

36581

OFFICE SUBLEASE AGREEMENT

FOR

AIRPORT PLAZA

**4900 LONG BEACH OFFICE, LLC,
AS LANDLORD**

AND

**CITY OF LONG BEACH,
AS TENANT**

The submission of this document for examination does not constitute an option or offer to lease space. This document shall have no binding effect on the parties unless executed by the Landlord and the executed copy is delivered to the Tenant.

36581

OFFICE LEASE

This Sublease (this "Lease") is made this 5th day of JUNE, 2023 ("Effective Date") by and between **4900 LONG BEACH OFFICE, LLC**, a Delaware limited liability company ("Landlord"), and **CITY OF LONG BEACH**, a municipal corporation ("Tenant").

RECITALS:

A. The City of Long Beach, a California municipal corporation ("Ground Lessor"), is the owner of those certain parcels of land generally known as 4900 Airport Plaza Drive, Long Beach, California 90815 (the "4900 Ground Lease Premises"), 4910 Airport Plaza Drive, Long Beach, California 90815 (the "4910 Ground Lease Premises") and that certain adjacent parcel known as Parcel 6 (the "Garage Ground Lease Premises"), as more particularly described in Schedule 1 hereto (collectively, the "Ground Lease Premises").

B. Ground Lessor, as landlord, and Long Beach Airport Business Park, a California general partnership ("Airport"), as tenant, entered into that certain Lease Agreement dated December 15, 1986, as amended (the "4900 Ground Lease"), pursuant to which Ground Lessor leased to Airport the 4900 Ground Lease Premises.

C. Ground Lessor, as landlord, and Airport, as tenant, entered into that certain Lease Agreement dated December 15, 1986, as amended (the "4910 Ground Lease"), pursuant to which Ground Lessor leased to Airport the 4910 Ground Lease Premises.

D. Ground Lessor, as landlord, and Airport, as tenant, entered into that certain Lease Agreement dated December 15, 1986, as amended (the "Garage Ground Lease") (collectively, with the 4900 Ground Lease and the 4910 Ground Lease, the "Ground Leases"), pursuant to which Ground Lessor leased to Airport the Garage Ground Lease Premises.

E. As of the date of this Lease, Landlord has succeeded to the interests of Airport as the tenant under the Ground Leases.

F. The term of each of the Ground Leases is currently set to expire on December 31, 2050.

G. Landlord desires to sublease to Tenant certain premises located in the building that is located on the 4900 Ground Lease Premises and certain premises located in the building that is located on the 4910 Ground Lease Premises, which are more particularly described in Paragraph 1.3 below as the "Premises".

H. Although this is an agreement whereby Landlord, as a sublandlord, subleases to Tenant, as a subtenant, the Premises, this agreement uses defined terms such as Lease (as opposed to sublease), Landlord (as opposed to sublandlord) and Tenant (as opposed to subtenant) solely for ease of drafting, and the use of such terms in no way affects the existence or enforceability of the Ground Leases.

1. **BASIC LEASE PROVISIONS:**

1.1 Project Name: Airport Plaza
Address: 4900-4910 Airport Plaza Drive
Long Beach, California 90815
The Project is more particularly described in **Schedule 1**.

1.2 4900 Building: 4900 Airport Plaza Drive
Unit/Suite No.: 110 (the "Suite 110 Premises")

4910 Building: 4910 Airport Plaza Drive
Unit/Suite No.: 225 (the "Suite 225 Premises")

Building: The 4900 Building and the 4910 Building are collectively referred to as the "Building".

1.3 Suite 110 Premises: The Suite 110 Premises contains 6,038 rentable square feet ("RSF") in the 4900 Building, as reflected on the floor plan attached hereto as **Schedule 2**.

Suite 225 Premises: The Suite 225 Premises contains 7,184 RSF in the 4910 Building, as reflected on the floor plan attached hereto as **Schedule 2**.

Premises: The Suite 110 Premises and the Suite 225 Premises are collectively referred to herein as the "Premises".

1.4 Tenant's Percentage Share: 8.77%. Based upon a Premises of 13,222 RSF in a Project of 150,727 RSF.

1.5 Commencement Date: The date that Landlord delivers possession of the Premises to Tenant with the Tenant Improvements (defined below) substantially complete as evidenced by the issuance of a temporary certificate of occupancy.

1.6 Rent Commencement Date: The Commencement Date. However, see Paragraph 1.9 below with respect to abatement of Base Rent.

1.7 Expiration Date: The last day of the one hundred twenty-eighth (128th) full calendar month after the Rent Commencement Date.

1.8 Security Deposit: Intentionally omitted.

1.9 Base Rent:

<u>Period</u> (Months after Rent Commencement Date)	<u>Monthly Base Rent</u>
Month 1*	\$37,021.60*
Months 2 – 9**	\$37,021.60**
Months 10 – 12	\$37,021.60
Months 13-24	\$38,132.25
Months 25-36	\$39,276.22
Months 37-48	\$40,454.50
Months 49-60	\$41,668.14
Months 61-72	\$42,918.18
Months 73-84	\$44,205.73
Months 85-96	\$45,531.90
Months 97-108	\$46,897.86
Months 109-120	\$48,304.79
Months 121 – 128	\$49,753.94

* Tenant shall pay Monthly Base Rent for any partial calendar month after the Rent Commencement Date and for the first full calendar month after the Rent Commencement Date pursuant to Paragraph 5.5 below.

** Provided there is no Event of Default at any time by Tenant under this Lease during the Term of this Lease, then the amount of Base Rent set forth in this Section 1.9 above for months 2-9 after the Rent Commencement Date shall be abated. If at any time during the Term of this Lease there is an Event of Default, Tenant shall immediately pay to Landlord the entire amount of the abated Base Rent for months 2-9 after the Rent Commencement Date.

1.10 Operating Expense Rent: Tenant's Percentage Share of Operating Expenses for the applicable calendar year in excess of the Operating Expenses for the Base Year (defined below).

1.11 Base Year: Calendar year 2023.

1.12 Permitted Use: General office use (to occur primarily in the Suite 225 Premises) and medical office use (to occur primarily in the Suite 110 Premises) for the

operation of an employee health clinic providing services by practitioners licensed in the State of California and no other purposes. See **Paragraph 6.4**.

1.13 Parking Spaces: Tenant shall be entitled to the non-exclusive use of 5 parking spaces per 1,000 RSF of the Premises in the parking lot and/or garage that is a part of the Project (the "Parking Spaces") (See **Paragraph 7**).

1.14 Guarantor(s): Intentionally omitted.

1.15 Address for Payment of Rent and Notices:

Landlord:

4900 LONG BEACH OFFICE, LLC
c/o Newmark
6615 E. Pacific Coast Highway, Suite 260
Long Beach, California 90803
Attn: Property Manager

Tenant:

CITY OF LONG BEACH
411 W. Ocean Blvd., 10th Floor
Long Beach, California 90802
Attn: City Manager

With a copy of Notices only (not Rent payments) to:

4900 LONG BEACH OFFICE, LLC
c/o Starwood Property Trust, Inc.
2340 Collins Avenue, Suite 700
Miami Beach, Florida 33139
Attn: Legal Department
Fax: (305) 695-5379

1.16 Broker: Landlord's Broker is Newmark, and Tenant's Broker is Lee & Associates. (See **Paragraph 41**.)

1.17 Renewal Option: Tenant shall have the right and option (the "Renewal Option"), subject to the terms and conditions of **Paragraph 56** below, to renew the Term of this Lease for one (1) additional term (the "Renewal Term") for a period of sixty (60) months.

1.18 Base Rent for Renewal Term: See **Paragraph 56** below.

2. **DEFINITIONS**: Unless the context otherwise specifies or requires, the following terms will have the meanings set forth below:

2.1 Common Areas: shall mean all areas and facilities outside the Premises and within the exterior boundaries of the Project that are not leased to other tenants and that are provided and designated by Landlord, in its sole discretion from time to time, for the general use and convenience of Tenant and other tenants of the Project and their authorized representatives, employees, invitees and the general public (such

as common entrances, walkways, stairways, elevators, restrooms, and lobbies) as more particularly set forth in **Paragraph 4**. Landlord may also designate, from time to time, other areas in the Project, such as pedestrian walkways, patios, landscaped areas, sidewalks, service corridors, elevators, restrooms, stairways, decorative walls, plazas, loading areas, parking areas and roads for the non-exclusive use of Tenant.

2.2 Operating Expenses: shall mean all costs of operating, servicing, managing, repairing and maintaining the Project, the landscaping of Common Areas of the Project and the parking lot or garage used as parking for the Project, including any reasonable and necessary costs of operation, maintenance and repair, computed in accordance with sound accounting principles applied on a consistent basis, and will include by way of illustration, but not limitation:

- (a) all actual and necessary costs of managing, operating, repairing and maintaining the Project, including, without limitation, market-rate wages, salaries, fringe benefits and payroll burden for employees at or below the level of regional manager and for employees on-site utilized in the day to day operation of the Project; public liability, property damage, and workers' compensation; electricity, water, sewer, heating, air conditioning, ventilating and all other utility charges (other than with respect to utilities separately metered and paid directly by Tenant or other tenants); janitorial services; access control; window cleaning; elevator maintenance; fire detection and security services; gardening and landscape maintenance; trash, rubbish, garbage and other refuse removal; pest control; painting; facade maintenance; lighting; exterior and partition (demising) wall repairs; roof repairs; maintenance of all steam, water and other water retention and discharging piping, lakes, culverts, fountains, pumps, weirs, lift stations, catch basins and other areas and facilities on-site; canal embankment and related maintenance; repair and repainting of sidewalks and general resurfacing and maintenance of parking areas; sanitary control; depreciation of machinery and equipment used in any of such maintenance and repair activities; repair, maintenance and replacement of signage located in the Project; management fees; union increases; road sidewalk and driveway maintenance;
- (b) the costs (amortized over the useful life together with a reasonable finance charge not to exceed 8% per annum) of any capital improvements: (A) made to the Project by Landlord primarily for the purpose of reducing Operating Expenses (provided at the time Landlord elects to make such capital improvement Landlord reasonably believed the annual amortized costs would not exceed the actual cost savings realized); or (B) made to the Project by Landlord primarily to comply with any governmental law or regulation that was not in force at the Commencement Date;

- (c) the costs of supplies, materials, tools and equipment for repairs and maintenance (less the portion of such amounts to the extent such machinery or equipment is used on other projects managed by the Landlord's property management company);
- (d) all real and personal property taxes, assessments (whether they be general or special), sewer rents, rates and charges, transit taxes, franchise taxes, and any other federal, state or local government charge, general, special, ordinary or extraordinary (but not including income taxes), which may now or hereafter be levied or assessed against the land upon which the Project stands or the Project for such year or the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the Project for the operation thereof (the "Taxes");
- (e) any costs, fees, assessments or other charges incurred by Landlord related to any written agreement related to the operation of the Project with neighboring property owners or any office park of which the Project is a part.

Operating Expenses shall not include:

- (i) depreciation on the Project or any Common Areas;
- (ii) costs of space planning, tenant improvements, marketing expenses, finders fees and real estate broker commissions;
- (iii) any and all expenses for which Landlord is reimbursed or rebated (either by an insurer, condemnor, tenant or other person or entity), but only to the extent of such reimbursement;
- (iv) that portion of the salaries and fully-loaded benefits for on or off site personnel to the extent any of them work for other projects owned by Landlord or the Project's managing agent;
- (v) costs in connection with services or benefits of a type which are not Project standards and are not available to Tenant, but are available to another tenant or occupant;
- (vi) mark-ups on electricity and condenser cooling water for heat pumps in excess of Landlord's costs therefore;
- (vii) Landlord's general overhead and administrative expenses not directly allocable to the operation of the Project;

- (viii) attorneys' fees and cost related to negotiating or enforcing any tenant lease, or resolving disputes with any lender of Landlord;
- (ix) cost of capital improvements unless meeting the requirements of **Paragraph 2.2(b)**;
- (x) interest on debt or amortization payments on any mortgage/deed of trust, or rent on any ground lease;
- (xi) federal and state taxes on income, death, estate or inheritance taxes; and
- (xii) costs of compliance with Legal Requirements related to violations existing as of the Commencement Date.

2.3 Environmental Law: shall mean any law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environment including, without limitation, **CERCLA** (Comprehensive Environmental Response, Compensation and Liability Act of 1980), **RCRA** (Resources Conservation and Recovery Act of 1976), **SARA** (Superfund Amendments and Reauthorization Act of 1986), **EPCRA** (Emergency Planning and Community Right-to-Know Act), and any applicable laws or regulations of the State in which the Building is located.

2.4 Hazardous Substance: shall mean any substance, material or waste which is or becomes designated, classified or regulated as being “toxic” or “hazardous” or a “pollutant”, which is or becomes similarly designated, classified or regulated, under any Environmental Law, including asbestos, petroleum and petroleum products, or which becomes hazardous to the health and welfare of any occupants in the Building.

2.5 Building Hours: shall mean Monday through Friday from 8:00 a.m. to 6:00 p.m. and Saturday from 9:00 a.m. to 1:00 p.m., excluding federal and state legal holidays.

2.6 Legal Requirements: shall mean any and all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the Premises, the Building and/or the Project, including, but not limited to, the Americans with Disabilities Act.

2.7 Schedules: shall mean the Schedules attached hereto and incorporated herein by reference. This Lease contains the following Schedules:

- Schedule 1 Description of Project
- Schedule 2 Floor Plan of Premises
- Schedule 3 Construction Rider

Schedule 4	Intentionally Omitted
Schedule 5	Rules and Regulations
Schedule 6	Tenant Acceptance Letter
Schedule 7	Intentionally Omitted
Schedule 8	Intentionally Omitted

2.8 Term/Lease Term: shall mean the initial term of this Lease. It shall commence as of the Commencement Date and end as of the Expiration Date unless sooner terminated as provided herein or extended pursuant to the terms of this Lease.

2.9 Lease Year: The first Lease Year shall be the period from the Commencement Date through the last day of the twelfth (12th) full calendar month after the Rent Commencement Date, and all subsequent Lease Years shall be the successive twelve (12) month periods thereafter. If the Rent Commencement Date is not the first day of a calendar month, then the first month after the Rent Commencement Date shall include the partial calendar month commencing on the Rent Commencement Date and the first full calendar month after the Rent Commencement Date.

3. **PREMISES:**

3.1 Lease of Premises: Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the Term and subject to the agreements, covenants, conditions and provisions set forth in this Lease, to which Landlord and Tenant hereby mutually agree, the premises (the “**Premises**”) described in **Paragraph 1** above. Subject to Paragraph 5.2 below, the parties hereby stipulate the number of rentable square feet in the Premises and both parties waive the right either may have to remeasure the same. Upon occupancy of the Premises by Tenant, Tenant shall promptly execute and deliver to Landlord the Tenant Acceptance Letter attached hereto as **Schedule 6**. Except for Landlord’s obligation to construct the Tenant Improvements pursuant to **Schedule 3**, Tenant agrees to accept the Premises in its “as-is” condition and acknowledges that no representations with respect to the condition of the Premises have been made by Landlord.

3.2 Project: The Premises are a part of the project (the “**Project**”) described in **Paragraph 1**. Landlord may increase, reduce or change the number, dimensions or locations of the walks, buildings, mall areas, parking and other Common Areas and other improvements located in the Project in any manner that Landlord, in its sole discretion, shall deem proper. Landlord further reserves the right to make alterations and/or additions to and to build or cause to be built additional stories on the Building and to add any buildings adjoining the Premises or elsewhere in the Project. Without limiting the generality of the foregoing, Landlord may add additional tenants, retail shops, building and parking facilities anywhere in the Project. Landlord reserves the right to install, maintain, use, repair and replace pipes, ducts, conduits and wires leading through the Premises and serving other

parts of the Building and/or Project in a manner that will not materially interfere with Tenant's use of the Premises, except temporarily in the case of an emergency. Landlord will also have the right to increase and expand the size of the Project by adding additional land, buildings and other structures to the Project, provided such expansion does not materially impair Tenant's ability to use the Premises for its Permitted Use and Tenant's Percentage Share is equitably adjusted. Landlord shall have the right to change the Project's name without notice, to change the Project's street address upon ninety (90) days prior notice, and the right to grant to any person or entity the exclusive right to conduct any business or render any service in or to the Project, provided such exclusive right shall not operate to prohibit Tenant from using the Premises for the purpose set forth in **Paragraph 1**, to retain at all times master keys or passkeys to the Premises, and to place such signs, notices or displays as Landlord reasonably deems necessary or desirable upon the roof and exterior of the Project. Such alterations and/or additions by Landlord described in this **Paragraph** shall not materially impair Tenant's ability to use the Premises for its Permitted Use.

- 3.3 Relocation of Tenant: Landlord expressly reserves the right after the execution and during the Term of this Lease, or any extension or renewal thereof, at its sole cost and expense, to remove Tenant from the Premises and relocate Tenant to some other space of Landlord's choosing of approximately the same size and with similar improvements necessary to accommodate Tenant's Permitted Use (including without limitation Tenant's use of x-ray equipment) within the Project, which other space shall be decorated by Landlord, at Landlord's expense, and Landlord may, in its discretion, use such decorations and materials from the existing Premises or other materials so that the space in which Tenant is relocated is comparable in its interior design and decoration to the Premises from which Tenant is removed. Tenant, by the execution of this Lease, acknowledges the foregoing right of Landlord, and no rights granted in this Lease to Tenant, including, but not limited to, the right of peaceful and quiet enjoyment, shall be deemed to have been breached or interfered with by reason of Landlord's exercise of the right of relocation reserved in this **Paragraph**. Landlord's sole obligation for costs and expenses of removal and relocation shall be the actual cost of relocating and decorating the space in which Tenant is relocated and the reasonable moving costs of Tenant actually incurred in connection with the same, and Tenant agrees that Landlord's exercise of its election to remove and relocate Tenant shall not terminate this Lease or release the Tenant, in whole or in part, from Tenant's obligation to pay the Rents and perform the covenants and agreements hereunder for the full Term of this Lease.

4. COMMON AREAS:

- 4.1 Tenant's Right to Use Common Areas: Landlord grants Tenant and its authorized representatives and invitees the non-exclusive right to use the Common Areas with

others who are entitled to use the Common Areas subject to Landlord's rights as set forth in this Lease.

- 4.2 Landlord's Control: Landlord has the right to: (a) establish and enforce reasonable rules and regulations applicable to all tenants concerning the maintenance, management, use and operation of the Common Areas, the initial rules and regulations are attached to the Lease as **Schedule 5**; (b) close, if necessary, any of the Common Areas to prevent dedication of any of the Common Areas or the accrual of any rights of any person or of the public to the Common Areas; (c) close temporarily any of the Common Areas for maintenance purposes; (d) select a person, firm or corporation which may be an entity related to Landlord to maintain and operate any of the Common Areas; and (e) designate other lands outside the exterior boundaries of the Project to become part of the Common Areas. Notwithstanding the provisions of this **Paragraph**, in exercising its rights hereunder, Landlord shall provide Tenant with a means of reasonable access to and from the Premises.

5. **RENT:**

- 5.1 Base Rent: Tenant will pay to Landlord as Rent for the use and occupancy of the Premises at the times and in the manner provided below, Base Rent in the amount specified in **Paragraph 1.9** payable in U.S. funds, in advance starting on the Rent Commencement Date and on or before the first day of each and every successive calendar month thereafter during the Term without demand, setoff or deduction.

Provided there is no Event of Default at any time by Tenant under this Lease during the Term of this Lease, then the amount of Base Rent set forth in Section 1.9 above for months 2-9 after the Rent Commencement Date shall be abated. If at any time during the Term of this Lease there is an Event of Default, Tenant shall immediately pay to Landlord the entire amount of the abated Base Rent for months 2-9 after the Rent Commencement Date.

- 5.2 Operating Expense Rent:

(a) Calculation.

In addition to Base Rent, commencing on January 1, 2024 and on or before the first day of each and every successive calendar month during the Term of this Lease, without demand, setoff or deduction, Tenant shall pay Tenant's Percentage Share, as specified in **Paragraph 1**, of the Operating Expenses paid or incurred by Landlord in such year in excess of the Operating Expenses paid or incurred by Landlord in the Base Year ("Operating Expense Rent").

Tenant's Percentage Share of the Operating Expenses is the proportion that the rentable square footage of the Premises bears to the total rentable square footage of the Project, as determined by Landlord (said Percentage Share shall be adjusted in the event the rentable area of the Project is increased or decreased). If the Project consists of more than one building, Landlord reserves the right to contract for services and/or utilities on a building-by-building basis. In such instance, Tenant's Percentage Share for such Building wide services, utilities or other costs shall be calculated based upon the rentable square footage of the Suite 110 Premises or Suite 225 Premises compared to the rentable square footage of the respective Building (instead of the Project or Project wide services).

Notwithstanding anything to the contrary herein, during the Term of this Lease, Landlord may elect to have an architect remeasure the RSF of the Premises, the Building and/or the Project based on the then-current BOMA standards. In the event that the results of such a remeasurement result in a change to the RSF of the Premises, the Building and/or the Project as set forth in **Paragraph 1** above, then the RSF of the Premises as defined in **Paragraph 1.3**, the RSF of the Building and/or the Project as defined in **Paragraph 1.4**, and the Tenant's Percentage Share as defined in **Paragraph 1.4** shall be adjusted accordingly. However, in no event shall the results of any remeasurement change the amount of the Base Rent set forth in **Paragraph 1.9** or the amount of the Tenant Improvement Allowance set forth in **Schedule 3**, if any.

In addition to Operating Expense Rent, Tenant shall also pay Landlord an administrative charge of ten percent (10%) of the Operating Expense Rent, to be paid concurrently with Tenant's payment of Operating Expense Rent.

- (b) Payment: During December of each calendar year or as soon thereafter as practicable, Landlord shall provide Tenant with a written notice of its estimate (line item and detailed support included) of Operating Expense Rent for the ensuing calendar year. On or before the first day of each month during the ensuing calendar year, Tenant will pay to Landlord 1/12th of such estimated amounts, provided that if such notice is not given in December, Tenant will continue to pay on the basis of the prior year's estimate until the month after such notice is given. If at any time or times it appears to Landlord that the amounts payable for Operating Expense Rent for the current calendar year will vary from its estimate by more than ten percent (10%), Landlord, by written notice to Tenant, will revise its estimate for such year, and subsequent payments by Tenant for such year will be in an amount so that by the end of such year Tenant will have paid a total sum equal to such revised estimate. Landlord will indicate in its notice to Tenant

the reasons Landlord believes its estimate is low by more than ten percent (10%).

- (c) Statement: Within one hundred twenty (120) days after the close of each calendar year or as soon after such one hundred twenty (120) day period as practicable, Landlord will deliver to Tenant a statement of amounts of Operating Expense Rent payable under this Lease for such calendar year. If such statement shows an amount owing by Tenant that is more than the estimated payments for such calendar year previously made by Tenant, Tenant will pay the deficiency to Landlord within thirty (30) days after delivery of the statement. If the total of the estimated monthly installments paid by Tenant during any calendar year exceeds the actual expense adjustment amount due from Tenant for such calendar year and provided Tenant is not in default hereunder, such excess shall, at Landlord's option, be either credited against payments next due hereunder or refunded by Landlord to Tenant. The terms and conditions of this **Paragraph** shall survive expiration or other termination of this Lease.
- (d) Audit Rights. Tenant has the right, exercisable no more than once each calendar year on reasonable notice and at a time reasonably acceptable to Landlord, to cause an audit to be performed by an independent, third-party certified public accountant not compensated on a contingency fee basis, at Tenant's sole cost and expense, of Landlord's operations and/or books and records pertaining to Operating Expense Rent for the preceding calendar year. In the event Landlord has overstated Operating Expense Rent, and provided Tenant is not in default hereunder, within thirty (30) days after demand therefor by Tenant accompanied by Tenant's verification of such overcharges and paid invoices, Landlord shall reimburse Tenant for such overcharges. In the event Landlord has understated Operating Expense Rent, within thirty (30) days after completion of the audit and after demand thereof by Landlord, Tenant shall deliver to Landlord such understated amount.
- (e) Gross Up. Notwithstanding any provision of this **Paragraph** to the contrary, if the Project (or Building, as applicable) is less than ninety-five percent (95%) leased and/or occupied during any calendar year, an adjustment shall be made so that Operating Expense Rent shall be computed for such year as though ninety-five percent (95%) of the Project (or Building, as applicable) had been leased and occupied during such year (provided that such adjustment shall apply only to those components of Operating Expenses that vary based on occupancy).

5.3 Additional Rent. All sums of money as shall become due and payable by Tenant to Landlord under this Lease, including, without limitation, Operating Expense Rent,

shall be deemed "Additional Rent", which Tenant shall be obligated to pay. Landlord shall have the same remedies for default in the payment of Additional Rent as are available to Landlord in the case of a default in the payment of Base Rent. All Base Rent, Operating Expense Rent and additional sums payable hereunder are sometimes collectively referred to as "Rent."

- 5.4 Late Fee / Default Interest: Any installment of Rent not paid when due and payable shall bear interest at twelve percent (12%) per annum from the date due until paid and shall, without notice, be subject to a late charge in the amount equal to five percent (5%) of the amount due.. Notwithstanding the foregoing, Landlord agrees to not charge the late charge two (2) times for any twelve (12) month period without first providing Tenant prior written notice and five (5) days to make such late payment.
- 5.5 First Month's Rent. The Base Rent installment due for the first full calendar month after the Rent Commencement Date shall be delivered to Landlord by Tenant within fifteen (15) days after Tenant's delivery to Landlord of its signature(s) to this Lease. In addition, the Base Rent installment due for any partial calendar month after the Rent Commencement and prior to the first day of the first full calendar month after the Rent Commencement Date shall be delivered to Landlord by Tenant within five (5) days after the Rent Commencement Date.
- 5.6 Proration: If for any reason other than the default of Tenant, this Lease commences on a day other than the first day of a calendar month or terminates on a day other than the last day of a calendar month or year, the amount of Rent payable by Tenant for such partial month or year will be prorated on a per diem basis, as applicable. In addition, if the Rent Commencement Date is a day other than the first day of a calendar month, the first month of the Term of this Lease during which Tenant is obligated to pay Base Rent shall be the period from the Rent Commencement Date through the last day of the first full calendar month after the Rent Commencement Date. All subsequent months of the Term of the Lease shall be successive, actual calendar months.

6. **USE OF PREMISES:**

- 6.1 Quiet Enjoyment: Tenant shall, and may peacefully have, hold, and enjoy the Premises, subject to the other terms hereof provided that Tenant timely pays the Rent within any applicable notice and grace period, and timely performs all of Tenant's covenants and agreements herein contained. This covenant and all other covenants of Landlord shall be binding upon Landlord and its successors only with respect to breaches occurring during its or their respective periods of ownership of Landlord's interest hereunder.
- 6.2 Effect on Insurance: Tenant shall not use any portion of the Premises for purposes other than those specified in **Paragraph 1** and no use shall be made or permitted to

be made upon the Premises, nor acts done, which would cause cancellation of any insurance policies covering the Project. If Landlord's insurance premiums increase due to Tenant's activity not permitted in Paragraph 1.12 herein, Landlord may elect to charge Tenant for such additional cost as Additional Rent hereunder after reasonably notifying Tenant in advance with a description of such new activity and Tenant shall pay Landlord for the same within ten (10) days after written demand thereof.

- 6.3 Miscellaneous Restrictions: Tenant will not use the Premises for or permit in the Premises any offensive, noisy, or dangerous trade, business, manufacture or occupation or interfere with the business of any other tenant in the Project. Tenant agrees not to cause, permit or suffer any waste or damage, disfigurement or injury to the Premises or the fixtures or equipment thereof or the Common Areas. Tenant will not use the Premises for washing clothes or cooking (except for a small kitchenette customarily located in an office) and nothing will be prepared, manufactured or mixed in the Premises, which might emit any offensive odor into the Project. Tenant will not obstruct the Common Areas in the Project or use the same for business operations or advertising. Tenant will not use the Premises for any purpose which would create unreasonable elevator loads, cause structural loads to be exceeded or adversely affect the mechanical, electrical, plumbing or other base building systems. Tenant will at all times comply with the rules and regulations of the Project attached hereto as **Schedule 5** and with such additional rules and regulations as may be commercially reasonably adopted by Landlord from time to time.

Tenant acknowledges that the Premises is located in a multi-tenant Project and that the safety, comfort and quiet enjoyment of the tenants in the Project is the highest priority. As such, in the event that Landlord receives any complaints from other tenants or occupants of the Project alleging that noise or vibration from Tenant's business in the Premises is interfering with the operation of the business of other tenants at the Project, Landlord shall have the right to make reasonable additional restrictions or require that Tenant take additional steps to minimize the impact on other tenants of the Project, including, but not limited to, requiring Tenant to add additional sound proofing measures in the interior of the Premises and/or require Tenant to conduct certain activities after standard business hours.

- 6.4 Prohibited Uses: Tenant shall use and occupy the Premises for the Permitted Use specified in **Paragraph 1.12** and for no other use or purpose. Notwithstanding anything to the contrary in this Lease, without Landlord's prior written consent, in no event shall Tenant provide services to any person not employed by (or under consideration for employment by) Tenant. In addition, and not by way of limitation of the restrictions on use set forth herein, Tenant shall not use or permit the use of the Premises in any manner, nor shall Tenant keep the Premises in such a condition, which violates any Legal Requirements (as defined in **Paragraph 2**) now in effect

or hereafter promulgated regulating the use, condition or occupancy of the Premises, or the conduct of Tenant's employees and agents, and Tenant, at its sole expense, shall promptly comply with all such applicable Legal Requirements and Tenant will indemnify, defend and hold harmless Landlord from any failure to materially comply with any Legal Requirements and from all fines, suits, proceedings, claims, demands or actions of any kind arising out of or in connection with the occupancy or use of the Premises by Tenant. The commencement or pendency of any state or federal court proceeding affecting the use of the Premises shall, at the option of the Landlord, be deemed a breach thereof. Tenant shall not use or permit any part of the Premises to be used for any unlawful purpose or for any purpose not approved by Landlord. Tenant shall not use or permit the use of the Premises in any manner, which will tend to create waste or a nuisance or will tend to interfere with, annoy, or disturb Landlord or any occupants of adjoining premises.

- 6.5 Temporary Closure: Notwithstanding anything contained in this Lease to the contrary, but subject to Paragraph 20 below, should Landlord determine in its reasonable opinion that an emergency or force majeure condition exists that threatens the Building or Project or any of the tenants or persons therein, or any of their property (e.g. an impending hurricane, a bomb threat to the Building and/or Project), including, but not limited to, emergencies caused by persons or natural conditions outside of Landlord's control, Landlord shall have the right to close the Building and/or the Project and require all tenants, including Tenant, to evacuate the Building until such emergency ceases to exist. Subject to Paragraph 20 below, such closure shall not affect Base Rent, any other Rent or the Lease Term. Notwithstanding the foregoing, for such closures exceeding thirty (30) consecutive days, Rent shall abate for each day after such thirty (30) consecutive day period that the Building and/or the Project is closed and Tenant is prohibited by Landlord from operating in the Premises.

7. **PARKING:**

- 7.1 Tenant's Parking Rights: Subject to the rules and regulations of the Project, Tenant shall be entitled to the non-exclusive use of Tenant's share of parking spaces at the Project, as set forth in **Paragraph 1.13**. Tenant and its authorized representatives will park their cars only in areas specifically designated for that purpose by Landlord. Within five (5) days after written request by Landlord or any parking space operator, Tenant will furnish to Landlord the license numbers assigned to its cars and the cars of all of its authorized representatives. If Tenant or its authorized representatives fail to park their cars in the designated parking areas, Landlord may charge Tenant as and for liquidated damages thirty dollars (\$30.00) per each day or partial day for each car parked in area other than those designated. Tenant will not park or permit the parking of any vehicles adjacent to loading areas so as to interfere in any way with the use of such areas. Only automobiles and pickup trucks will be

permitted in the parking areas. Landlord shall have the right, in Landlord's sole discretion, to designate parking spaces for the exclusive use of a particular tenant or tenants. Landlord will have the right to institute reasonable procedures and/or methods to enforce the terms of this **Paragraph**, including, but not limited to, a card access system, the hiring of parking attendants or a management company.

7.2 Parking Charges: Intentionally omitted.

8. **SIGNAGE**: Landlord, at Landlord's sole cost and expense, will install and maintain all letters or numerals on the entrance doors for the Premises. All such letters and numerals shall be in the form specified by Landlord, and no other shall be used or permitted on the Premises. If a Tenant directory exists at the Building, Landlord shall include Tenant's name in the directory. Without Landlord's prior written approval, Tenant shall not place any signs within the Premises, which are visible from the outside of the Premises.

9. **ASSIGNMENT AND SUBLETTING**:

- 9.1 Prohibition: Tenant shall not assign this Lease or sublet any portion of the Premises without prior written consent of the Landlord, which consent shall not be unreasonably withheld or delayed, provided Tenant is not in default under this Lease at the time of such request. The parties agree that it shall be reasonable for Landlord to withhold consent if (i) Landlord is not satisfied with the financial condition, identity, reputation or business character of the proposed assignee or sublessee, (ii) the proposed assignee or sublessee is an existing tenant of the Project, (iii) the identity of or the use contemplated by the proposed assignee or sublessee would violate an exclusive given by Landlord to another tenant, (iv) the proposed assignee or sublessee is a governmental subdivision or agency or any person or entity who enjoys diplomatic or sovereign immunity, or (v) if Landlord or its agents have shown any space in the Project to or attempted to negotiate lease terms with such proposed assignee or sublessee regarding other available space in the Project within the preceding six (6) months of the proposed assignment or sublease. Any change in the majority ownership, interest or control of Tenant, if Tenant is a corporation, partnership, limited liability company or other similar type entity, shall constitute an assignment for purposes of this **Paragraph**. Notwithstanding any consent by Landlord, Tenant shall remain jointly and severally liable (along with each approved assignee and sublessee, which shall automatically become liable for all obligations of Tenant hereunder with respect to that portion of the Premises so transferred), and Landlord shall be permitted to enforce the provisions of this Lease directly against Tenant or any assignee or sublessee without proceeding in any way against any other party. In the event of an assignment, contemporaneously with the granting of Landlord's consent, Tenant shall cause the assignee to expressly assume in writing and agree to perform all of the covenants, duties and obligations of Tenant hereunder and such assignee shall be jointly and severally liable therefore along with Tenant. No usage of the Premises different from the usage provided for

in **Paragraph 1** above shall be permitted, and all other terms and provisions of the Lease shall continue to apply after such assignment or sublease.

9.2 Consent Process: If Tenant requests Landlord's consent to an assignment of this Lease or subletting of all or part of the Premises, Landlord may, at its option: (i) approve such sublease or assignment (but no approval of an assignment or sublease shall relieve Tenant of any liability hereunder); (ii) negotiate directly with the proposed subtenant or assignee and, in the event Landlord is able to reach agreement with such proposed subtenant or assignee, upon execution of a lease with such subtenant or assignee, terminate this Lease (in part or in whole, as appropriate) upon thirty (30) days' notice; (iii) recapture the Premises or applicable portion thereof from Tenant and terminate this Lease (in part or in whole, as appropriate) upon thirty (30) days' notice in which case Landlord shall be permitted to lease the Premises to any third party; or (iv) if Landlord should fail to notify Tenant in writing of its decision within a thirty (30) day period after Landlord is notified in writing of the proposed assignment or sublease, Landlord shall be deemed to have refused to consent to such assignment or subleasing, and to have elected to keep this Lease in full force and effect. If Landlord consents to any assignment or sublease, Tenant shall pay to Landlord, on demand as Additional Rent, an administrative fee of one thousand dollars (\$1,000.00) and will reimburse Landlord for all reasonable attorneys' fees and costs associated with Landlord's consent to the assignment or sublease.

9.3 No Profit: All cash or other consideration received by Tenant as the proceeds of any assignment or sublease of Tenant's interest in this Lease and/or the Premises, whether consented to by Landlord or not, shall be paid to Landlord, notwithstanding the fact that such proceeds exceed the Rent due hereunder, unless Landlord agrees to the contrary in writing, and Tenant hereby assigns all rights it might have or ever acquire in any such proceeds to Landlord. This covenant and assignment shall benefit Landlord and its successors in ownership of the Building and shall bind Tenant and Tenant's heirs, executors, administrators, personal representatives, successors and assigns. Any assignee, sublessee or purchaser of Tenant's interest in this Lease, by occupying the Premises and/or assuming Tenant's obligations hereunder, shall be deemed to have assumed liability to Landlord for all amounts paid to persons other than Landlord in consideration of any such sale, assignment or subletting, in violation of the provisions hereof.

10. **INTENTIONALLY OMITTED.**

11. **MAINTENANCE, REPAIRS, ALTERATIONS:**

11.1 Tenant's Obligations: Except for the completion of any Tenant Improvements by Landlord as defined in **Schedule 3**, Tenant has agreed to accept the Premises in its "AS IS" condition without any representation or warranty of any kind. Tenant acknowledges that the Premises are in good order and repair, unless otherwise

indicated herein. Tenant shall, at its own expense and at all times, maintain the Premises in good and safe condition. Tenant, at Tenant's expense, shall be responsible for all maintenance and repairs required in the Premises, except any electrical wiring, plumbing and HVAC installations and any other Building systems or Building equipment located outside the Premises and not exclusively serving the Premises, roof, exterior walls, structural foundations, parking areas and other Common Areas, which shall be maintained and repaired by Landlord and included in Operating Expenses. Tenant shall be responsible for maintaining and repairing any electrical wiring, telecommunications or computer cabling, supplemental HVAC equipment, flooring, wall surfaces, light fixtures, plumbing fixtures or the like exclusively serving the Premises. Landlord shall assign to Tenant all assignable warranties held by Landlord related to any items in or serving the Premises for which Tenant has maintenance and repair obligations under this Lease.

- 11.2 Limitations: Tenant may make any improvements or alterations to the Premises without Landlord's prior written consent, if they are nonstructural, do not affect any Building system, cost less than fifty thousand dollars (\$50,000.00) (excluding labor costs) in the aggregate during any six (6) month period, cannot be seen from the exterior of the Premises, and otherwise comply with all Legal Requirements and the following provisions of this **Paragraph 11**. All other improvements or alterations to the Premises require Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. Prior to the commencement of any repair, improvement, or alteration, Tenant shall give Landlord at least two (2) business days prior written notice in order that Landlord may post appropriate notices to avoid any liability for liens. All repairs, improvements or alterations will be made by a licensed and insured contractor, consented to by Landlord, and performed in a good and workmanlike manner. All materials used shall be of a quality comparable to or better than those in the Premises (or such specific materials that Landlord may identify) and shall be in accordance with plans and specifications approved by Landlord.
- 11.3 Liens: Tenant will pay all costs of construction done by it or caused to be done by it on the Premises as permitted by this Lease. Tenant will keep the Project free and clear of all construction, mechanic's, materialman's, laborer's and supplier's liens, resulting from construction done by Tenant. The interest of Landlord in the Premises and the Project shall not be subject to liens for improvements made by Tenant. Any lien filed by any contractor, materialman, laborer or supplier performing work for Tenant shall attach only to Tenant's interest in the Premises. Tenant agrees to indemnify, defend and hold harmless Landlord from and against any and all costs and liabilities (including attorneys' fees and expenses) and any and all construction, mechanic's, materialman's, laborer's or supplier's liens arising out of or pertaining to any improvements or construction done by Tenant. All persons and entities contracting or otherwise dealing with Tenant relative to the Premises or the Project are hereby placed on notice of the provisions of this **Paragraph**, and

Tenant shall further notify in writing such persons or entities of the provisions of this **Paragraph** prior to commencement of any Tenant work in the Premises. If any construction, mechanic's, materialman's, laborer's or supplier's lien is ever claimed, fixed or asserted against the Premises or any other portion of the Project in connection with any such Tenant work, Tenant shall, within ten (10) days after receipt by Tenant of notice of such lien, discharge same as a lien either by payment or by posting of any bond as permitted by law. If Tenant shall fail to discharge any such lien, whether valid or not, within ten (10) days after receipt of notice from Landlord, Landlord shall have the right, but not the obligation, to discharge such lien on behalf of Tenant and all costs and expenses incurred by Landlord associated with the discharge of the lien, including, without limitation, attorneys' fees, shall constitute Additional Rent hereunder and shall be immediately due and payable by Tenant.

11.4 **Surrender of Premises:** On the last day of the Term hereof or on any sooner termination, Tenant shall surrender the Premises to Landlord in the same condition as when received, ordinary wear, tear and casualty excepted, and clear and free of debris. Tenant shall repair any damage to the Premises occasioned by the installation or removal of Tenant's trade fixtures, furnishings and equipment. Any of Tenant's property remaining in the Premises after the expiration or earlier termination of this Lease shall be deemed abandoned by Tenant, and Landlord, in addition to all other rights and remedies it may have, shall have the right to keep in place and use all of such property in the Premises and/or remove any or all of such property from the Premises, which may then be disposed of, or stored at the cost of and for the account of Tenant. Landlord shall not be responsible for the care or safekeeping of any such property and Tenant waives any claim against Landlord relating thereto. The provisions of this **Paragraph** shall survive the expiration or earlier termination of this Lease.

12. **ENTRY AND INSPECTION:** Tenant shall permit Landlord or Landlord's agents to enter upon the Premises at reasonable times upon verbal notice for the purpose of inspecting the same, performing any services required of Landlord hereunder and showing the Premises to potential and existing mortgagees and purchasers and prospective tenants of other space in the Project. Notwithstanding the foregoing, Landlord is not required to give notice to Tenant if Landlord must enter the Premises because of an emergency or for the provision of janitorial services. Tenant will permit Landlord at any time within one hundred and eighty (180) days prior to the expiration or early termination of this Lease, to place upon the Premises any usual "To Let" or "For Lease" signs, and permit potential tenants to inspect the Premises.

13. **INDEMNIFICATION:**

13.1 **Indemnification.** Subject to **Paragraph 16** below, Tenant agrees to and shall indemnify, defend and hold harmless Landlord from and against any and all claims,

demands, losses, damages, costs and expenses (including attorneys' fees and expenses at all levels) or death of or injury to any person or damage to any property whatsoever arising out of Tenant's grossly negligent acts or omissions, Tenant's willful misconduct, or relating to Tenant's breach or default under this Lease, including, but not limited to, Tenant's breach of **Paragraph 14** below, or Tenant's use or occupancy of the Premises, or caused by Tenant or its agents, employees or invitees, unless proximately caused by the gross negligence or willful acts of Landlord. The provisions of this **Paragraph 13.1** shall survive the termination of this Lease.

13.2 Release: Tenant, for itself and its respective heirs, legal representatives, successors and assigns, does hereby fully and forever release, remise, acquit and discharge LNR Partners, LLC, Landlord and all its property management agent(s), and their respective partners, managers, members, officers, directors, employees, agents, attorneys, affiliates, subsidiaries, parents, heirs, legal representatives, successors and assigns, and each of them, of and from any and all special, consequential, remote, unforeseeable, and punitive damages, of any nature or kind whatsoever, at law, in equity, or otherwise. The provisions of this **Paragraph 13.2** shall survive the termination of this Lease.

14. **TENANT'S INSURANCE**: At all times during the Term of this Lease, Tenant shall, at its sole expense, procure and maintain the following types of insurance coverage:

14.1 Commercial General Liability: Commercial general liability insurance (or self-insurance pursuant to Paragraph 14.9 below), including bodily injury and property damage liability, products and completed operations, personal and advertising injury liability, and fire damage liability against any and all damages and liability, including attorneys' fees and expenses, on account of or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on or about the Premises in amounts not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) annual aggregate, and one hundred thousand dollars (\$100,000) fire damage liability;

14.2 Excess Liability Insurance. Excess liability insurance (or self-insurance pursuant to Paragraph 14.9 below) with limits of two million dollars (\$2,000,000) which shall sit over general liability policy, be at least as broad in coverage as the underlying policy it sits over, and provide coverage on follow-form basis;

14.3 Personal Property: Insurance on an all risks (special form) basis covering one hundred percent (100%) of the replacement cost value of personal property at the Premises, and Tenant's leasehold improvements, trade fixtures, furnishings, and equipment;

14.4 Mechanical Equipment: Where applicable, insurance covering central heating, air conditioning and ventilating systems, generators, refrigeration equipment,

machinery and electrical equipment, boilers, and other high pressure piping and machinery, and other similar apparatus installed in the Premises by Tenant, including Business Income loss;

- 14.5 Business Income: Business interruption insurance for the actual period of non-occupancy of up to twelve (12) months from the date of fire or casualty;
- 14.6 Employer's Liability/Workers' Compensation: If and to the extent required by applicable law, employer's liability insurance (or self-insurance pursuant to Paragraph 14.9 below) with limits not less than five hundred thousand dollars (\$500,000), and workers' compensation insurance (or self-insurance pursuant to Paragraph 14.9 below) providing statutory state benefits for all persons employed by Tenant in connection with the Premises;
- 14.7 Sprinkler Leakage: Intentionally omitted;
- 14.8 Automobile Liability: Automobile liability insurance (or self-insurance pursuant to Paragraph 14.9 below) in commercially reasonable amounts, covering company owned vehicles, if any.
- 14.9 Other Insurance: Intentionally omitted;
- 14.8 Form of Insurance/Companies: All insurance provided for in **Paragraph 14** hereof shall be in a form reasonably satisfactory to Landlord and carried with insurance companies reasonably acceptable to Landlord that are licensed or authorized to do business in California, are in good standing with the Department of Insurance in California and have a current rating issued by A.M. Best Company of not less than A-:VII, and/or whose claim paying ability is rated no lower than A by Standard & Poor's Ratings Service and A2 by Moody's Investors Service. Insurance coverage shall be written as primary policy coverage and not contributing with or excess of any coverage, which Landlord may carry, and Starwood Property Trust, Inc., Landlord, and Landlord's managing agent shall be named as Additional Insureds with respect to Commercial General Liability and Automobile Liability, including any Umbrella or Excess policies. Tenant shall furnish Landlord at the inception of this Lease (i) a Certificate of Insurance and/or Self-Insurance pursuant to Paragraph 14.9 below, as applicable, evidencing that all such insurance is in effect and that Landlord will be given at least thirty (30) days prior written notice of cancellation or non-renewal, and (ii) proof that premiums have been paid by Tenant. Not later than five (5) days after the expiration of any insurance policy, evidence of renewals or replacements of such policy shall be delivered to Landlord, together with proof of payment of the associated premiums.
- 14.9 Self-Insurance. Notwithstanding anything to the contrary in this **Paragraph 14**, so long as the City of Long Beach, a municipal corporation of the State of California, is the tenant under this Lease and the sole occupant of the Premises, Tenant shall

be permitted to satisfy all of its insurance obligations under this **Paragraph 14** through a program of self-insurance, provided that (i) such self-insurance provides all insurance coverage to the same extent required of Tenant under this **Paragraph 14** and provides the funding which would have been available from insurance proceeds of a third party insurer if Tenant satisfied the insurance requirements of this **Paragraph 14** through a third party insurer, (ii) such self-insurance pays amounts equal to the insurance proceeds which would have been available if Tenant satisfied the insurance requirements of this **Paragraph 14** through a third party insurer, and (iii) if Tenant elects to self-insure any of the coverages described in this **Paragraph 14** pursuant to the terms and conditions of this **Paragraph 14.9**, Landlord shall continue to enjoy all of the rights, benefits and privileges of any indemnity, waiver of claims and waiver of subrogation provisions set forth in this Lease, including, but not limited to, **Paragraphs 13 and 16** of this Lease, as though Tenant maintained the applicable insurance coverage through a third party insurer.

15. **LANDLORD'S INSURANCE:**

- 15.1 All Risk: Landlord (or its principals naming Landlord as an additional insured) shall maintain fire and extended coverage insurance on the Project and the Premises (which may include vandalism and malicious mischief coverage) and such endorsements as Landlord may require (or is otherwise reasonably consistent with other similarly situated buildings) in an amount not less than the full replacement value thereof (which may be exclusive of foundations), or in such amounts as any mortgagee of Landlord shall require, with such deductibles as shall be determined by Landlord from time to time. Landlord (or its principals naming Landlord as an additional insured) also reserves the right to provide the insurance required hereunder as part of a blanket policy. All insurance obtained by Landlord in connection with the Project shall be passed through to the tenants of the Project, including Tenant, as part of the Operating Expenses, and payments for losses thereunder shall be made solely to Landlord or Landlord's mortgagee as their interests shall appear. In the event of blanket insurance, Landlord shall reasonably allocate the portion of the blanket premium to the Operating Expenses for the Project.
- 15.2 Liability: Landlord shall maintain a policy or policies of commercial general liability insurance with respect to the Common Areas and the activities thereon in such amounts as Landlord or any mortgagee of Landlord may require and with limits no less than those required of Tenant. All such liability insurance obtained by Landlord in connection with the Project shall be passed through to the tenants of the Project, including Tenant, as part of the Operating Expenses, and payments for losses thereunder shall be made solely to Landlord or Landlord's mortgagee as their interests appear.
- 15.3 Other: Intentionally omitted.

16. **SUBROGATION; WAIVER:** Landlord and Tenant shall each obtain from their respective insurers under all policies of property insurance maintained by either of them at any time during the Term hereof insuring or covering the Premises or Project, as applicable, a waiver of all rights of subrogation which the insurer of one party might otherwise have, if at all, against the other party. Landlord and Tenant each waive, and release each other from and against, all claims for recovery against the other for any loss or damage to the property of such party arising out of fire or other casualty coverable by property insurance policies required to be carried by the parties pursuant to this Lease or actually carried by the parties to this Lease, even if such loss or damage shall be brought about by the fault or negligence of the other party or such party's agents. This waiver and release is effective regardless of whether the releasing party actually maintains the insurance required pursuant to the terms of this Lease and is not limited to the amount of insurance actually carried, or to the actual proceeds received after a loss. In addition, if not otherwise covered by insurance maintained by Landlord or Tenant and attributable to the gross negligence or willful misconduct of Landlord, Tenant assumes all risk of damage of Tenant's property within the Premises, including any loss or damage caused by water leakage, fire, wind storm, or theft. The foregoing sentence shall in no event negate any responsibilities of Landlord for maintaining the Premises and Project as required by the terms of this Lease.

17. **UTILITIES AND SERVICES:**

17.1 Standards: Pursuant to the terms and conditions of this Lease, Landlord shall use all reasonable efforts to furnish heating, ventilation, and air conditioning ("HVAC"), electricity for normal lighting and office machines, cold water for reasonable and normal drinking and lavatory use, replacement light bulbs and/or fluorescent tubes and ballasts for standard overhead fixtures, exterior window washing, standard trash removal, sewer and waste water services, and janitorial services five (5) days per week. Said services and utilities shall be provided during Building Hours, except for janitorial which may be provided after Building Hours. HVAC required at other times shall be subject to a reasonable additional charge per hour or fraction thereof, as such sum may be reasonably increased by Landlord from time to time upon written notice to Tenant. As of the date of this Lease, the after-hours HVAC charge is \$75.00 per hour (or fraction thereof) per floor.

17.2 Temporary Interruption: Landlord reserves the right, without any liability to Tenant and without affecting Tenant's covenants and obligations hereunder, to temporarily stop or interrupt or reduce any of the services listed in this **Paragraph 17**, or to temporarily stop or interrupt or reduce any other services required of Landlord under this Lease, whenever and for so long as may be necessary, by reason of (i) accidents, emergencies, strikes or the occurrence of any of the other events of force majeure, (ii) the making of repairs or changes which Landlord is required by law or is permitted by this Lease to make or in good faith deems necessary, (iii) difficulty or excessive expense in securing proper supplies of fuel, steam, water, electricity, or (iv) any other cause beyond Landlord's reasonable control, whether

similar or dissimilar to the foregoing. Landlord does not warrant that the services provided for in this Lease will be free from interruption or stoppage resulting from the above causes, and specifically no reduction, interruption or stoppage of any such services for any reason, shall ever be construed as an eviction of Tenant nor shall the same cause any abatement of the Rent payable hereunder; provided that such temporary interruption lasts less than thirty days, it being understood that Tenant may proportionately abate rent for interruptions which cause Tenant to cease all or a portion of its operations in the Premises, are caused by the negligence of Landlord, and last thirty days or longer after Tenant's written notice to Landlord. Except as set forth in the immediately previous sentence, no reduction, interruption or stoppage of any such services shall relieve Tenant from any of Tenant's obligations hereunder, and in any event, Landlord shall not be liable for any loss, cost or damage, direct or consequential, of any nature arising in connection with interruption or stoppage of any of such services or for any damage to persons or property resulting therefrom; provided, however, Landlord agrees to use reasonable diligence to resume the service or to cause the same to be resumed. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this **Paragraph 17**.

- 17.3 Security: Landlord shall have no obligation to provide any security whatsoever for the Building, the Premises, the Project and/or Tenant's business therein. Tenant does hereby acknowledge and agree that Tenant shall provide and be solely responsible for its own security, at Tenant's sole cost and expense, as may be required for the operation of Tenant's business within the Premises. Landlord shall have no liability to Tenant and its employees, agents or invitees for losses due to theft or burglary, or for damages done by unauthorized persons in the Premises, the Building, any parking facility, or the Project, or for any injury, trauma or other harm to any person, and neither shall Landlord be required to insure against any such losses. Tenant shall be responsible for all repairs and replacements of damage and/or destruction of the Premises necessitated by burglary or attempted burglary, or any other illegal or forcible entry into the Premises. Notwithstanding the foregoing, Tenant acknowledges and agrees that Landlord may, but will not be required to, adopt and provide security services for the Project from time to time. Tenant shall cooperate fully in any efforts of Landlord to maintain security in the Project and shall follow all rules and regulations promulgated by Landlord with respect thereto. However, any security services that are voluntarily undertaken by Landlord may be changed or discontinued from time to time in Landlord's sole and absolute discretion, without liability to Tenant and its employees, agents or invitees. Tenant and all of its employees, agents or invitees waive any claims it may have against Landlord arising out of any security services provided by Landlord, or the inadequacy or

absence thereof, specifically including Landlord's negligence with respect to the providing or failure to provide such services.

18. **CONDEMNATION:** If the whole or substantially the whole of the Building or Premises should be taken for any public or quasi-public use, by right of eminent domain or otherwise or should be sold in lieu of condemnation, then this Lease shall terminate as of the date when physical possession of the Project, Building and/or Premises is taken by the condemning authority. If less than the whole or substantially the whole of the Building, Premises or Project is thus taken or sold, Landlord (whether or not the Premises are affected thereby) may, at its option, terminate this Lease by giving written notice thereof to Tenant; in which event this Lease shall terminate as of the date when physical possession of such portion of the Project, Building, the Premises or the Project is taken by condemning authority. If this Lease is not terminated upon any such taking or sale, and if the Premises are affected, the Base Rent payable hereunder shall be diminished by an equitable amount, and Landlord shall, to the extent Landlord deems feasible, restore the Building and, if affected, the Premises to substantially their former condition, but such work shall not exceed the scope of the work done by Landlord in originally constructing the Building and installing the Tenant Improvements, nor shall Landlord in any event be required to spend for such work an amount in excess of the amount received by Landlord as compensation for such taking. All amounts awarded upon a taking of any part or all of the Project, Building, or Premises shall belong to Landlord, and Tenant shall not be entitled to any part thereof, provided, however, that Tenant shall be entitled to retain any amount separately awarded to it for its trade fixtures or moving expenses if such award to Tenant does not reduce Landlord's award.
19. **TRADE FIXTURES:** Any and all improvements made to the Premises during the Term hereof shall, unless Landlord requests their removal, belong to the Landlord without compensation, allowance or credit to Tenant, except movable trade fixtures of the Tenant. Tenant shall be directly responsible for taxes upon, measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises or by the cost or value of any leasehold improvements made in or to the Premises by or for Tenant other than the initial improvements to be installed at Landlord's expense regardless of whether title to such improvements is in Tenant or Landlord.
20. **DESTRUCTION OF PREMISES:**
 - 20.1 Termination or Repair: If the Premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord if Landlord does not otherwise have actual knowledge thereof. In case the Building or the Project shall be so damaged that substantial alteration or reconstruction of the Building or the Project shall, in Landlord's sole opinion, be required (whether or not the Premises shall have been damaged by such casualty), or in the event any mortgagee of Landlord's interest in the Building or the Project should require that

the insurance proceeds payable as a result of a casualty be applied to the payment of the mortgage debt, or in the event of any material uninsured loss to the Building or the Project, Landlord may, at its option, terminate this Lease by notifying Tenant in writing of such termination within ninety (90) days after the date of such casualty. If Landlord does not elect to terminate this Lease, Landlord shall commence and proceed with reasonable diligence to restore the Building and to restore the Premises to the condition in which the Premises existed as of the Commencement Date; except that Landlord's obligation to restore shall not require Landlord to spend for such work an amount in excess of the insurance proceeds actually received by Landlord as a result of the casualty. Notwithstanding anything to the contrary contained in this **Paragraph**, Landlord shall not have any obligation whatsoever to repair, reconstruct, or restore the Premises when the damage resulting from any casualty contained under this **Paragraph** occurs during the final twelve (12) months of the Lease Term, and Landlord may terminate this Lease.

- 20.2 Abatement of Rent: Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such casualty damage or the repair thereof; except that, subject to the provisions of the next sentence, Landlord shall allow Tenant a fair diminution of Rent during the time and to the extent the Premises are unfit for occupancy. If the Premises or any other portion of the Building or Project be damaged by fire or other casualty resulting from the fault or negligence of Tenant or any of Tenant's agents, contractors, employees, or invitees, the Rent hereunder shall not be diminished during the repair of such damage, and Tenant shall be liable to Landlord for the cost of the repair and restoration of the Building or Project caused thereby to the extent such cost and expense is not covered by insurance proceeds.
- 20.3 Last Year of Term: Landlord shall not have any obligation whatsoever to repair, reconstruct, or restore the Premises when the damage resulting from any casualty contained under this **Paragraph** occurs during the final twelve (12) months of the Lease Term, and Landlord or Tenant may terminate the Lease upon written notice to the other within thirty (30) days after the occurrence of the damage or destruction.

21. HAZARDOUS SUBSTANCES:

- 21.1 Tenant's Responsibilities: At its own expense, Tenant will procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Tenant's use of the Premises. Tenant will not cause or permit any Hazardous Substance to be brought upon, kept or used in or about the Project by Tenant, its agents, employees, contractors or invitees without the prior written consent of Landlord, except for routine office cleaning supplies that may be deemed Hazardous Substances, provided such Hazardous Substances are stored, used and removed in compliance with all Legal

Requirements and Environmental Laws. Tenant will cause any and all Hazardous Substances brought upon the Premises by Tenant to be removed from the Premises and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Tenant will, in all respects, handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises in total conformity with all applicable Environmental Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the Term of the Lease, Tenant will cause all Hazardous Substances placed on, under or about the Premises by Tenant or at Tenant's direction to be removed and transported for use, storage or disposal in accordance and compliance with all applicable Environmental Laws. Tenant will not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises or the Project, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises without first notifying Landlord of Tenant's intention to do so and affording Landlord ample opportunity to appear, intervene or otherwise appropriately assert and protect Landlord's interests with respect thereto.

- 21.2 Indemnification: If the Premises or the Project become contaminated in any manner for which Tenant is legally liable, or if the Premises otherwise become affected by any release or discharge of a Hazardous Substance, Tenant shall immediately notify Landlord of the release or discharge of the Hazardous Substance. If (i) the Premises becomes contaminated in any manner related to the release or discharge of a Hazardous Substance during the Term of this Lease by Tenant or by Tenant's employees, contractors, or invitees (other than a release or discharge by Landlord or by Landlord's employees, contractors or other agents) or (ii) the Property (other than the Premises) becomes contaminated in any manner related to the release or discharge of a Hazardous Substance by Tenant or by Tenant's employees, contractors, or invitees, then Tenant shall indemnify, defend and hold harmless Landlord from and against any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the Project or the Premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees and expenses at all levels, consultant fees and expert fees) arising during or after the Term of this Lease and arising as a result of such contamination, release or discharge. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by federal, state or local agency or political subdivision. Notwithstanding any provision in this Lease to the contrary, Tenant shall have no liability with respect to any Hazardous Substances existing at the Premises prior to the Commencement Date and in violation of applicable Environmental Laws as of

the Commencement Date. This provision of this **Paragraph 21.2** shall survive termination of this Lease.

22. **EVENTS OF DEFAULT:** If one or more of the following events (each an “**Event of Default**”) occurs, such occurrence constitutes a breach of this Lease by Tenant:

- 22.1 Abandonment/Vacation: Tenant abandons or vacates the Premises; or
- 22.2 Rent: Tenant fails to pay any monthly Base Rent or Operating Expense Rent, if applicable, as and when the same becomes due and payable, and such failure continues for more than five (5) days after Landlord gives written notice thereof to Tenant; or
- 22.3 Other Sums: Tenant fails to pay any other sum or charge payable by Tenant hereunder as and when the same becomes due and payable, and such failure continues for more than fifteen (15) days after Landlord gives written notice thereof to Tenant; or
- 22.4 Other Provisions: Tenant fails to perform or observe any other non-monetary agreement, covenant, condition or provision of this Lease to be performed or observed by Tenant as and when performance or observance is due (or immediately if the failure involves a hazardous condition), and such failure continues for more than thirty (30) days after Landlord gives written notice thereof to Tenant, or if the default does not involve a hazardous condition and cannot be reasonably cured within said thirty (30) day period and Tenant fails promptly to commence with due diligence and dispatch the curing of such default within said thirty (30) day period or, having so commenced, thereafter fails to prosecute or complete with due diligence and dispatch the curing of such default; or
- 22.5 Insolvency: Tenant (a) files or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; (b) makes an assignment for the benefit of its creditors; (c) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of itself or of any substantial part of its property; or (d) takes action for the purpose of any of the foregoing; or
- 22.6 Receiver: A court or governmental authority of competent jurisdiction, without consent by Tenant, enters an order appointing a custodian, receiver, trustee or other officer with similar powers with respect to Tenant, or with respect to any substantial power of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of Tenant, or if any such petition is filed against Tenant and such receivership or petition is not dismissed within sixty (60) days; or

22.7 Attachments: This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within sixty (60) days; or

22.8 Assignment/Sublease: Tenant assigns this Lease or subleases all or any portion of the Premises in contravention of the terms and conditions of **Paragraph 9**.

23. **REMEDIES UPON DEFAULT:**

23.1 Termination: Upon the occurrence of an Event of Default under this Lease, Landlord may, at its option, terminate the Lease and repossess the Premises pursuant to the laws of the State in which the Project is located and recover from Tenant as damages:

- (a) the unpaid Rent (including, but not limited to, Base Rent and Operating Expense Rent) and other amounts due at the time of termination, plus interest thereon at the maximum lawful rate per annum from the due date until paid;
- (b) the present value of the balance of the Rent for the remainder of the Term after termination, less the present value of the fair market value rental of the Premises for said period (both determined by applying a discount rate of the Wall Street Journal Prime Rate); and
- (c) any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, without limitation, the cost of recovering the Premises.

23.2 Landlord's Options: Landlord may, in the alternative:

- (i) continue this Lease in effect, as long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover the Rent as it becomes due under this Lease; or
- (ii) terminate Tenant's right of possession (but not this Lease) and repossess the Premises pursuant to the laws of the State in which the Project is located in which event Landlord may, but shall be under no obligation to do so (except to the extent required by the laws of the State in which the Project is located), relet the Premises for the account of Tenant for such Rent and upon such terms as shall be satisfactory to Landlord. For purpose of such reletting Landlord is authorized by Tenant to decorate or to make any repairs, changes,

alterations or additions in or to the Premises that may be necessary or convenient, at Tenant's expense. Tenant shall also be responsible for Rent for the period that the Premises are vacant and all costs of re-letting, including, without limitation, brokerage commissions and attorneys' fees. Tenant shall be liable for any deficiency of such rental below the total rental and all other payments herein provided for the unexpired balance of the Term of this Lease. If said breach of this Lease continues, Landlord may, at any time thereafter, elect to terminate this Lease; or

- (iii) exercise any and all other rights and remedies available to Landlord at law or in equity.

23.3 **LANDLORD DEFAULT.** In the event Landlord fails to perform any of its obligations under this Lease and fails to cure such default within thirty (30) days after notice from Tenant specifying the nature of such default, where such default could reasonably be cured within said 30-day period, or fails to commence such cure within said 30-day period and thereafter continuously with due diligence prosecute such cure to completion, where such default could not reasonably be cured within said 30-day period, then Tenant shall have the right to pursue all remedies permitted by law, subject, however, to the terms of this Lease.

24. **SECURITY DEPOSIT:** Intentionally omitted.

25. **LIEN FOR RENT:** Tenant hereby grants to Landlord a lien and security interest on all furnishings, equipment, fixtures, inventory, accounts receivable, licenses and other personal property of any kind owned by Tenant now or hereafter placed in or upon the Premises, and such property shall be and remain subject to such lien and security interest of Landlord for payment of all Rent and other sums agreed to be paid by Tenant herein. The provisions of this **Paragraph** relating to such lien and security interest shall constitute a security agreement under and subject to the laws of the State in which the Project is located so that Landlord shall have and may enforce a security interest on all property of Tenant now or hereafter placed in or on the Premises, in addition to and cumulative of the Landlord's liens and rights provided by law or by the other terms and provisions of this Lease. Notwithstanding anything contained herein to the contrary, Landlord's lien rights granted hereunder shall automatically be subordinate to the rights of any equipment or personal property lessor with respect to the equipment or personal property leased by it to Tenant. Tenant agrees to execute as debtor such financing statement or statements and other documents as Landlord may now or hereafter request. Landlord may at its election at any time file a copy of this Lease as a financing statement. Notwithstanding the above, Landlord shall neither sell nor withhold from Tenant, Tenant's business records and Landlord's lien rights shall not apply with respect to any property that is leased to Tenant.

26. **LIMITATION ON LANDLORD'S PERSONAL LIABILITY:** Tenant specifically agrees to look solely to Landlord's interest in the Project and any rents or proceeds derived

therefrom (including proceeds from insurance policies carried or required to be carried by Landlord pursuant to Paragraph 15 above) for the recovery of any judgment from Landlord, it being agreed that Landlord (and any officers, shareholders, partners, members, managers, directors, employees, affiliates, subsidiaries or parents of Landlord) shall never be personally liable for any such judgment. Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Project, Building and/or Premises referred to herein, and in such event and upon such transfer, Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for the performance of such obligations.

27. **ATTORNEYS' FEES:** In the event there is any legal action or proceeding between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either Landlord or Tenant hereunder, the unsuccessful party to such action or proceeding will pay to the prevailing party all costs and expenses, including reasonable attorneys' fees at all tribunal levels (including allocated costs of Landlord's in-house attorney), incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees will be determined by the court handling the proceeding and will be included in and as a part of such judgment.
28. **WAIVER:** No failure of Landlord to enforce any term hereof shall be deemed to be a waiver. The failure of Landlord to insist at any time upon the strict performance of any covenant or agreement contained herein or to exercise any option, right, power, or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future. No payment by Tenant or receipt by Landlord of a lesser amount than the applicable Rent payment due under this Lease shall be deemed to be other than on account of the earliest Rent due hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy in this Lease provided.
29. **SEVERABILITY:** If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws effective during the Term hereof, then it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of both parties that in lieu of each clause or provision that is illegal, invalid or unenforceable, there shall be added as a part of this Lease, a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable. The inadvertent failure to attach any exhibit (or schedule or addendum) described in this Lease to the fully executed version hereof shall not render this Lease invalid, incomplete, or ineffective in any way. Upon notice from one party to the other, Landlord and Tenant shall cooperate in good faith to

provide any missing information regarding such missing exhibit, and shall both append the missing exhibit to their respective fully executed original of the Lease.

30. **NOTICES:** Unless otherwise set forth in this Lease, any notice, demand, or request to be given under this Lease (i) may be given by either party or its attorney or agent, (ii) shall be in writing, and (iii) shall be deemed to have been properly given (a) on the date delivered personally (including by courier), (b) one (1) business day following deposit with a nationally recognized overnight delivery service, (c) three (3) business days following deposit with the United States Postal Service (designated certified mail, return receipt requested, bearing adequate postage and addressed as designated in **Paragraph 1** of the Lease), or (d) upon refusal of delivery by the recipient. Landlord's address for notices may be changed by ten (10) days prior written notice from time to time. The foregoing notice provisions shall in no way prohibit notices from being given as provided by statute or in the rules or civil procedure of the state in which the Building is located, as the same may be amended from time to time (including by posting notice on the door of the Premises) and any notice so given shall constitute notice herein.
31. **HOLDING OVER:** Any holding over after the expiration or termination of this Lease shall be construed as a tenancy at sufferance at a rental of twice the Base Rent and Operating Expense Rent for the month of the Lease Term preceding the month in which the expiration or termination occurred. In the event Tenant shall be or become a holdover tenant, Tenant shall also indemnify Landlord against all claims for damages against Landlord as a result of Tenant's possession of the Premises, including, without limitation, claims for damages by any tenant to whom Landlord may have leased the Premises, or any portion thereof, for a term commencing after the expiration or termination of this Lease.
32. **TIME:** Time is of the essence with respect to the obligations of any party under this Lease.
33. **HEIRS, ASSIGNS, SUCCESSORS:** This Lease is binding upon and inures to the benefit of the assigns and successors in interest of Landlord and is binding upon and inures to the benefit of Tenant and Tenant's heirs and successors and, to the extent assignment may be approved by Landlord hereunder, Tenant's assigns.
34. **SUBORDINATION:** This Lease is and shall always be subject and subordinate to the lien of any mortgages which are now or shall at any future time be placed upon the Project, the Premises or Landlord's rights hereunder, and to any renewals, extensions, modifications or consolidations of any such mortgage. This clause shall be self-operative and no further instrument of subordination need be required by any mortgagee. In confirmation of such subordination, however, Tenant, at Landlord's request, shall execute promptly any appropriate certificate or instrument that Landlord may reasonably request.
35. **ESTOPPEL CERTIFICATE:** Tenant shall, at any time upon not less than fifteen (15) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing on the form provided by Landlord: (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such

modification and certifying that this Lease, as so modified, is in full force and effect), the amount of any security deposit, and the date to which the Rent and other charges are paid in advance, if any; and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by a prospective purchaser or encumbrancer to the Premises. At Landlord's option, Tenant's failure to deliver such statement within such time shall be an Event of Default under this Lease or shall be conclusive upon Tenant: (A) that this Lease is in full force and effect, without modification, except as may be represented by Landlord; (B) that there are no uncured defaults in Landlord's performance; and (C) that not more than one month's Rent has been paid in advance or such failure may be considered by Landlord as a default by Tenant under this Lease.

36. **FINANCIAL STATEMENTS.** Tenant shall furnish Landlord, within ten (10) business days after Landlord's request therefor, its most recent financial statement of Tenant. Unless: (i) Landlord has reason to believe there has been a material reduction in the financial worth of any of such parties; or (ii) requested by any current or proposed lender, investor or purchaser of Landlord or the Building, such financial statement(s) shall not be required to be furnished more than twice each calendar year. If Tenant is a publicly traded company or Tenant's financial information is publicly available, Tenant shall not be obligated to deliver financial statement(s) hereunder.

37. **REPRESENTATIONS; AUTHORITY:**

37.1 Tenant: Tenant represents and warrants that: (i) there are no proceedings pending or, to the knowledge of Tenant, threatened before any court or administrative agency that would materially adversely affect the ability of Tenant to enter into this Lease or the validity or enforceability of this Lease; (ii) there is no provision of any existing mortgage, indenture, contract or agreement binding on Tenant which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Lease; (iii) if Tenant is a corporation, limited liability company, partnership or other legal entity, the person executing this Lease on behalf of Tenant represents and warrants that this Lease has been authorized and approved by the appropriate officers, members, managers, partners, beneficiaries, shareholders or other beneficial owner(s) of Tenant as may be required by law; (iv) Tenant is in good standing, qualified to do business in the state in which the Project is located; (v) Tenant has full right, power and lawful authority to execute, deliver and perform its obligations under this Lease, in the manner and upon the terms contained herein, and to grant the estate herein demised, with no other person needing to join in the execution hereof in order for this Lease to be binding on Tenant; and (vi) the financial information provided by Tenant to Landlord materially and accurately depicts the financial condition of Tenant as of the Effective Date of this Lease.

- 37.2 Landlord: Landlord represents and warrants to Tenant that Landlord has full right, power and lawful authority to execute, deliver and perform its obligations under this Lease, in the manner and upon the terms contained herein, and to grant the estate herein demised.
38. **JOINT AND SEVERAL LIABILITY**: In the event that more than one person or entity executes the Lease as Tenant, all such persons and entities shall be jointly and severally liable for all of Tenant's obligations hereunder.
39. **FORCE MAJEURE**: Landlord shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from doing so by cause or causes beyond Landlord's reasonable control which shall include, without limitation, all organized labor disputes, civil commotion, civil disorder, riot, civil disturbance, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations (excluding Tenant), orders, moratoriums or controls, fire or other casualty, reasonable inability to obtain any material or service, or Acts of God.
40. **RECORDING**: Tenant shall not record this Lease, or any memorandum or short form thereof, without the written consent and joinder of Landlord, which may be unreasonably withheld.
41. **BROKERS**: Landlord and Tenant each represent and warrant one to the other that except for the Brokers set forth in **Paragraph 1**, neither of them has employed any broker in connection with the negotiations of the terms of this Lease or the execution thereof. Landlord and Tenant hereby agree to indemnify and to hold harmless each other against any loss, expense or liability with respect to any claims for commissions, finder's fees or brokerage fees arising from or out of any breach of the foregoing representation and warranty. Landlord shall be responsible for paying any commission due Landlord's Broker in connection with this transaction pursuant to a separate written agreement between Landlord and Landlord's Broker. Landlord's Broker shall be responsible for any payment due to Tenant's Broker pursuant to a separate written agreement between Landlord's Broker and Tenant's Broker.
42. **ENTIRE AGREEMENT**: The foregoing, together with all Exhibits and Schedules attached hereto, constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.
43. **GOVERNING LAW**: This Lease shall be construed in accordance with the laws of the State in which the Project is located. Exclusive venue in any legal proceeding related to or arising out of this Lease shall be in the county and state where the Premises are located, and Tenant submits to personal jurisdiction and venue in such forum.
44. **EFFECT OF DELIVERY OF THIS LEASE: LANDLORD HAS DELIVERED A COPY OF THIS LEASE TO TENANT FOR TENANT'S REVIEW ONLY, AND THE DELIVERY HEREOF DOES NOT CONSTITUTE AN OFFER TO TENANT OR**

OPTION TO LEASE. THIS LEASE SHALL NOT BE EFFECTIVE UNTIL A FULLY EXECUTED COPY OF THIS LEASE HAS BEEN DELIVERED TO BOTH LANDLORD AND TENANT.

45. **WAIVER OF THE RIGHT TO TRIAL BY JURY: LANDLORD AND TENANT HEREBY KNOWINGLY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING THAT LANDLORD OR TENANT MAY HEREINAFTER INSTITUTE AGAINST EACH OTHER WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATED TO THIS LEASE OR THE LEASED PREMISES WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.**
46. **BANKRUPTCY:** Landlord and Tenant understand that, notwithstanding certain provisions to the contrary contained herein, a trustee or debtor in possession under the Bankruptcy Code may have certain rights to assume or assign this Lease. Landlord and Tenant further understand that, in any event, Landlord is entitled under the Bankruptcy Code to adequate assurances of future performance of the provisions of this Lease. The parties agree that, with respect to any such assumption or assignment, the term “adequate assurance” shall include at least the following:
- 46.1 In order to assure Landlord that the proposed assignees will have the resources with which to pay all Base Rent, Operating Expense Rent or other sum payable by Tenant pursuant to the provisions of this Lease, any proposed assignee must have, as demonstrated to Landlord's satisfaction, a net worth (as defined in accordance with generally accepted accounting principles consistently applied) of not less than the net worth of Tenant on the date this Lease became effective, increased by seven percent (7%), compounded annually, for each year from the Commencement Date through the date of the proposed assignment. It is understood and agreed that the financial condition and resources of Tenant were a material inducement to Landlord in entering into this Lease.
- 46.2 Any proposed assignee must have been engaged in the conduct of business for the five (5) years prior to any such proposed assignment, which business does not violate the Permitted Use, and such proposed assignee shall continue to engage in the Permitted Use and will not cause Landlord to be in violation or breach of any provision in any other lease, financing agreement, operating agreement or other agreement relating to the Project. It is understood and agreed that Landlord's asset will be substantially impaired if the trustee in bankruptcy or any assignee of this Lease makes any use of the Premises other than the Permitted Use.
- 46.3 Any proposed assignee of this Lease must assume and agree to be personally bound by the provisions of this Lease.
47. **SURVIVAL:** Anything contained in this Lease to the contrary notwithstanding, the expiration or termination of the Term of the Lease, whether by lapse of time or otherwise,

shall not relieve Tenant from Tenant's obligations accruing prior to the expiration or termination of the Term, all of which shall survive the same, whether or not same is expressly stated in the particular paragraph of this Lease, including, without limitation, Tenant's obligations with respect to: (i) the payment of Rent, (ii) any provisions of this Lease with respect to indemnities of Landlord made by Tenant; and (iii) the removal of all property of Tenant required to be removed hereunder and the repair of all damage to the Premises caused by such removal at the expiration or termination of this Lease to the extent required hereunder.

48. **COUNTERPARTS:** This Lease may be executed in any number of counterparts, which when taken together shall constitute one complete document.
49. **TELECOM:** Tenant understands and agrees that Landlord, in its reasonable discretion, expressly reserves the right to grant or deny access (to the Building or any portion thereof, including, without limitation, any tenant's premises) to any telecommunications service provider whatsoever, and that Tenant shall not have the right to demand or require Landlord to grant such access to any such telecommunications service provider. Notwithstanding the foregoing, Landlord hereby approves Tenant's use of Verizon or Frontier as telecommunications service providers. Further, Tenant expressly understands and agrees that notwithstanding anything to the contrary contained herein, Tenant shall not have the right to use the risers, raceways, conduits, or mechanical rooms in the Building for telecom purposes without Landlord's express written consent, which consent Landlord may withhold or condition in its reasonable discretion.
50. **CONFIDENTIALITY:** Tenant agrees, on behalf of Tenant and Tenant's employees, agents, contractors, consultants, partners, affiliates, assignees and subtenants, not to disclose the terms of this Lease or the results of any audit of Landlord's books and records under this Lease to any third party except (i) legal counsel to Tenant, (ii) any assignee of Tenant's interest in this Lease or any subtenant of Tenant relative to the Premises (or any portion thereof), (iii) as required by applicable law or by subpoena or other similar legal process, or (iv) for financial reporting purposes.
51. **DAYS:** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.
52. **OFAC REPRESENTATION:** For purposes hereof, "List" shall mean the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, and "OFAC" shall mean the Office of Foreign Assets Control, Department of the Treasury. Each party represents and warrants to the other that (i) each Person owning a ten percent (10%) or greater interest in such party is (A) not currently identified on the List, and (B) is not a person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States and (ii) each party has implemented procedures, and will consistently apply those procedures,

to ensure the foregoing representations and warranties remain true and correct at all times. Each party shall comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect and shall use reasonable efforts to notify the other in writing if any of the foregoing representations, warranties or covenants are no longer true or have been breached or if such party has a reasonable basis to believe that they may no longer be true or have been breached. In addition, at the request of a party, the other party shall provide such information as may be requested by the requesting to determine the other party's compliance with the terms hereof.

53. **TENANT REQUESTS:** Landlord shall accept or reject any request by Tenant to sign any agreement that is ancillary to this Lease in Landlord's sole and absolute discretion (including without limitation, an agreement to subordinate a lien held by Landlord in favor of a third-party lender, an agreement relating to an assignee or subtenant of Tenant, or an estoppel letter request by Tenant). Tenant shall promptly reimburse Landlord, as Additional Rent, for any costs incurred by Landlord in connection with the negotiation, preparation, review, or execution any such agreement, including without limitation, Landlord's attorneys' fees or the allocated costs of Landlord's in-house counsel; provided, however in no event shall such costs exceed \$2,500 per agreement.
54. **GUARANTOR:** Intentionally omitted.
55. **ADDENDUM:** Intentionally omitted.
56. **RENEWAL OPTION:** Provided Tenant is not in default as of the date of exercise of the Renewal Option nor at the date of the commencement of the Renewal Term, and Tenant has not done anything nor failed to do anything that, with the passage of time and/or the giving of notice, would constitute a default hereunder, Tenant shall have the right to exercise the Renewal Option specified in **Paragraph 1.17**. During the Renewal Term, all of the terms and conditions of this Lease except for Base Rent shall be the same. The Base Rent during the Renewal Term shall be the Fair Market Rental Value of the Premises (defined below). Tenant shall exercise its Renewal Option by furnishing Landlord written notice not earlier than twelve (12) months before the end of the then current Term and not later than nine (9) months before the end of the then current Term.

For all purposes hereof, the "Fair Market Rental Value of the Premises" will be the rental rate as determined by Landlord in its sole and absolute discretion, based upon the then prevailing rent for premises comparable in size and use to the Premises, located in buildings comparable in size and use to, and in the general vicinity of, the Project, taking into consideration all allowances for tenant improvements, moving expenses, landlord expenses, rent abatement, brokerage expenses, tenant benefits or any other market concessions which may be commonly available at the commencement of the Renewal Term. Landlord will not be required to consider the highest and best use for the Premises, or the Project where the Premises are located or the underlying land. Notwithstanding anything to the contrary contained in this **Paragraph**, the Base Rent for the Renewal Term

shall never be less than the Base Rent paid by Tenant during the year immediately preceding the Renewal Term.

Landlord shall, within thirty (30) days of receipt of Tenant's notice of Tenant's intent to exercise the Renewal Option, deliver a lease amendment containing the Fair Market Rental Value of the Premises for the applicable Renewal Term. All of the other terms and conditions shall remain as provided in this Lease. Tenant shall have forty-five (45) days to execute the amendment, thus exercising the Renewal Option. Should Tenant disagree with Landlord's interpretation of the Fair Market Rental Value of the Premises, Tenant's sole remedies shall be to decline to exercise the Renewal Option or to have the Fair Market Rental Value of the Premises determined by Baseball Arbitration (defined below). Tenant shall send written notice to Landlord of Tenant's election to decline to exercise the Renewal Option or to proceed to Baseball Arbitration within thirty (30) days after Tenant's receipt of the amendment from Landlord setting forth Landlord's determination of the Fair Market Rental Value of the Premises. If Tenant fails to execute the amendment within the thirty (30) day time frame set forth above or if Tenant fails to timely deliver to Landlord Tenant's election to have the Fair Market Rental Value of the Premises determined by Baseball Arbitration, Tenant shall conclusively be deemed to have declined to exercise the Renewal Option and the Lease shall end as of the end of the then current Term.

If Tenant elects to have the Fair Market Rental Value of the Premises determined by Baseball Arbitration, then the parties shall proceed to make such determination through "Baseball Arbitration" as follows:

(A) No later than five (5) days after the date Tenant exercises its right to have the Fair Market Rental Value of the Premises determined by Baseball Arbitration, Landlord and Tenant shall simultaneously present to each other their final determinations of the Fair Market Rental Value of the Premises (the "Final Offers").

(B) If Landlord and Tenant do not reach agreement on the Fair Market Rental Value of the Premises within five (5) days after exchanging the Final Offers, Landlord and Tenant shall mutually select one (1) broker to determine the Fair Market Rental Value of the Premises. Such broker shall be a licensed real estate broker with at least five (5) years active experience in the greater Long Beach, California area with office properties. If Landlord and Tenant cannot mutually agree on the choice of broker, each party shall select its own broker, and the two brokers shall jointly select a third broker, who shall make the sole determination.

(C) The broker so selected under subsection (B) shall make the final determination of the Fair Market Rental Value of the Premises, taking into account the criteria, and following the procedures, set forth in this **Paragraph 53**. The broker shall be required to select either the Final Offer proposed by Landlord or the Final Offer proposed by Tenant, without compromise, as the Fair Market Rental Value for the Premises.

(D) The decision of the broker shall be final but shall not be binding upon Landlord or Tenant as to the Fair Market Rental Value of the Premises until such time as the City Council authorizes execution of a separate amendment evidencing such Fair Market Value of the Premises. Notwithstanding the foregoing, in the event that City Council does not authorize execution of such amendment within forty-five (45) days after Landlord's delivery of such proposed amendment to Tenant, then the exercise of the Renewal Option shall be deemed rescinded and the Term will expire at the end of the then current term unless the parties agree otherwise in writing. The final Base Rent shall be set forth in a separate amendment to this Lease

57. **CERTIFIED ACCESS SPECIALIST.** For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that neither the Premises, the building of which the Premises is a part, nor the Project have 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 the event that the specific use and occupancy of the existing improvements on the Premises by Tenant and/or the construction of any new improvements on the Premises by Tenant requires any modifications, alterations or additions to such improvements in order to comply with the accessibility standards under applicable Legal Requirements, such modifications, alterations or additions shall be performed by Tenant at Tenant's sole cost and expense.
58. **GROUND LEASES:** Notwithstanding anything to the contrary in this Lease, Tenant hereby acknowledges and agrees this Lease is subject to and subordinate to the Ground Leases.

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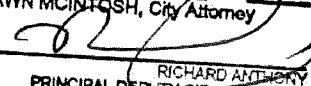
IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

"LANDLORD"

4900 LONG BEACH OFFICE, LLC, a Delaware limited liability company



By: _____
Name: Adam Behlman
Title: Vice President

APPROVED AS TO FORM
5-25-20-23
DAWN MCINTOSH, City Attorney
By: 
RICHARD ANTHONY
PRINCIPAL DEPUTY CITY ATTORNEY

“TENANT”

CITY OF LONG BEACH, a municipal corporation

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

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

SCHEDULE 1

LEGAL DESCRIPTION OF PROJECT

The land referenced herein is situated in the City of Long Beach, County of Los Angeles, State of California, and is described as follows:

PARCEL A:

PARCEL 4 OF PARCEL MAP NO. 17454, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 191, PAGES 55 AND 56 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. A CERTIFICATE OF CORRECTION RECORDED DECEMBER 18, 1987 AS INSTRUMENT NO. 87-2004117 OF OFFICIAL RECORDS.

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

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND, WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATE WELLS AND PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094, PAGE 1, OFFICIAL RECORDS AND AS PROVIDED IN DECREE RECORDED IN BOOK 43923, PAGE 238, OFFICIAL RECORDS, NEXT HEREIN REFERRED TO AS TO LOT 66 OF TRACT NO. 8084.

PARCEL B:

PARCEL 5 OF PARCEL MAP NO. 17454, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PAR MAP FILED IN BOOK 191, PAGES 55 AND 56 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. A CERTIFICATE OF CORRECTION RECORDED DECEMBER 18, 1987 AS INSTRUMENT NO. 87-2004117 OF OFFICIAL RECORDS.

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

ALSO EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH OF 500 FEET BELOW THE SURFACE OF SAID LAND, WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND, FOR THE PURPOSE OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES OR OTHER USE OR RIGHT IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, BUT WITH THE RIGHT TO DRILL INTO, LOCATE WELLS AND PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM ANY PORTION OF SAID LAND WHICH LIES BELOW 500 FEET FROM THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM MONTANA LAND COMPANY, RECORDED IN BOOK 32094, PAGE 1, OFFICIAL RECORDS AND AS PROVIDED IN DECREE RECORDED IN BOOK 43923, PAGE 238, OFFICIAL RECORDS, NEXT HEREIN REFERRED TO AS TO LOT 66 OF TRACT NO. 8084.

PARCEL C:

PARCEL 6 OF PARCEL MAP 17454, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 191, PAGES 55 AND 56 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. A CERTIFICATE OF CORRECTION RECORDED DECEMBER 18, 1987 AS INSTRUMENT NO. 87-2004117 OF OFFICIAL RECORDS.

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

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

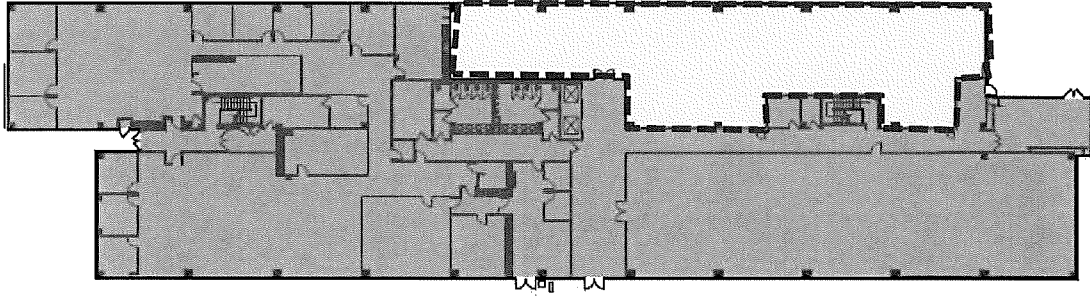
PARCEL D:

EXCLUSIVE EASEMENT OVER A PORTION OF PARCEL 9 OF PARCEL MAP 15307, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 159, PAGES 50 TO 53, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, FOR PARKING AND RELATED PURPOSES, FOR THE CONSTRUCTION THEREON OR PARKING IMPROVEMENTS AND FOR MAINTENANCE AND REPAIR, AS PROVIDED IN THE THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LONG BEACH AIRPORT BUSINESS PARK, RECORDED JUNE 25, 1996 AS INSTRUMENT NO. 96-998428 AND JUNE 27, 1996 AS INSTRUMENT NO. 96-1024334.

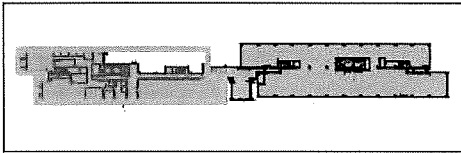
APN(S): 8940-415-013, 014 AND 015 (LEASEHOLD)

SCHEDULE 2
FLOOR PLAN OF PREMISES

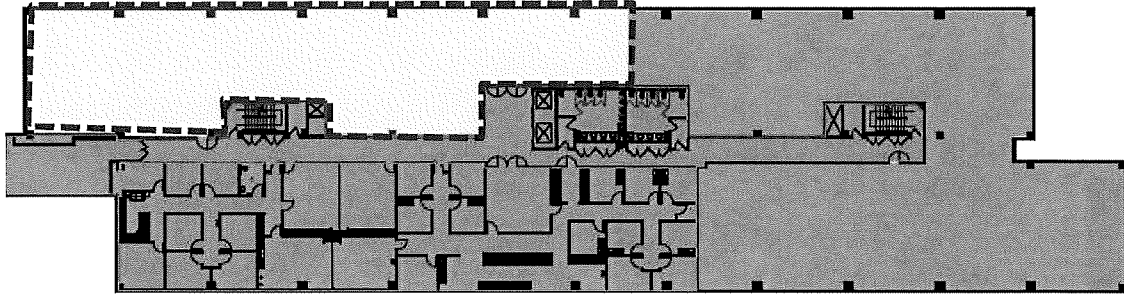
Suite 110 Premises



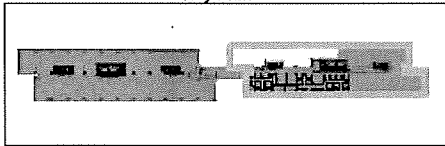
Key Plan



Suite 225 Premises



Key Plan



SCHEDULE 3

Construction Rider

THIS CONSTRUCTION RIDER (“Construction Rider”) is attached to and made a part of that certain Lease (the “Lease”) dated _____, 2023 by and between **4900 LONG BEACH OFFICE, LLC**, a Delaware limited liability company (“Landlord”), and **CITY OF LONG BEACH**, a municipal corporation of the State of California (“Tenant”).

All capitalized terms used in this Construction Rider which are defined in the Lease shall have the same respective meanings as given in the Lease.

I. Intentionally Omitted.

II. Tenant Improvements.

(a) Landlord, at Landlord’s cost and expense, but subject to the Tenant Improvement Allowance (defined in Section II(c) below), shall be solely responsible for construction of all leasehold improvements in the Premises (collectively, the “Tenant Improvements”) in accordance with the final plans and specifications that shall be mutually agreed upon by Landlord and Tenant (the “Plans and Specifications”). The Plans and Specifications shall be substantially similar to the preliminary plans and specifications that are attached as Exhibit A to this Construction Rider (the “Preliminary Plans and Specifications”). The Tenant Improvements shall be constructed by a general contractor selected by Landlord, in a good and workmanlike manner using building-standard materials, and shall comply at the time of completion with all applicable laws and regulations, codes, and requirements of the governmental authorities having jurisdiction. Landlord shall obtain at its cost all necessary permits and approvals in connection with the Tenant Improvements. If the date of Substantial Completion (as defined in Section II(b) below) of the Tenant Improvements is delayed due to any item associated with Tenant’s fixturing or buildout, changes requested by Tenant to the Plans and Specifications, or any other delay caused by Tenant or Tenant’s employees or agents, then the date of Substantial Completion of the Tenant Improvements shall be the date that the Tenant Improvements would have been substantially completed if not for such Tenant delay.

(b) “Substantial Completion” of the Tenant Improvements shall occur when (i) the Tenant Improvements have been completed (subject to minor punch list items which do not unreasonably interfere with Tenant’s normal use and occupancy of the Premises), (ii) a final inspection, a final unconditional certificate of occupancy, or a temporary certificate of occupancy has been received by the applicable governmental entity in writing approving the Tenant Improvements and allowing occupancy of the Premises by Tenant, if applicable, and (iii) the Premises is ready for possession by Tenant.

(c) Notwithstanding any provision in this Lease to the contrary, Landlord’s monetary obligations with respect to the construction of the Tenant Improvements shall be capped at One

Million Two Hundred Fifty Six Thousand Ninety and 00/100 Dollars (\$1,256,090.00) (the "Tenant Improvement Allowance"), which cap shall apply to all costs (the "Tenant Improvement Costs") incurred by Landlord in connection with the design, construction and completion of the Tenant Improvements, including a construction management fee to Landlord. Upon the occurrence of an Event of Default under this Lease by Tenant, Tenant shall immediately pay to Landlord the unamortized amount of the Tenant Improvement Allowance, amortized over a period beginning at the Rent Commencement Date and ending on the Expiration Date, at an assumed interest rate of eight percent (8%) per annum.

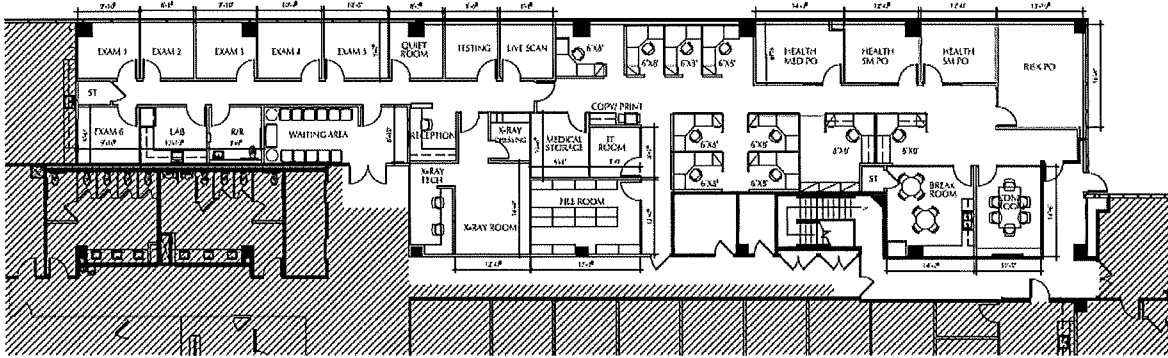
(d) Within sixty (60) days after receipt of a written invoice therefore, Tenant shall reimburse Landlord for all costs incurred by Landlord related to the Tenant Improvements that are not shown on the Preliminary Plans and Specifications, any additional improvements requested by Tenant (and approved by Landlord) other than the Tenant Improvements, and any costs related to the Tenant Improvements in excess of the Tenant Improvement Allowance.

(e) Landlord shall assign to Tenant all assignable warranties with respect to those parts of Tenant Improvements for which Tenant has maintenance, repair and replacement obligations under this Lease.

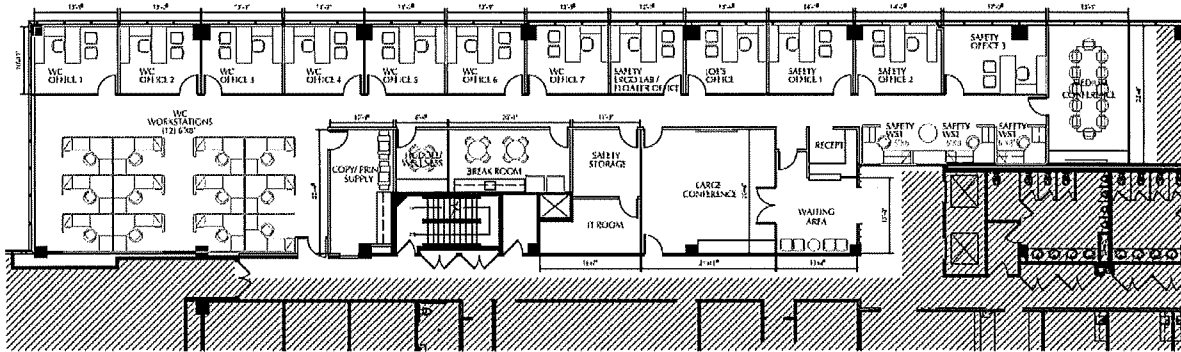
EXHIBIT A

PRELIMINARY PLANS & SPECIFICATIONS

Suite 110 Premises



Suite 225 Premises



SCHEDULE 4

INTENTIONALLY OMITTED

SCHEDULE 5

RULES AND REGULATIONS

1. In the event of any conflict between the terms of these rules and regulations and the express provisions of the Lease, the express, applicable provisions of the Lease shall control. Landlord reserves the right, without the approval of Tenant, to rescind, add to and amend any rules or regulations, to add new reasonable rules or regulations and to waive any rules or regulations with respect to any tenant or tenants. Tenant shall provide a copy of these rules and regulations to each of its employees to facilitate compliance with these standards.
2. The sidewalks, walks, plaza entries, corridors, ramps, staircases and elevators of the Project shall not be obstructed, and shall not be used by Tenant, or the employees, agents, servants, visitors or invitees of Tenant, for any purpose other than ingress and egress to and from the Premises. No skateboards, roller skates, roller blades or similar items shall be used in or about the Project.
3. No freight, furniture or other large or bulky merchandise or equipment of any description will be received into the Project or carried into the elevators, if any, except in such a manner, during such hours and using such elevators and passageways as may be approved or designated by Landlord, and then only upon having been scheduled in advance. Any hand trucks, carryalls, or similar equipment used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as Landlord shall reasonably require. Although Landlord or its personnel may participate or assist in the supervision of such movement, Tenant assumes financial responsibility for all risks as to damage to articles moved and injury to persons or public engaged or not engaged in such movement, including any equipment, property or personnel of Landlord damaged or injured in connection with carrying out this service for Tenant.
4. Landlord shall have the right to prescribe the weight, position and manner of installation of safes or other heavy equipment which shall, if considered necessary by Landlord, be installed in a manner which shall insure satisfactory weight distribution. All damage done to the Project by reason of a safe or any other article of Tenant's office equipment being on the Premises shall be repaired at the expense of Tenant. The time, routing and manner of moving safes or other heavy equipment shall be subject to prior approval by Landlord.
5. Only persons authorized by Landlord will be permitted to furnish newspapers, ice, drinking water, towels, barbering, shoe shining, janitorial services, floor polishing and other similar services and concessions in the Project, and only at hours and under regulations fixed by Landlord.

6. Tenant, or the employees, agents, servants, visitors or invitees of Tenant, shall not at any time place, leave or discard any rubbish, paper, articles or object of any kind whatsoever outside the doors of the Premises or in the corridors or passageways of the Project.
7. Tenant shall not place, or cause or allow to be placed, any sign, placard, picture, advertisement, notice or lettering whatsoever, in, about or on the exterior of the Premises, Building or Project, or which is visible from the exterior of the Project (e.g. in a window), except in and at such places as may be designated by Landlord and consented to by Landlord in writing. Any such sign, placard, advertisement, picture, notice or lettering so placed without such consent may be removed by Landlord without notice to and at the expense of Tenant. All lettering and graphics on corridor doors shall conform to the building standard prescribed by Landlord.
8. Tenant shall not place, or cause or allow to be placed, any satellite dish, communications equipment, computer or microwave receiving equipment, antennae or other similar equipment about or on the exterior of the Premises, Building or Project. Any such equipment so placed may be removed by Landlord without notice to and at the expense of Tenant.
9. Canvassing, soliciting or peddling in the Building and/or Project is prohibited and Tenant shall cooperate reasonably to prevent same.
10. Landlord shall have the right to exclude any person from the Project, and any person in the Project will be subject to identification by employees and agents of Landlord. Any persons in or entering the Project shall be required to comply with the security policies of the Project, including, without limitation, the showing of suitable identification and signing of a Building register when entering or leaving the Building. If Tenant desires additional security service for the Premises, Tenant shall have the right (with advance written consent of Landlord) to obtain such additional service at Tenant's sole cost and expense. Tenant shall keep doors to unattended areas locked and shall otherwise exercise reasonable precautions to protect property from theft, loss or damage. Landlord shall not be responsible for the theft, loss or damage of any property or for any error with regard to the exclusion from or admission to the Project of any person. In case of invasion, mob, riot or public incitement, the Landlord reserves the right to prevent access to the Project during the continuance of same by closing the doors or taking other measures for the safety of the tenants and protection of the Project and property or persons therein.
11. Only workmen employed, designated or approved by Landlord may be employed for repairs, installations, alterations, painting, material moving and other similar work that may be done in or on the Project.
12. Tenant shall not bring or permit to be brought or kept in or on the Premises or Project any flammable, combustible, corrosive, caustic, poisonous, or explosive substance, or firearms, or cause or permit any odors to permeate in or emanate from the Premises, or permit or suffer the Project to be occupied or used in a manner offensive or objectionable to Landlord

or other occupants of the Project by reason of light, radiation, magnetism, noise, odors and/or vibrations.

13. Tenant shall not mark, paint, drill into, or in any way deface any part of the Project or the Premises. No boring, driving of nails or screws, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant shall not install any resilient tile or similar floor covering in the Premises, except with the prior approval of Landlord, which approval shall not be unreasonably withheld or delayed.
14. No additional locks or bolts of any kind shall be placed on any door in the Project or the Premises and no lock on any door therein shall be changed or altered in any respect. Tenant shall not make duplicate keys. All keys shall be returned to Landlord upon the termination of this Lease and Tenant shall give to Landlord the explanations of the combinations of all safes, vaults and combination locks remaining with the Premises. Landlord may at all times keep a pass key to the Premises. All entrance doors to the Premises shall be left closed at all times and left locked when the Premises are not in use.
15. Tenant shall give immediate notice to Landlord in case of known theft, unauthorized solicitation or accident in the Premises or in the Project, or of known defects therein or in any fixtures or equipment, or of any known emergency in the Project.
16. Tenant shall not use the Premises or permit the Premises to be used for photographic, multilith or multigraph reproductions, except in connection with its own business and not as a service for others without Landlord's prior written permission.
17. No animals or birds shall be brought or kept in or about the Project, with the exception of guide dogs accompanying visually handicapped persons.
18. No awnings, draperies, shutters or other interior or exterior window coverings that are visible from the exterior of the Building or from the exterior of the Premises within the Building may be installed by Tenant without Landlord's prior written consent.
19. Tenant shall not place, install or operate within the Premises or any other part of the Project any engine, stove, or machinery, or conduct mechanical operations therein, without the written consent of Landlord.
20. No portion of the Premises or any other part of the Project shall at any time be used or occupied as sleeping or lodging quarters.
21. Tenant shall at all times keep the Premises neat and orderly.
22. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expenses 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 such damage.

23. All tenant modifications resulting from alterations or physical additions in or to the Premises must conform to all applicable building and fire codes. Tenant shall obtain written approval from the management office prior to commencement of any such modifications and shall deliver as built plans to the management office upon completion.
24. Tenant agrees to place all indoor potted plants requiring water within a container capable of collecting any water overflow, such containers to be approved and/or supplied by Landlord, at Tenant's sole expense. Tenant agrees to use caution so that indoor plants do not damage or soil the Premises.
25. Tenant shall not park (and shall ensure that Tenant's employees, agents, and invitees do not park) in any reserved parking space other than those reserved parking spaces, if any, specifically assigned to Tenant. Any vehicle improperly parked, or parked in any unauthorized parking area in the Project, shall be towed at the vehicle owner's expense and without further or additional notice.
26. Persons using the parking area serving the Project do so at their own risk. Landlord specifically disclaims all liability, except when caused solely by its gross negligence or willful misconduct, for any personal injury incurred by users of the parking area, their agents, employees, family, friends, guests or invitees, or as a result of damage to, theft of, or destruction of any vehicle or any contents thereof, as a result of the operation or parking of vehicles in the parking area.
27. Smoking is prohibited in the Premises, Building and Project except in specifically marked areas designated by Landlord.

SCHEDULE 6

TENANT ACCEPTANCE LETTER

This declaration is hereby attached to and made part of the Lease dated _____ entered into by and between _____ as Landlord and _____ as Tenant. Tenant, hereby confirms as of _____, 20__ the following:

1. Tenant has accepted possession of the Premises on _____, 20__ and is currently able to occupy the same.

2. The Commencement Date as defined in the Lease is _____, 20__.

3. The Rent Commencement Date as defined in the Lease is _____, 20__.

4. The Expiration Date of the Lease is _____, 20__.

5. All alterations and improvements required to be performed by Landlord pursuant to the terms of the Lease to prepare the entire Premises for Tenant's initial occupancy have been satisfactorily completed, except for the following:

6. As of the date hereof, Landlord has fulfilled all of its obligations under the Lease.

7. The Lease is in full force and effect and has not been modified, altered, or amended, except pursuant to any instruments described above, if any.

8. There are no offsets or credits against Base Rent or Additional Rent, nor has any Base Rent or Additional Rent been prepaid except as provided pursuant to the terms of the Lease.

9. Tenant has no notice of any prior assignment, hypothecation, or pledge of the Lease or any Rents due under the Lease.

“TENANT”

By: _____

Name: _____

Title: _____

SCHEDULE 7
INTENTIONALLY OMITTED

SCHEDULE 8
INTENTIONALLY OMITTED