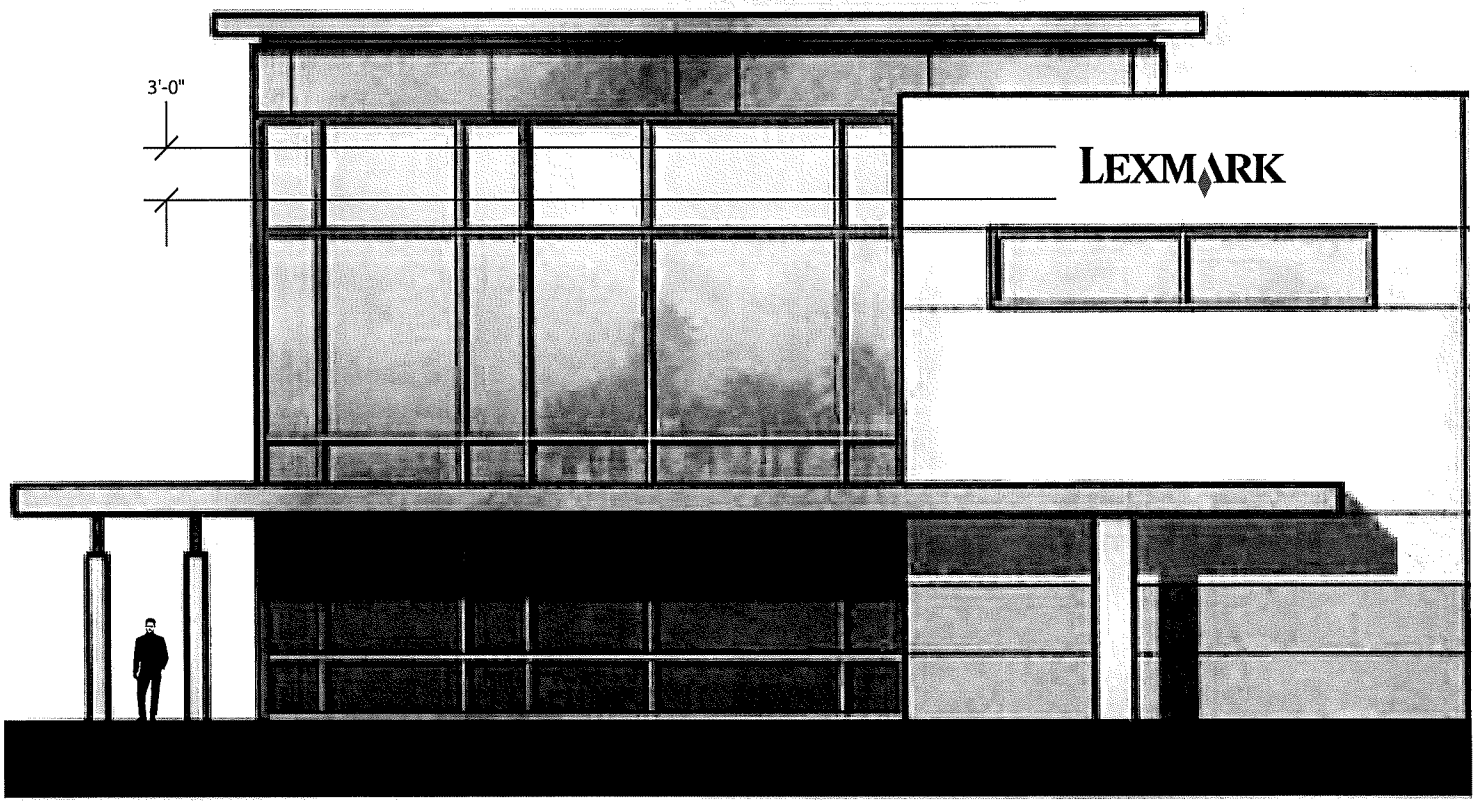


VEHICULAR DIRECTIONAL

VEHICULAR DIRECTIONAL

- Box and fin material: painted aluminum
- Footing material: concrete
- No visible seams in box and fin cabinet
- Paint:
  - Box: P1 all sides
  - Fin: P2 all sides
- Letters: 3/16" thick, flat cut out, flush mounted, painted all sides.
  - Address numbers: P2, 3" cap height
  - Street name: P4, 2" cap height
  - Directional arrows: P4
- Rule lines: 1/4" high by 3/16" thick, flush mounted, painted all sides P4.
- This sign is optional, pursuant to approval of the property owner association and the City of Long Beach.
- Note: Address shown is a placeholder only.

Addresses to be obtained and verified by City of Long Beach.

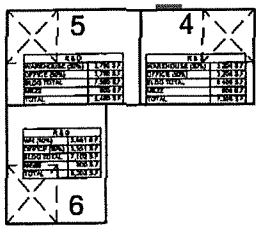


1 Front Elevation
Scale 3/32"=1'-0"

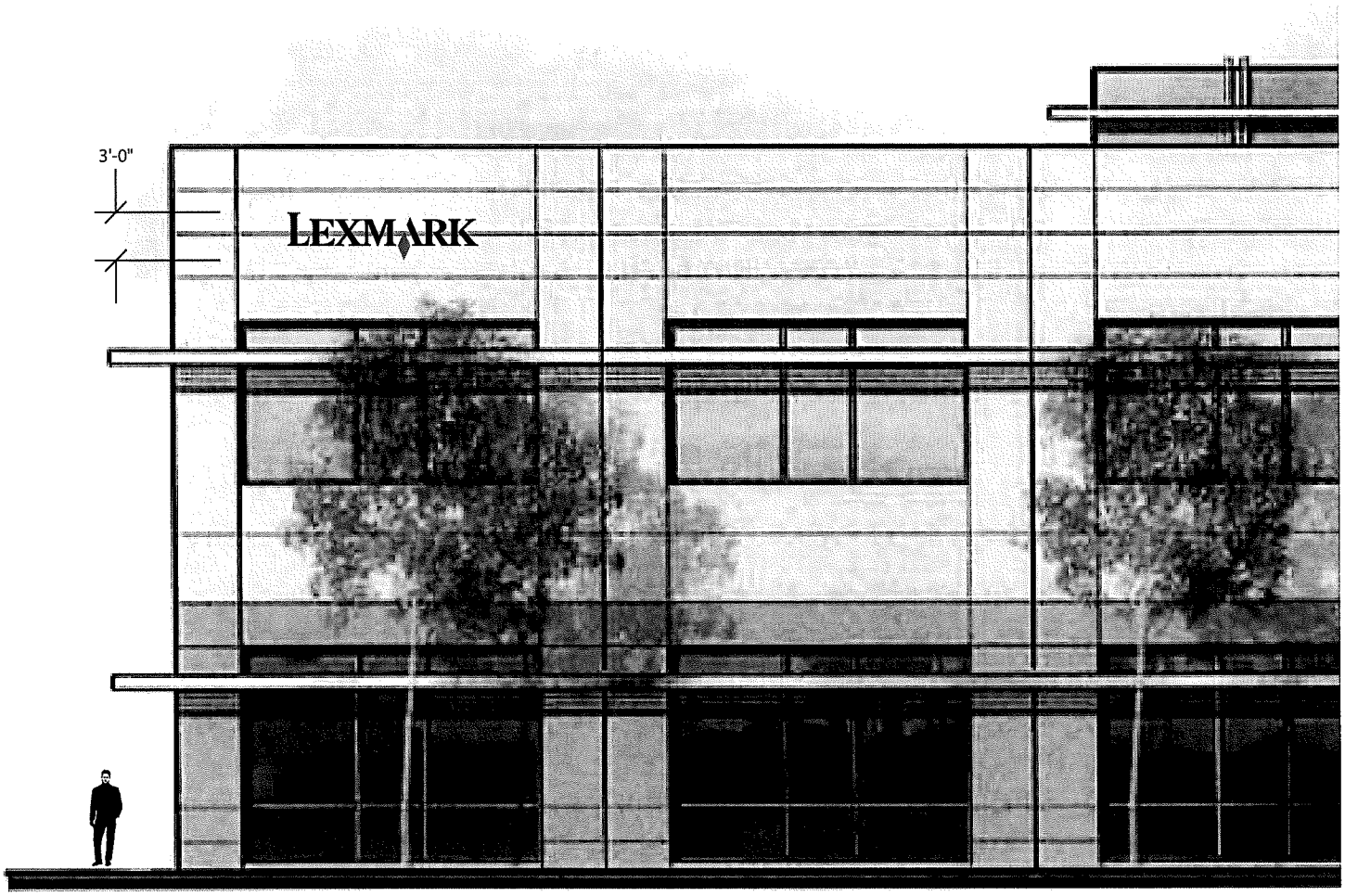
F1 BUILDING MOUNTED TENANT

INDUSTRIAL BUILDING MOUNTED TENANT IDENTITY

- Sign to be maximum of 36" high, inclusive of ascenders and descenders.
- Stacked logos allowed, inclusive of ascenders and descenders, within 36" allowable space.
- Name of tenant to be a maximum of 16' in length or no more than 75% of perceived sign band.
- No more than two (2) tenant identities per elevation allowed.
- Letters / logos to be a minimum of 3" thick and a maximum of 6" thick.
- Letters / logos to be pin-mounted 1" from wall.
- No back plates allowed.
- Corporate colors may be used, based upon landlord review and approval.
- Letters to be fabricated of aluminum and painted on all sides. No acrylics or plexiglass allowed.
- Canopy mounted tenant identity not permitted.
- No internal or external illumination allowed.
- Letters to be finished all sides.
- Connections to wall shall not be visible.
- One sign per elevation, two signs max per tenant
- If multi tenant, eight signs max per building



LOCATION PLAN

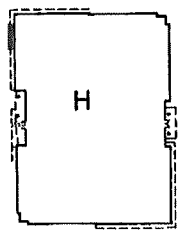


1 Front Elevation
Scale 3/32"=1'-0"

F1 BUILDING MOUNTED TENANT

OFFICE BUILDING MOUNTED TENANT IDENTITY

- Sign to be maximum of 36" high, inclusive of ascenders and descenders.
- Stacked logos allowed, inclusive of ascenders and descenders, within 36" allowable space.
- Name of tenant to be a maximum of 16' in length or no more than 75% of perceived sign band.
- No more than two (2) tenant identities per elevation allowed.
- Letters / logos to be a minimum of 3" thick and a maximum of 6" thick.
- Letters / logos to be pin-mounted 1" from wall.
- No back plates allowed.
- Corporate colors may be used, based upon landlord review and approval.
- Letters to be fabricated of aluminum and painted on all sides. No acrylics or plexiglass allowed.
- Canopy mounted tenant identity not permitted.
- No internal or external illumination allowed.
- Letters to be finished all sides.
- Connections to wall shall not be visible.
- One sign per elevation, two signs max per tenant
- If multi tenant, eight signs max per building



LOCATION PLAN

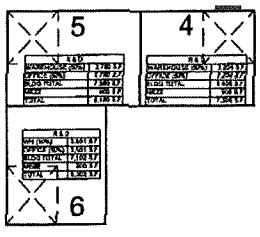
1 Front Elevation
Scale 3/32"=1'-0"

G1 CANOPY MOUNTED ADDRESS

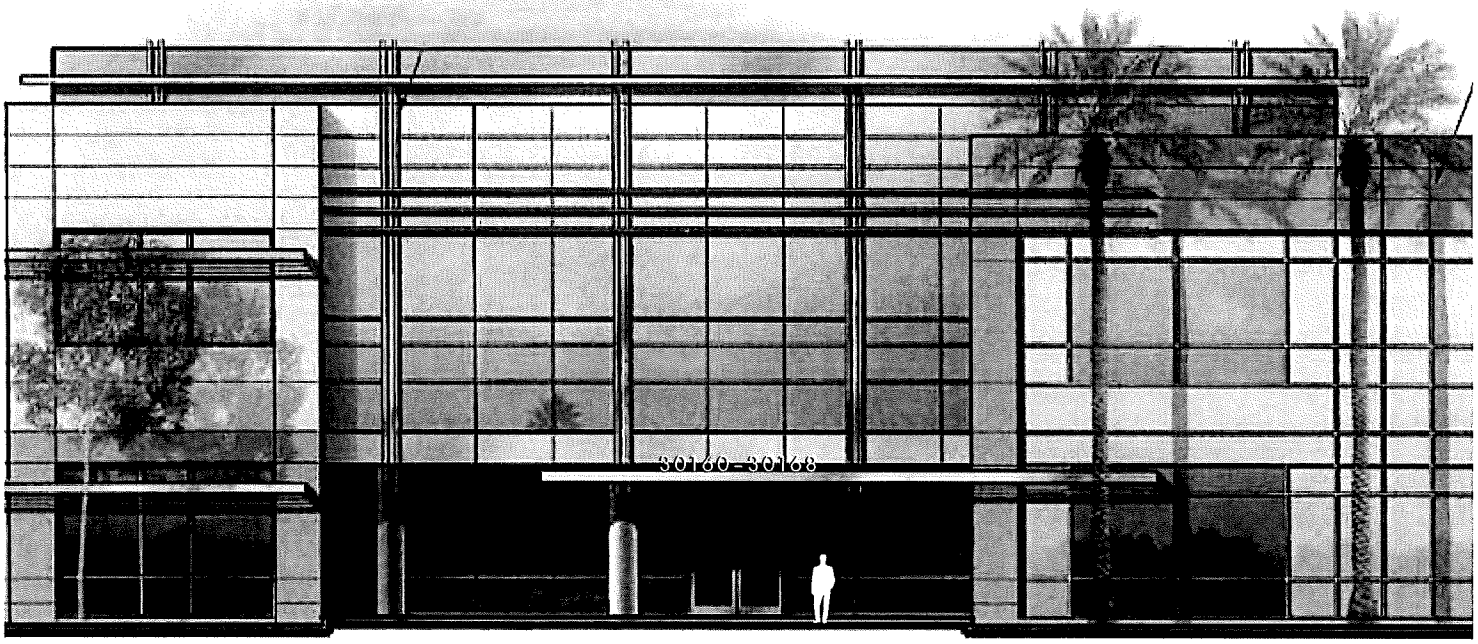
TENANT ADDRESS: INDUSTRIAL

- Individual pin mounted numbers to top edge of canopy, no street name allowed.
- Numbers to be placed as close to the face of canopy as possible.
- Numbers to be of 18" high.
- Numbers to be a maximum of 6' in length
- Numbers to be of 3" thick.
- Numbers to be fabricated of aluminum.
- Paint: P1 all sides
- No stacking of numbers allowed.
- No back plates allowed.
- Font to be capitalized Futura as noted on type style page.
- Connections to canopy to be minimized with no exposed fasteners.
- External uplight illumination by concealed fixture required.
- Numbers to be finished all sides.
- Note: Address shown is a placeholder only.

Addresses to be obtained and verified by City of Long Beach.



LOCATION PLAN



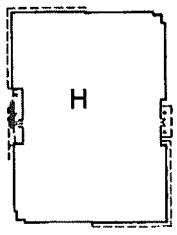
1 Front Elevation
Scale 3/32"=1'-0"

G2 CANOPY MOUNTED ADDRESS

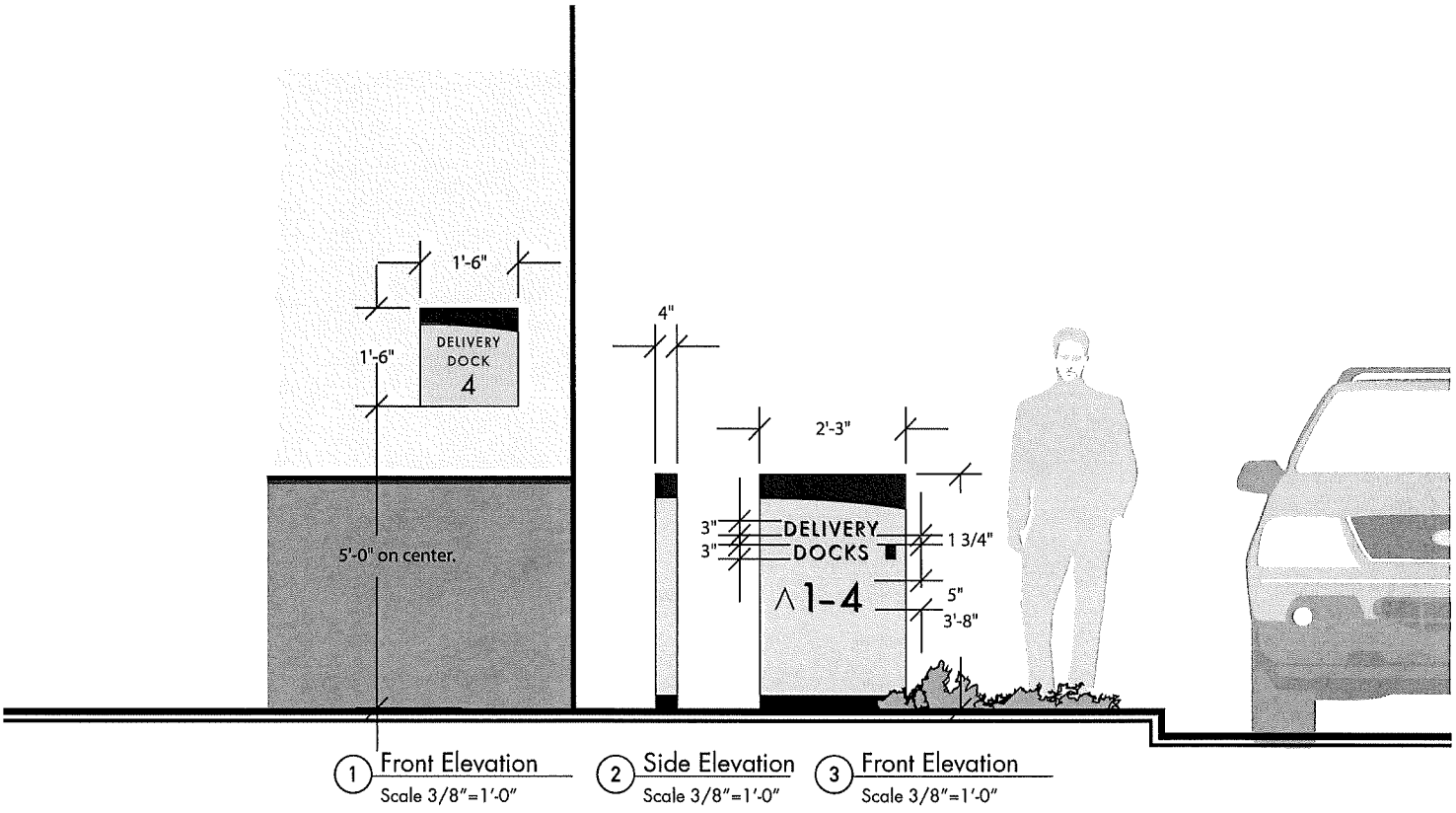
TENANT ADDRESS: OFFICE

- Individual pin mounted numbers to top edge of canopy, no street name allowed.
- Numbers to be placed as close to the face of canopy as possible.
- Numbers to be of 18" high.
- Numbers to be a maximum of 6' in length
- Numbers to be of 3" thick.
- Numbers to be fabricated of aluminum.
- Paint: P1 all sides
- No stacking of numbers allowed.
- No back plates allowed.
- Font to be capitalized Futura as noted on type style page.
- Connections to canopy to be minimized with no exposed fasteners.
- External uplight illumination by concealed fixture required.
- Numbers to be finished all sides.
- Note: Address shown is for placeholder only.

Addresses to be obtained and verified by City of Long Beach.



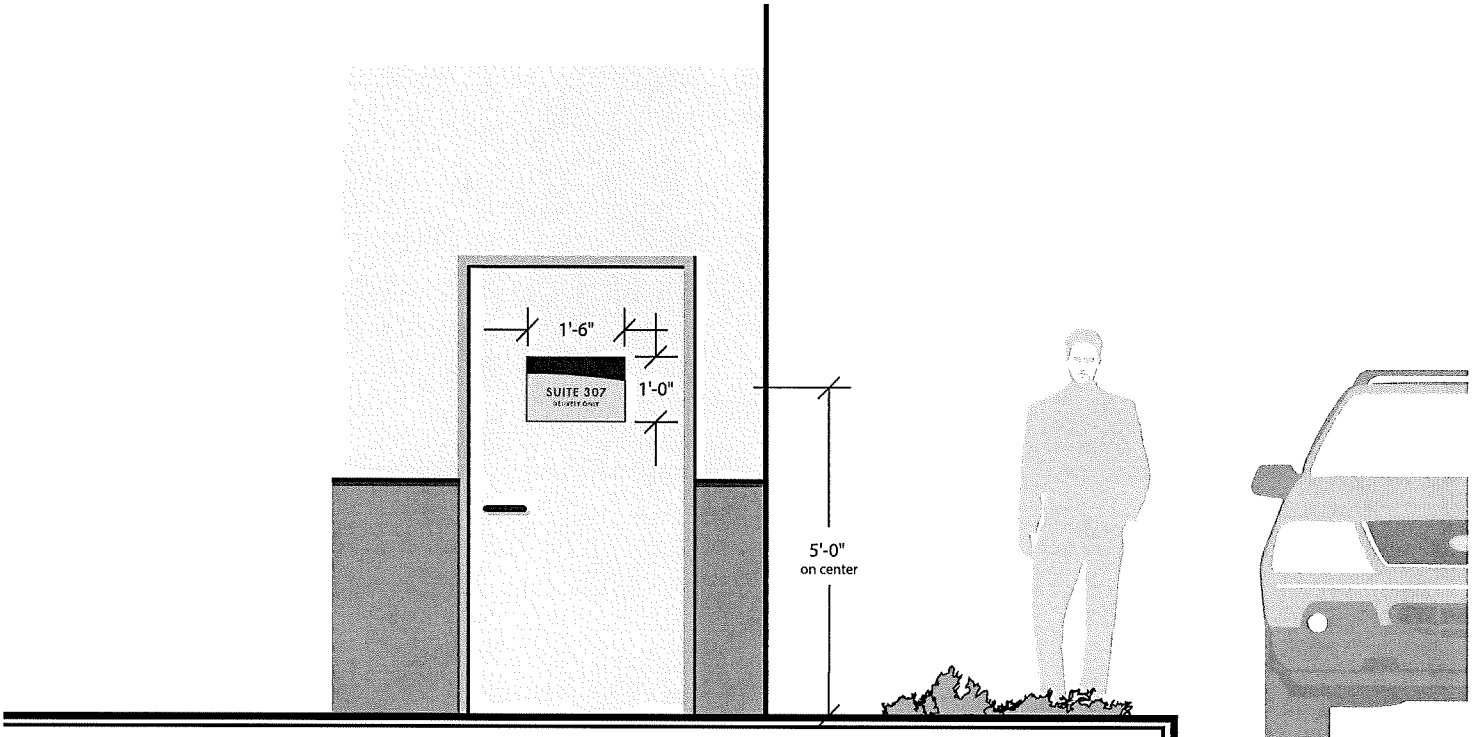
LOCATION PLAN



P1 P2 FREESTANDIND AND BUILDING MOUNTED DELIVERY

FREESTANDING AND WALL MOUNTED DELIVERY

- Wall mounted:
  - 1/4" painted aluminum
- Freestanding:
  - Box material: painted aluminum
  - Footing material: concrete
  - No visible seams in cabinet box
  - Paint: P1 and P2
- Letters: 3/16" thick, flat cut out, flush mounted, painted all sides
  - Letters: P2, 3" cap height
  - Numbers: P2, 5" cap height
  - Directional arrows: P4
- Add: sign to be double-sided

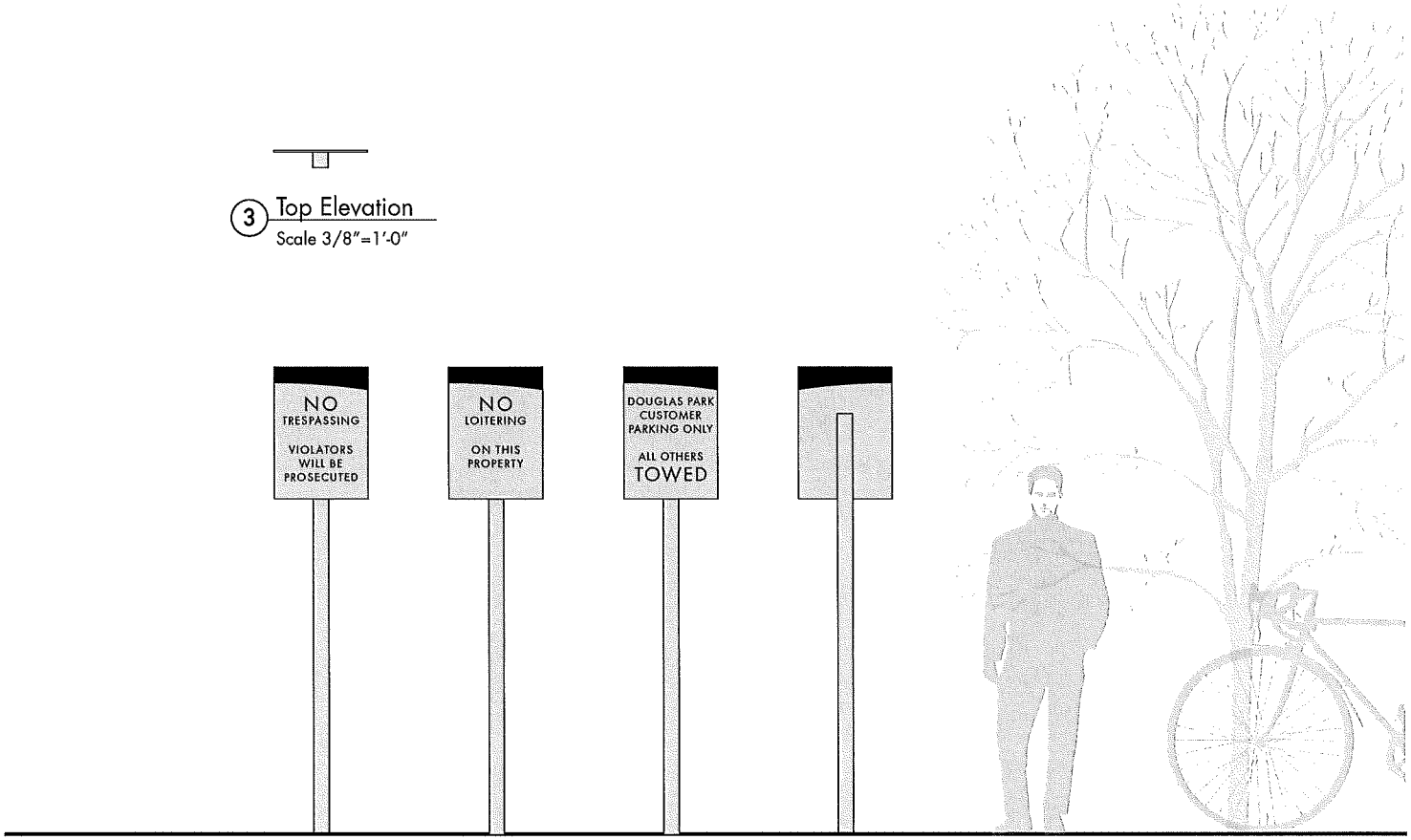


1 Front Elevation
Scale 3/8"=1'-0"

H DOOR MOUNTED DELIVERY

DOOR MOUNTED DELIVERY

- Wall mounted:
  - 1/4" painted aluminum
  - Sign mounted center of door at 60"



3 Top Elevation
Scale 3/8"=1'-0"

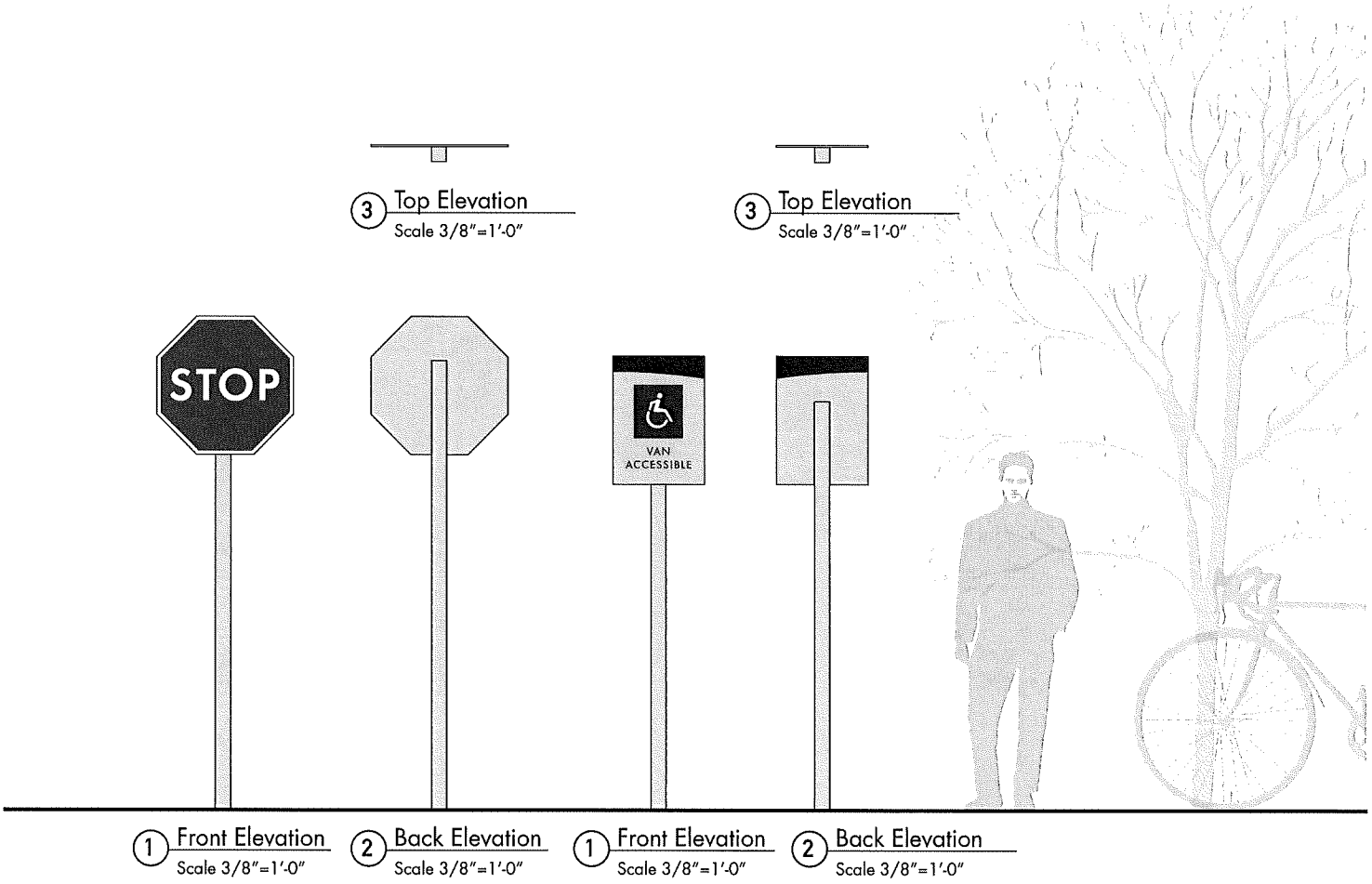
1 Front Elevation
Scale 3/8"=1'-0"

2 Back Elevation
Scale 3/8"=1'-0"

E REGULATORY

REGULATORY SIGNAGE

- Pole mounted
  - 3" square pole
- Signs 1/8" painted aluminum
- Paint:
  - Pole: P1
  - Front: Fin & Copy P1 and P3
  - Back: P1 and P3 (fin)
- Sign copy for placement only; actual copy supplied.



E REGULATORY

REGULATORY SIGNAGE

- Pole mounted
  - 3" square pole
- Signs 1/8" painted aluminum
- Paint:
  - Pole: P1
  - Front: regulatory colors, P1 and P2
  - Back: P1

THANK YOU

RIDER 1

OPTION TO EXTEND

This **Rider 1** is attached to, made a part of, incorporated into, and amends and supplements, that certain Standard Industrial Lease dated April 30, 2021 (the "Lease"), by and between DOUGLAS PARK ASSOCIATES III, LLC, a Delaware limited liability company ("Landlord"), and CITY OF LONG BEACH, a municipal corporation ("Tenant"). Landlord and Tenant agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth in this **Rider 1** will be deemed to be a part of the Lease and will supersede any contrary provisions in the Lease and shall prevail and control for all purposes. All references in the Lease and in this **Rider 1** to the defined term "Lease" are to be construed to mean the Lease as amended and supplemented by this **Rider 1**. Capitalized terms which are not defined in this **Rider 1** have the meanings given to them in the Lease.

1. OPTIONS TO EXTEND.

(a) Subject to the terms of this Paragraph 1 and Paragraph 2, entitled "Option," Landlord hereby grants to Tenant the options (each, an "Extension Option") to extend the Term of the Lease with respect to the entire Premises for two (2) additional periods of five (5) years (each, an "Option Term"), on the same terms, covenants and conditions as provided for in the Lease during the immediately preceding Term, except that (i) Tenant shall have no further extension rights, and (ii) all economic terms such as, without limitation, Basic Rent, parking charges, if any, etc., shall be established based on the "fair market rental rate" for the Premises for the applicable Option Term as defined and determined in accordance with the provisions of this Paragraph 1 below. The initial amount of Basic Rent for each Option Term, as determined below, shall be subject to at least three percent (3%) annual increases following the first year of each Option Term.

(b) The Extension Option must be exercised, if at all, by written notice ("Extension Notice") delivered by Tenant to Landlord no earlier than the date which is four hundred twenty (420) days, and no later than the date which is three hundred sixty (360) days, prior to the expiration of the initial Term of the Lease or the first (1st) Option Term, as applicable.

(c) The term "fair market rental rate" as used in this **Rider 1** shall mean the annual amount per square foot, projected during the relevant period, that a willing, comparable, non-equity, renewal tenant (excluding sublease and assignment transactions) would pay, and a willing, comparable, institutional landlord of a comparable Class "A" quality industrial building located in the Long Beach Airport area ("Comparison Area") would accept, at arm's length (what Landlord is accepting in current transactions for the Project may be considered), for space comparable in size, quality and floor height as the leased area at issue taking into account the age, quality and layout of the existing improvements in the leased area at issue and taking into account items that professional real estate brokers customarily consider, including, but not limited to, rental rates, industrial space availability, tenant size, tenant improvement allowances, operating expenses and allowance, parking charges, and any other economic matters then being charged by Landlord or the lessors of such similar industrial buildings. Notwithstanding anything herein to the contrary, in no event will Basic Rent decrease from that payable in the last year of the initial Term of the Lease or the first (1st) Option Term, as applicable, as a result of the fair market rental rate determination provided for in this Paragraph 1.

(d) Landlord's determination of fair market rental rate shall be delivered to Tenant in writing not later than thirty (30) days following Landlord's receipt of Tenant's applicable Extension Notice. Tenant will have thirty (30) days ("Tenant's Review Period") after receipt of Landlord's notice of the fair market rental rate within which to accept such fair market rental rate or to object thereto in writing. Tenant's failure to object to the fair market rental rate submitted by Landlord in writing within Tenant's Review Period will conclusively be deemed Tenant's approval and acceptance thereof. If Tenant objects to the fair market rental rate submitted by Landlord within Tenant's Review Period, then Landlord and Tenant will attempt in good faith to agree upon such fair market rental rate using their best good faith efforts. If Landlord and Tenant fail to reach agreement on such fair market rental rate within fifteen (15) days following the expiration of Tenant's Review Period (the "Outside Agreement Date"), then each party's determination will be submitted to appraisal in accordance with the provisions below.

(e) (i) Landlord and Tenant shall each appoint one independent, unaffiliated real estate broker (referred to herein as an "appraiser" even though only a broker) who has been active over the five (5) year period ending on the date of such appointment in the leasing of comparable industrial properties in the Comparison Area. Each such appraiser will be appointed within thirty (30) days after the Outside Agreement Date.

(ii) The two (2) appraisers so appointed will within fifteen (15) days of the date of the appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth herein above for qualification of the initial two (2) appraisers.

(iii) The determination of the appraisers shall be limited solely to the issue of whether Landlord's or Tenant's last proposed (as of the Outside Agreement Date) new Basic Rent for the Premises is the closest to the actual new Basic Rent for the Premises as determined by the appraisers, taking into account the requirements of Subparagraph 1(c) and this Subparagraph 1(e) regarding same.

(iv) The three (3) appraisers shall within thirty (30) days of the appointment of the third appraiser reach a decision as to whether the parties shall use Landlord's or Tenant's submitted new Basic Rent, and shall notify Landlord and Tenant thereof.

(v) The decision of the majority of the three (3) appraisers shall be binding upon Landlord and Tenant and neither party will have the right to reject the determination or undo the exercise of the Extension Option. The cost of each party's appraiser shall be the responsibility of the party selecting such appraiser, and the cost of the third appraiser (or arbitration, if necessary) shall be shared equally by Landlord and Tenant.

(vi) If either Landlord or Tenant fails to appoint an appraiser within the time period in Subparagraph 1(e)(i) herein above, the appraiser appointed by one of them shall reach a decision, notify Landlord and Tenant thereof and such appraiser's decision shall be binding upon Landlord and Tenant and neither party will have the right to reject the determination or undo the exercise of the Extension Option.

(vii) If the two (2) appraisers fail to agree upon and appoint a third appraiser, both appraisers shall be dismissed and the matter to be decided shall be forthwith submitted to binding arbitration under the provisions of the American Arbitration Association.

(viii) In the event that the new Basic Rent is not established prior to end of the initial Term of the Lease or the first (1st) Option Term, as applicable, the Basic Rent immediately payable at the commencement of the applicable Option Term shall be the Basic Rent determined by Landlord. Notwithstanding the above, once the fair market rental is determined in accordance with this section, the parties shall settle any overpayment on the next Basic Rent payment date falling not less than thirty (30) days after such determination.

2. OPTION.

(a) As used in this Paragraph, the word "Option" means each Extension Option pursuant to Paragraph 1 herein.

(b) Each Option is personal to the original Tenant executing the Lease and may be exercised only by the original Tenant executing this Lease while occupying the entire Premises and without the intent of thereafter assigning the Lease or subletting the Premises and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than the original Tenant executing this Lease. The Option is not assignable separate and apart from this Lease, nor may the Option be separated from the Lease in any manner, either by reservation or otherwise.

(c) Tenant shall have no right to exercise either Option, notwithstanding any provision of the grant of Option to the contrary, and Tenant's exercise of any Option may be nullified by Landlord and deemed of no further force or effect, if (i) Tenant shall be in default of any monetary obligation or material non-monetary obligation under the terms of the Lease as of Tenant's exercise of the applicable Option or at any time after the exercise of such Option and prior to the commencement of the applicable Option Term, or (ii) Landlord has given Tenant two (2) or more notices of default, whether or not such defaults are subsequently cured, during any twelve (12) consecutive month period. Further, Tenant shall have no right to exercise the second (2nd) Extension Option if Tenant has not validly exercised the first (1st) Extension Option pursuant to the terms of this **Rider 1.**