

## RIGHT OF ENTRY AND DUE DILIGENCE AGREEMENT

**THIS RIGHT OF ENTRY AND DUE DILIGENCE AGREEMENT** (this “Agreement”), dated as of \_\_\_\_\_, 2020 (the “Effective Date”), is made by and between the **CITY OF LONG BEACH**, a municipal corporation, acting by and through its Board of Harbor Commissioners (“Seller”), and **LONG BEACH PUBLIC TRANSPORTATION COMPANY**, a California nonprofit corporation, which does business as “Long Beach Transit” (“Buyer”). Capitalized terms used herein shall have the meanings ascribed to such words in this Agreement.

**A.** Seller owns the ground lessee’s interest in real property and the improvements located in the City of Long Beach, County of Los Angeles, California, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “**Real Property**”), pursuant to that certain Lease Agreement (Parcel 2 of Parcel Map No. 17454 of Business Park) (Portion of Parcel 7 of Parcel Map No. 15307) dated December 15, 1986, as amended by the Amendment to Ground Lease dated July 12, 2004, and as amended by that certain Second Amendment to Ground Lease (Parcel 2 of Parcel Map 17454) dated August 13, 2019, a short form of which was recorded on December 16, 1986 as Instrument No. 86-1750032 in the Official Records of the County of Los Angeles, State of California (“**Official Records**”), as amended by that certain Memorandum of Ground Lease Amendment dated July 12, 2004 and recorded on July 26, 2004 as Instrument No. 04-1896819 in the Official Records, as further amended by that certain Memorandum of Ground Lease Amendment dated August 13, 2019 and recorded on February 11, 2020 as Instrument No. 20200167590 in the Official Records (as amended, the “**Ground Lease**”).

**B.** Seller also owns certain tangible personal property, and intangible property related to the Real Property (such property and the Real Property being referred to collectively herein as the “**Property**”).

**C.** Buyer wishes to investigate the Property in connection with the potential purchase of the Property from Seller. Seller is willing to grant to Buyer access to the Property to conduct various investigations and studies, under the terms and conditions provided for herein.

**D.** Concurrently herewith, Buyer is delivering to Seller a Purchase and Sale Agreement and Joint Escrow Instructions regarding sale of the Real Property between Seller and Buyer, executed only by Buyer (“**Purchase Agreement**”).

**NOW THEREFORE**, in consideration of the foregoing recitals and the mutual covenants contained herein and other good or valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, Seller and Buyer agree as follows:

### **AGREEMENT**

**1. Inspection Period and Notice.** For a period commencing on the date of mutual execution and delivery of this Agreement by Seller and Buyer and Buyer’s execution of the Purchase Agreement, and ending at 5:00 p.m. Pacific time on the date which is forty-five (45) days after mutual execution of this Agreement (the “**Inspection Period**”), Buyer shall have the

right to examine and inspect the Property and the Inspection Documents referenced in Section 2 below to determine in its sole discretion whether the Property is suitable for its intended uses or investment. Prior to the end of the Inspection Period, Buyer shall deliver to Seller written notice (“**Inspection Notice**”) that Buyer is either (i) satisfied with its inspections of the Property, in which case the parties shall proceed pursuant to the Purchase Agreement, or (ii) unsatisfied for any reason in its sole discretion as to the suitability of the Property, in which case this Agreement shall terminate. If Buyer fails to deliver to Seller an Inspection Notice prior to the end of the Inspection Period, Buyer shall be deemed to be satisfied with its inspections and to have elected to proceed with the purchase.

## 2 **Inspection and Access.**

2.1 **Inspection Documents.** Seller shall deliver or make available to Buyer for examination by Buyer and its employees, officers, directors, asset managers, engineers, surveyors, appraisers, attorneys, consultants, advisors, agents, accountants and other representatives (collectively, “**Buyer’s Representatives**”), books, files and records in the possession of Seller relating to Seller’s ownership, operation, and maintenance of the Property (collectively, the “**Inspection Documents**”). The Inspection Documents may be made available to Buyer by e-mail or by uploading to a data room (or such similar site) or by disk. Buyer may request that Seller deliver or make available to Buyer for examination materials relating to additional categories of information respecting the Property not reflected in the data room or otherwise provided to Buyer. Seller shall review Buyer’s request and respond as appropriate. Notwithstanding the foregoing, the Inspection Documents exclude, and Seller is not obligated to disclose to Buyer, appraisals, attorney-client privileged documents and/or work product materials, internal communications, reports and studies, materials, records or reports concerning the sale of the Property, personnel records or files, or materials that are the subject of a confidentiality agreement. As referenced herein, “**Seller’s Representatives**” shall mean and include Seller’s employees, officers, directors, commissioners, property managers and agents. Subject to Section 2.3, Buyer shall have the right to make copies of such Inspection Documents and to extract therefrom such information as it may deem necessary. Except as may be specifically set forth in this Agreement or the Purchase Agreement, Seller makes no representations or warranties regarding the accuracy of the Inspection Documents or that the Inspection Documents are complete copies of the same. Buyer acknowledges and understands that all such materials made available by Seller are only for Buyer’s convenience in making its own examination and determination prior to the end of the Inspection Period as to whether it wishes to purchase the Property, and, in so doing, Buyer shall rely exclusively upon its own independent investigation and evaluation of every aspect of the Property including its review of any materials supplied by Seller, as well as Seller’s representations and warranties in the Purchase Agreement.

2.2 **Physical Inspection.** At all times during the Inspection Period and prior to termination of this Agreement, Buyer shall have the right, subject to the terms of this Section 2.2, to enter upon the Property and the land covered by that certain Parking Agreement dated as of May 25, 1990 and recorded in the Official Records of Los Angeles County, State of California as Instrument No. 90-965129 (“**Parking Agreement**”) to inspect, test, investigate, study, and survey the Property (collectively, the “**Inspections**”). All Inspections shall be done: (i) at any reasonable time during ordinary business hours upon not less than one business day’s prior notice to Seller; (ii) at the sole cost of Buyer; (iii) in a manner not unreasonably disruptive to the

operation of the Property; and (iv) in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations. Notwithstanding the foregoing, Buyer must obtain Seller's prior written approval of the scope and method and party to perform any environmental testing or review, and any intrusive or destructive inspection, testing or investigation of the Property. Subject to Seller's prior written approval, which approval shall not be unreasonably withheld, Buyer may conduct testing for asbestos containing materials. Further, Seller shall not unreasonably withhold its approval of any non-invasive inspections, tests or studies, such as a Phase I environmental inspection and customary physical engineer's inspection, but may impose conditions thereon to ensure that Buyer takes all appropriate safety precautions. Seller and the Seller's Representatives shall have the right to be present during any Inspection of the Property (including any interviews or meetings) and, upon Seller's written request, Seller shall be provided with specimens of all samples or borings taken and copies of any reports or studies obtained by Buyer with respect to the Property. Buyer agrees to cooperate with any reasonable request by Seller in connection with the timing and method of any such Inspection. Buyer or any other of Buyer's Representatives may contact the lessee of Parcel 3 of Parcel Map 17454 ("**Parcel 3 Lessee**") and shall deliver to Seller not less than one business day's prior written notice of any such meeting or communication, and Seller shall have the right to be present (or to have an Seller's Representative present), during any such meeting or communication.

2.3 Confidentiality of Due Diligence Materials. Subject to applicable laws, (i) all Inspection Documents; and (ii) all information obtained by Buyer from unaffiliated third parties relating to the Property in the course of Buyer's review (other than information publicly available), including, without limitation, any environmental assessment or audit (the "**Consultant Reports**"), shall be treated as confidential information by Buyer; provided, however, Buyer may disclose such information to a Buyer's Representative in connection with this transaction so long as such Buyer's Representative is obligated to keep all such materials confidential as referenced herein, or as such disclosure is otherwise required by law or judicial order. Buyer shall instruct all parties reviewing such Inspection Documents and Consultant Reports as to the confidentiality of all such information. In the event that this transaction fails to close for any reason, Buyer shall return all copies of the Inspection Documents, maintain the confidentiality of the Inspection Documents and Consultant Reports, and direct all Buyer's Representatives not to disclose any such information to any other party, except as may be required by law or judicial order. Buyer agrees to deliver to Seller, upon Seller's written request, copies of any Consultant Reports; provided, however, that (i) Buyer shall not be liable in any manner for any information or statements contained in the Consultant Reports, and (ii) Buyer shall have no obligation to deliver the Consultant Reports to Seller to the extent prohibited from doing so by the provider of the Consultant Reports (but upon Seller's request, shall make an effort to obtain such provider's consent). The obligations to return the Inspection Documents and to deliver the Consultant Reports upon Seller's written request shall survive termination of this Agreement by Buyer.

2.4 Damage to the Property. If Buyer or any Buyer's Representative, during its Inspection of the Property as provided for herein, in any way damages the Property, then Buyer shall promptly repair such damage. Buyer shall indemnify, defend and hold harmless Seller and Seller's Representatives from any liability for any personal injury or property damage resulting from or arising out of any such Inspection, whether occasioned by the acts of Buyer or any Buyer's Representative; provided, however, that Buyer shall have no obligation to so

indemnify, defend and hold harmless Seller and Seller's Representatives with respect to any liability to the extent resulting from (i) Seller's or any Seller's Representative's gross negligence or willful misconduct; (ii) any preexisting Hazardous Materials; or (iii) any preexisting dangerous or defective condition at the Real Property. Buyer's obligations contained in Sections 2.2, 2.3 and 2.4 shall survive the Closing (as defined in the Purchase Agreement) or the termination of this Agreement, as applicable.

2.5 Insurance Requirements. As a condition precedent to the effectiveness of this Agreement, Buyer shall comply with the insurance requirements attached hereto as Exhibit D.

2.6 Parking Agreement. Buyer and Seller acknowledge that the current amounts paid by Seller to the ground lessee of the land covered by the Parking Agreement ("**Parcel 3 Lessee**") are pursuant to a separate agreement between the parties and are not consistent with the terms of the Parking Agreement.

2.7 Emergency Generator. Buyer and Seller acknowledge that the emergency generator designated for the Property is located on Parcel Map 17454 but not on Parcel 2 of Parcel Map 17454.

2.8 Fiber Lines. Buyer and Seller acknowledge that there are fiber lines, wires, cables, conduits and other equipment within and through the Real Property which are used by and benefit the City of Long Beach. The City of Long Beach shall continue to use such equipment and requires access onto the Real Property for purposes of installation, operation, inspection, maintenance, repair and replacement of such equipment so long as the City of Long Beach is occupying and/or subleasing that certain property located at 4811 Airport Plaza, Long Beach, California 90815, identified as A.P.N. 7149-013-922, which is part of the project commonly known as the Long Beach Airport Business Park.

### 3. Title and Survey.

(a) Title Examination and Commitment. Prior to the date hereof, Seller has caused First American Title Company (the "**Title Company**") to deliver to Buyer a preliminary title report (the "**PTR**") covering the Real Property.

(b) Survey. Buyer may, at its sole cost and expense, update and/or re-certify any existing survey or obtain a new survey of the Real Property (such updated or new surveying being referred to hereafter as the "**Survey**").

(c) Title Objections. Buyer shall have until the date which is ten (10) days prior to the expiration of the Inspection Period (the "**Title Review Period**") to review and approve: (i) the condition of title to the Real Property; (ii) the PTR and any supplements, amendments or updates thereto, and all exceptions to title disclosed therein; and (iii) whether existing, updated, re-certified or new, the Survey (collectively, the "**Title Matters**"). Prior to the end of the Title Review Period, Buyer shall deliver to Seller and the Title Company written notice of Buyer's approval or disapproval of the Title Matters. In the event that Buyer does not approve one or more of the Title Matters (other than the standard printed exceptions set forth in the standard form of PTR, which are to be deleted or otherwise modified consistent with an

ALTA (Extended Coverage, if available/appropriate) Seller's Title Policy), the written notice must include a description of Buyer's objections to the Title Matters (the "**Title Objections**"). If Buyer fails to deliver to Seller and Title Company prior to the expiration of the Title Review Period such notice of approval or disapproval of the Title Matters reflected in the PTR, Buyer shall be deemed to have accepted all Title Matters.

4. **Estoppel Certificates.** Subject to the terms of this Section 4, Seller shall use good faith reasonable efforts to obtain and deliver to Buyer, not less than five (5) business days prior to the end of the Inspection Period (the "**Estoppel Deadline Date**"), (a) an estoppel certificate substantially in the form attached hereto as Exhibit B and incorporated herein by this reference (the "**CC&R's Estoppel**") executed by the Airport Plaza Owners Association (the "**Association**") with respect to the Declaration of Covenants, Conditions, and Restrictions Long Beach Airport Business Park dated January 31, 1983 and recorded with the Los Angeles County Recorder on March 9, 1983 as Instrument No. 83-262462, as amended by a first amendment recorded June 14, 1988 as Instrument No. 88-937726, by a second amendment recorded May 30, 1990 as Instrument No. 90-965276, and by a third amendment recorded July 27, 1996 as Instrument No. 96-1024334, and (b) an estoppel certificate substantially in the form attached hereto as Exhibit C (the "**Maintenance Declaration Estoppel**") executed by the Association with respect to the Maintenance Declaration (Long Beach Airport Business Park) dated January 31, 1983 and recorded on March 8, 1983 as Instrument No. 83-256290 (the estoppel delivery requirements in (a) and (b) above being collectively the "**Estoppel Delivery Requirement**"). The estoppels described in (a) and (b) above may be combined into a single estoppel certificate in the discretion of Seller. Prior to submission, each form of estoppel will have provided to Buyer for its review. Each executed estoppel which is dated after the date hereof and contains only non-material exceptions, qualifications or modifications, in Buyer's reasonable judgment, shall be deemed to be substantially in compliance with the requirements of this Section 4.

5. **Covenants of Seller and Buyer.**

5.1 **Maintenance.** From signing this Agreement until the Closing or earlier termination of this Agreement:

(a) Seller shall operate and maintain the Property in substantially the same manner, condition and repair and to the same standards as Seller did immediately prior to signing this Agreement, provided that Seller shall not be required to make capital expenditures outside of the ordinary course. Seller shall keep its existing insurance coverages with respect to the Property in full force and effect.

(b) Seller shall not make any material structural alterations or additions to the Property except (i) in the ordinary course of operating the Property, (ii) required maintenance and repair, (iii) alterations required by the Lease, or (iv) alterations required by this Agreement or applicable laws.

(c) Subject to Section 5.2 and 5.3 below, Seller shall not sell, transfer, or encumber the Property or any portion thereof and Seller shall not take any action resulting in, or through inaction permit, any changes in the Title Matters.

(d) Seller shall not file any application or request with any governmental or quasi-governmental agency which would or could lead to any change in zoning, parcelization, licenses, permits or other entitlements or any other investigation or restriction on the use of the Property or any part thereof except for filings or requests approved in advance by Buyer.

(e) Seller shall maintain and not cancel, amend or modify, in a manner materially adverse to the Property, any license or permit held by Seller with respect to the Property or any part thereof which Buyer desires to assume or which would otherwise be binding upon Buyer after the Closing.

5.2 New Leases. Seller shall not enter into any leases for the Property or any part thereof without the prior written consent of Buyer, which consent may be withheld in the sole discretion of Buyer.

5.3 Irrevocability of Purchase Agreement. Buyer shall not revoke or otherwise withdraw the Purchase Agreement prior to execution and delivery of the Purchase Agreement by Seller. Notwithstanding the foregoing, if the Purchase Agreement has not been executed and delivered by Seller within sixty (60) days of the Effective Date, Buyer may revoke the Purchase Agreement and Buyer's offer to purchase the Property therein, and thereafter this Agreement shall terminate and shall be of no further force or effect (other than Sections 2.3, 2.4 and 6 which survive indefinitely) unless otherwise agreed in writing by Seller and Buyer in writing, each in their sole and absolute discretion. Upon Seller's execution of the Purchase Agreement, the Purchase Agreement shall constitute a binding contract.

## 6. Miscellaneous.

6.1 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective either: (a) on the date personally delivered to the address below, as evidenced by written receipt therefor, or when sent by email transmission, as evidenced by email confirmation, whether or not actually received by the person to whom addressed provided it was sent in business hours, otherwise, the following business day; (b) on the third (3rd) business day after being sent, by certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at the address specified below; or (c) on the first (1st) business day after being deposited into the custody of a nationally recognized overnight delivery service such as Federal Express or United Parcel Service, addressed to such party at the address specified below. For purposes of this Section 11.1, the addresses of the parties for all notices are as follows (unless changed by similar notice in writing given by the particular person whose address is to be changed):

If to Buyer:

Long Beach Public Transportation Company  
dba Long Beach Transit  
1963 E. Anaheim Street  
Long Beach, California 90813  
Attn: Kenneth A. McDonald, President and CEO  
Telephone: (562) 591-8753  
email: kmcdonald@lbtransit.com

with a copy to: Long Beach Public  
Transportation Company  
dba Long Beach Transit 1963 E. Anaheim Street  
Long Beach, California 90813  
Attention: Debra A. Johnson, Deputy CEO  
Telephone: (562) 591-8753  
email: djohnson@lbtransit.com

and to:

Long Beach Public Transportation Company  
dba Long Beach Transit  
1963 E. Anaheim Street  
Long Beach, California 90813  
Attn: Vincent C. Ewing, General Counsel  
Telephone: (562) 591-8753  
email: vewing@lbtransit.com

If to Seller:

The Port of Long Beach  
415 W. Ocean Blvd.  
Long Beach, California 90802  
Attention: Executive Director  
Telephone: (562) 283-7450  
email: eamonn.killeen@polb.com

with a copy to:

Long Beach City Attorney  
411 W. Ocean Blvd., 9<sup>th</sup> Floor  
Long Beach, California 90802  
Attn: Charles Gale, Principal Deputy City Attorney  
Telephone: (562) -570-2251  
email: charles.gale@longbeach.gov

and to:

Nossaman LLP  
777 S. Figueroa Street, 34<sup>th</sup> Floor  
Los Angeles, California 90017  
Attn: Karla N. MacCary  
Telephone: (213) 612-7862  
email: kmaccary@nossaman.com

If to Escrow Holder: First American Title Insurance Company  
777 S. Figueroa Street, Suite 400  
Los Angeles, CA 90017  
Attn: Maria Martinez  
Escrow No. NCS-994573  
Telephone: (213) 271-1780  
email: [mariamartinez@firstam.com](mailto:mariamartinez@firstam.com)

If to Title Company: First American Title Insurance Company  
777 S. Figueroa Street, Suite 400  
Los Angeles, CA 90017  
Attn: Edward Luque  
Order No. NCS-994573-LA2  
Telephone: (213) 271-1730  
email: [eluque@firstam.com](mailto:eluque@firstam.com)

6.2 Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

6.3 Captions. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

6.4 Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof. All references herein to a particular time of day shall be deemed to refer to Pacific Standard Time. In the event any date described in this Agreement relative to the performance of actions hereunder by Buyer, Seller and/or Escrow Holder falls on a Saturday, Sunday or legal holiday, such date shall be deemed postponed until the next business day thereafter.

6.5 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California. Venue for any matter arising out of this Agreement shall be Los Angeles County, California.

6.6 Successors and Assigns; Assignment. Buyer may not assign, transfer or convey its rights and/or obligations under this Agreement and/or with respect to the Property except with the prior written consent of Seller, which consent Seller may give or withhold in Seller's sole and absolute discretion. Any attempted assignment without the prior written consent of Seller shall be void and Buyer shall be deemed in default hereunder. Any permitted assignments shall not relieve the assigning party from its liability under this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties thereto, to any person or entity other than the parties hereto.



6.7 Partial Invalidity. If any portion of this Agreement as applied to either party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way effect the validity or enforceability of the remaining portions of this Agreement.

6.8 Enforcement. In the event a dispute arises concerning the performance, meaning or interpretation of any provision of this Agreement or any document executed in connection with this Agreement, the prevailing party in such dispute shall be awarded any and all costs and expenses incurred by such party in enforcing, defending or establishing its rights hereunder or thereunder, including, without limitation, court costs and reasonable attorneys' fees. In addition to the foregoing, the prevailing party shall also be entitled to recover its reasonable attorneys' fees incurred in any appeals or any post judgment proceedings to collect or enforce any such judgment.

6.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

6.10 Exhibits. The Exhibits attached hereto are hereby incorporated herein by this reference for all purposes.

6.11 Construction. Seller and Buyer acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

6.12 Further Assurances. Buyer and Seller hereby agree to perform, execute and deliver, or cause to be performed, executed and delivered any and all such further acts, instruments, documents and assurances and to diligently undertake such actions as may be required in order to consummate the transactions contemplated hereunder.

6.13 No Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

6.14 Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby. This Agreement and the Purchase Agreement (if and when executed by the Seller) constitute the entire agreement of Buyer and Seller.

6.15 Survival. All of the provisions of this Section 6 shall survive the Closing or any earlier termination of this Agreement.

*[signature page(s) follows]*

IN WITNESS WHEREOF, the parties have executed this Agreement the dates set forth below.

**SELLER:**

CITY OF LONG BEACH, a  
municipal corporation, acting by and through  
its Board of Harbor Commissioners

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to form:

CHARLES PARKIN, City Attorney

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: Charles M. Gale

Its: Principal Deputy City Attorney

**BUYER:**

**LONG BEACH PUBLIC TRANSPORTATION  
COMPANY**, a California nonprofit corporation, which  
does business as “Long Beach Transit”

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: Kenneth A. McDonald

Title: President and CEO

Approved as to form:

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: Vincent C. Ewing

Title: General Counsel

**A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.**

[illegible]

On \_\_\_\_\_ before me, \_\_\_\_\_, a notary public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(AFFIX NOTARIAL SEAL)

NOTARY PUBLIC

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF LAND**

REAL PROPERTY IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

#### **PARCEL A:**

PARCEL 2 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. AS AMENDED BY A CERTIFICATE OF CORRECTION RECORDED DECEMBER 18, 1987 AS INSTRUMENT NO. 87-2004117 OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL OIL GAS, AND OTHER HYDROCARBONS IN AND UNDER SAID LAND, BUT WITHOUT THE RIGHT TO USE THE SURFACE, OR SUBSURFACE OF SAID LAND ABOVE A DEPTH OF 100 FEET; AS RESERVED BY BIXBY LAND COMPANY, A CORPORATION, IN DEEDS RECORDED IN BOOK 18884, PAGE 347, BOOK 24554, PAGE 211, BOOK 28612, PAGE 328, BOOK 38790, PAGE 367, BOOK 46180, PAGE 51, BOOK 49399, PAGE 406, BOOK D-721, PAGE 154 AND BOOK 37202, PAGE 307, ALL OF OFFICIAL RECORDS OF SAID COUNTY; AND AS RESERVED BY WHEELER F. CHASE IN DEED RECORDED IN BOOK 41754, PAGE 423, OFFICIAL RECORDS OF SAID COUNTY.

#### **PARCEL B:**

AN EASEMENT TO PARK 716 AUTOMOBILES WHICH PARKING SHALL BE LOCATED ON PARCEL 3 OF PARCEL MAP 17454 AS SURFACE PARKING OR WITHIN THAT CERTAIN PARKING STRUCTURE SITUATED ON PARCEL 3 OF PARCEL MAP NO. 17454, AS PER MAP FILED IN BOOK 191, PAGES 55 AND 56 OF PARCEL MAPS, AND A PORTION OF PARCEL 6 OF PARCEL MAP 15307, AS PER MAP FILED IN BOOK 159, PAGES 50 THROUGH 53, OF PARCELS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH AN EASEMENT OF INGRESS AND EGRESS OVER SAID PARCEL 3 TO THE PARKING STRUCTURE, AS PROVIDED IN THE DOCUMENT ENTITLED "PARKING AGREEMENT" (BUILDING E), RECORDED AS INSTRUMENT NO. 90-965129 ON MAY 30, 1990, TOGETHER WITH THE PARKING RIGHTS ESTABLISHED AND MODIFIED THEREIN UNDER THE AMENDMENT TO GROUND LEASE AS EVIDENCED BY DOCUMENT ENTITLED "MEMORANDUM OF AN AMENDMENT OF GROUND LEASE" RECORDED JULY 26, 2004 AS INSTRUMENT NO. 04-1896819 BOTH OF OFFICIAL RECORDS OF LOS ANGELES COUNTY, CALIFORNIA.

#### **PARCEL C:**

NON-EXCLUSIVE EASEMENTS FOR ACCESS, INGRESS, EGRESS AND PARKING PURPOSED IN AND TO THE "COMMON AREA" AS DEFINED IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LONG BEACH AIRPORT BUSINESS PARK RECORDED MARCH 9, 1983 AS INSTRUMENT NO. 83-262462 AND AS AMENDED BY DOCUMENTS RECORDED JUNE 26, 1984 AS INSTRUMENT NO. 84-759327, AND SEPTEMBER 3, 1985 AS INSTRUMENT NO. 85-1019578, AND SEPTEMBER 3, 1987 AS INSTRUMENT NO. 87-1426823, AND JUNE 14, 1988 AS INSTRUMENT NO. 88-937726, AND

MAY 30, 1990 AS INSTRUMENT NO. 90-965276, AND JUNE 27, 1996 AS INSTRUMENT NO. 96-1024334 OF OFFICIAL RECORDS, SUBJECT TO THE TERMS AND CONDITIONS CONTAINED THEREIN.

APN: 7149-013-924, 7149-013-923 and 8940-415-005

**EXHIBIT B**  
**CC&R'S ESTOPPEL CERTIFICATE**

\_\_\_\_\_, 2020

Re: 4801 Airport Drive, Long Beach, California

Ladies and Gentlemen,

Reference is hereby made to that certain Declaration of Covenants, Conditions and Restrictions Long Beach Airport Business Park, a Planned Building Development Los Angeles County, California made by Long Beach Airport Business Park, a California general partnership made up of Signal Development Corporation, a California corporation ("Signal"), and Carlton Browne and Company, Inc., a California corporation ("Declarant"), dated January 31, 1983 and recorded in the Official Records of Los Angeles County (the "Official Records") as Instrument No. 83-262462 on March 9, 1983 (the "Restrictions"); as amended by that certain First Amendment to Declaration of Covenants, Conditions and Restrictions Long Beach Airport Business Park (the "First Amendment"), made by and among Declarant, Signal and Airport Plaza Owners Association, a California nonprofit mutual benefit corporation (the "Association"), executed on June 2, 1988 and recorded June 14, 1988 as Instrument No. 88-937726 in the Official Records; as amended by that certain Second Amendment to Declaration of Covenants, Conditions and Restrictions Long Beach Airport Business Park (the "Second Amendment"), made by and among Declarant, Odnum Two USA, Inc., a California corporation, San Bernardino County Employees' Retirement Association and the Association, executed effective as of May 29, 1990 and recorded May 30, 1990 as Document No. 90-965276 in the Official Records; as amended by that certain Third Amendment to Declaration of Covenants, Conditions and Restrictions Long Beach Airport Business Park (the "Third Amendment"), made by and among the Association, Ruffin Hotels, L.P., a California limited partnership, dba Long Beach Marriott Hotel, Automobile Club of Southern California, Inc., a California corporation, Long Beach Airport business Park II, a California limited partnership, MedPartners/Mullikin, Inc., a California corporation, LAOP IV, LLC, a Nevada limited liability company, 5000 Spring Associates, LLC, a Nevada limited liability company, Anaheim Properties Company, LLC, a California limited liability company, and Arthur Gilbert, as Trustee of the Arthur Gilbert and Rosalinde Gilbert 1982 Trust, as amended, as tenants in common, executed effective as of March 15, 1996 and recorded June 27, 1996 as Document No. 96-1024334 in the Official Records (together with the Restrictions, the First Amendment, the Second Amendment and the Third Amendment, the "Declaration"). All capitalized terms not defined herein shall have the meaning set forth in the Declaration.

The undersigned acknowledges that Long Beach Public Transportation Company, a California nonprofit corporation, which does business as "Long Beach Transit" (together with its affiliates, successors, and assigns, "Buyer"), may be acquiring from the City of Long Beach, a municipal corporation, acting by and through its Board of Harbor Commissioners ("Seller"),

Exhibit B

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RIGHT OF ENTRY AND DUE DILIGENCE  
AGREEMENT  
Airport Building, Long Beach

Seller's ground leasehold estate in that certain real property subject to the Declaration which is located at 4801 Airport Plaza Drive, Long Beach, California (the "Subject Property").

In connection with the foregoing, the undersigned Association hereby warrants, represents, certifies and agrees as follows:

1. The Declaration in its entirety is in full force and effect and has not been amended, modified or supplemented by any other recorded or unrecorded document, plat or agreement. A true, complete and correct copy of the Declaration is attached hereto as Exhibit A. There are no pending amendments, modifications or supplements to the Declaration.

2. A true, complete and correct copy of the Articles of Incorporation of the Association dated as of December 20, 1982 and filed with the California Secretary of State on January 6, 1983 (the "Articles"), is attached hereto as Exhibit B. The Articles have not been amended, modified or supplemented. There are no pending amendments, modifications or supplements to the Articles.

3. A true, complete and correct copy of the currently effective By-Laws of the Association (the "By-Laws"), is attached hereto as Exhibit C. The By-Laws have not been amended, modified or supplemented. There are no pending amendments, modifications or supplements to the By-Laws.

4. A true, complete and correct copy of the Rules and Regulations of the Association (the "Rules") is attached hereto as Exhibit D. The Rules have not been amended, modified or supplemented. There are no pending amendments, modifications or supplements to the Rules.

5. The Regular Assessments levied against Seller, as ground lessee of the Subject Property, for fiscal year 2020 are \$\_\_\_\_\_, the Special Assessments levied against Seller, as ground lessee of the Subject Property, for fiscal year 2020 are \$\_\_\_\_\_ and the Capital Improvement Assessments levied against Seller, as ground lessee of the Subject Property, for fiscal year 2020 are \$\_\_\_\_\_. All such Regular Assessments, Special Assessments and Capital Improvement Assessments for fiscal year 2020 payable by Seller have been paid in full.

6. As of the date hereof, Seller, as ground lessee of the Subject Property, is not in breach, default or violation of any of its payment or other obligations under the Declaration, and no event has occurred that, with the passage of time or with the giving of notice, or both, would result in a breach, default or violation by Seller of any of such obligations, except as set forth below (if none, so state):

\_\_\_\_\_

\_\_\_\_\_

7. As of the date hereof, there are no monetary fines or penalties owed by Seller or any complaints or notices of violation or deficiency issued against the Subject Property, and there has been no suspension of privileges (including, without limitation, voting rights and privileges) of Seller or the occupants of the Subject Property by the Association with respect to



the right of use and enjoyment of any portion of the Subject Property burdened by the Declaration.

8. There is no existing breach, default or violation under any provision of the Declaration by any other Owner or the Association.

9. As of the date hereof, the members of the Board of Directors of the Association are as follows:

10. As of the date hereof, the identity of each Member of the Association, each such Member's "Percentage Interest" for purposes of voting power and each such Member's share of the Regular Assessments, Special Assessments and Capital Improvement Assessments under the Declaration are as identified in the chart on Exhibit E attached hereto.

11. A true, correct and complete copy of all rules, regulations and guidelines adopted by the Architectural Control Committee (the "Committee") are attached hereto as Exhibit F. These rules, regulations and guidelines have not been amended, modified or supplemented. There are no pending amendments, modifications or supplements to such rules, regulations and guidelines.

12. As of the date hereof, the members of the Committee are as follows:

13. As of the date hereof, other than delegations to the Committee as permitted by the Declaration, and delegations to RiverRock Real Estate Group, Inc., with respect to the management and operation of the Common Areas, the Association has not delegated any of its responsibilities under the Declaration.

14. The Association maintains liability and casualty insurance as required pursuant to the Declaration, including All Risk extended coverage in the amount of \$1,000,000, for the full replacement value of the insurable real and personal property within the Common Area. Such liability and casualty insurance names each Owner and their respective tenants, guests and invitees as additional insureds.

15. The undersigned confirms that from and after the date hereof, its address for all notices under the Declaration is:

Airport Plaza Owners Association  
c/o RiverRock Real Estate Group, Inc.  
5000 E. Spring Street, Suite 220  
Long Beach, CA 90815

16. The Declaration shall not expire or terminate until all of the ground lease agreements and ground sublease agreements with respect to the property subject to the Declaration have expired by their terms.

17. Except for the Exclusive Use Common Areas expressly designated in the First Amendment, the Second Amendment and the Third Amendment, the Association has not designated any Exclusive Use Common Areas within the property subject to the Declaration.

18. Declarant has no further rights or obligations under the Declaration and holds no interest in the property which is subject to the Declaration.

19. The Common Areas are separately taxed parcels.

20. The reference to “the commencement date of the term of the Master Lease” in Section 9.2 of the Declaration, as applied to any particular Unit subject to the Declaration means the commencement date of the applicable ground lease or ground sublease with respect to such Unit.

21. Attached here as Exhibit G is a duly adopted Resolution of the Board of Directors of the Association evidencing the Board’s approval of (i) this Estoppel certificate and (ii) the execution and delivery of this Estoppel Certificate by \_\_\_\_\_, in his/her capacity as the President of the Association.

22. The person signing this Estoppel Certificate on behalf of the undersigned is a duly authorized agent of the undersigned and has the right and authority to bind the Association.

23. The Association hereby agrees that at the request of Buyer and any future lender or purchaser of the Subject Property, it will deliver a certificate in substantially the same form as this Estoppel Certificate with such updates as are necessary to reflect the facts and circumstances at the time any such future certificate is delivered.

24. This Estoppel Certificate is given to Buyer with the understanding that Buyer and any future lender and purchaser of the Subject Property will rely hereon in connection with the purchase of the Subject Property and any financing relating to the Subject Property. This Estoppel Certificate shall inure to the benefit of Buyer, any future lender and purchaser of the Subject Property, and their respective successors and assigns.

Sincerely yours,

AIRPORT PLAZA OWNERS ASSOCIATION, a  
California nonprofit mutual benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A  
DECLARATION

(See Attached)

EXHIBIT B

ARTICLES

(See Attached)

EXHIBIT C

BY-LAWS

(See Attached)

EXHIBIT D

RULES

(See Attached)

EXHIBIT E  
MEMBERS OF THE ASSOCIATION

(See Attached)



EXHIBIT F

RULES, REGULATIONS AND GUIDELINES ADOPTED BY THE COMMITTEE

(See Attached)

EXHIBIT G

RESOLUTION OF THE BOARD OF DIRECTORS OF THE ASSOCIATION

(See Attached)

EXHIBIT C  
MAINTENANCE DECLARATION ESTOPPEL CERTIFICATE

\_\_\_\_\_, 2020

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: 4801 Airport Drive, Long Beach, California

Ladies and Gentlemen,

Reference is hereby made to that certain Maintenance Declaration (Long Beach Airport Business Park), made by Long Beach Airport Business Park, a California general partnership made up of Signal Development Corporation, a California corporation, and Carlton Browne and Company, Inc., a California corporation, dated January 31, 1983 and recorded in the Official Records of Los Angeles County (the "Official Records") as Instrument No. 83-256290 on March 8, 1983 (the "Declaration"). All capitalized terms not defined herein shall have the meaning set forth in the Declaration.

The undersigned acknowledges that Long Beach Public Transportation Company, a California nonprofit corporation, which does business as "Long Beach Transit" (together with its affiliates, successors and assigns, "Buyer"), may be acquiring from the City of Long Beach, a municipal corporation, acting by and through its Board of Harbor Commissioners ("Seller"), Seller's ground leasehold estate in that certain real property subject to the Declaration which is located at 4801 Airport Plaza Drive, Long Beach, California (the "Subject Property").

In connection with the foregoing, the undersigned, Airport Plaza Owners Association, a California nonprofit mutual benefit corporation (the "Association"), hereby warrants, represents, certifies and agrees as follows:

1. The Declaration in its entirety is in full force and effect and has not been amended, modified or supplemented by any other recorded or unrecorded document, plat or agreement. A true, complete and correct copy of the Declaration is attached hereto as Exhibit A. There are no pending amendments, modifications or supplements to the Declaration.

2. The Regular Assessments levied against Seller, as ground lessee of the Subject Property, for fiscal year 2020 are \$\_\_\_\_\_, the Special Assessments levied against Seller, as ground lessee of the Subject Property, for fiscal year 2020 are \$\_\_\_\_\_ and the Capital Improvement Assessments levied against Seller, as ground lessee of the Subject Property, for fiscal year 2020 are \$\_\_\_\_\_. All such Regular Assessments, Special Assessments and Capital Improvement Assessments for fiscal year 2020 payable by Seller have been paid in full.

Exhibit C

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RIGHT OF ENTRY AND DUE DILIGENCE  
AGREEMENT  
Airport Building, Long Beach

As of the date hereof, Seller, as ground lessee of the Subject Property, is not in breach, default or violation of any of its payment or other obligations under the Declaration, and no event has occurred that, with the passage of time or with the giving of notice, or both, would result in a breach, default or violation by Seller of any of such obligations, except as set forth below (if none, so state):

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3. As of the date hereof, there are no monetary fines or penalties owed by Seller or any complaints or notices of violation or deficiency issued against the Subject Property, and there has been no suspension of privileges (including, without limitation, voting rights and privileges) of Seller or the occupants of the Subject Property by the Association with respect to the right of use and enjoyment of any portion of the Subject Property burdened by the Declaration.

4. There is no existing breach, default or violation under any provision of the Declaration by any other Owner or the Association.

5. As of the date hereof, the identity of each Member of the Association and each such Member's share of the Regular Assessments, Special Assessments and Capital Improvement Assessments under the Declaration are as identified in the chart on Exhibit B attached hereto.

6. As of the date hereof, other than delegations to RiverRock Real Estate Group, Inc., with respect to the maintenance and operation of the Common Improvements, the Association has not delegated any of its responsibilities under the Declaration.

7. The Association maintains liability and casualty insurance, including All Risk extended coverage (including, without limitation, earthquake, flood and terrorism coverage) in the amount of \$\_\_\_\_\_, for the full replacement value of the insurable real and personal property constituting the Common Improvements. Such liability and casualty insurance names each Owner and their respective tenants, guests and invitees as additional insureds.

8. The Declaration shall not expire until all of the ground lease agreements and ground sublease agreements affecting property within the Project have expired by their terms.

9. The reference to "the expiration date of the term of the Master Lease" in Section 4.3 of the Declaration as applied to any particular Unit subject to the Declaration means the expiration date of the applicable ground lease or ground sublease with respect to each Unit.

10. The Common Improvements have been completed.

11. Attached hereto as Exhibit C is a duly adopted Resolution of the Board of Directors of the Association evidencing the Board's approval of (i) this Estoppel Certificate and (ii) the execution and delivery of this Estoppel Certificate by \_\_\_\_\_, in his/her capacity as the \_\_\_\_\_ of the Association.

Exhibit C

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RIGHT OF ENTRY AND DUE DILIGENCE  
AGREEMENT  
Airport Building, Long Beach

12. The person signing this Estoppel Certificate on behalf of the undersigned is a duly authorized agent of the undersigned and has the right and authority to bind the Association.

13. The Association hereby agrees that at the request of Buyer and any future lender or purchaser of the Subject Property, it will deliver a certificate in substantially the same form as this Estoppel Certificate with such updates as are necessary to reflect the facts and circumstances at the time any such future certificate is delivered.

14. This Estoppel Certificate is given to Buyer with the understanding that Buyer and any future lender and purchaser of the Subject Property will rely hereon in connection with the purchase of the Subject Property and any financing relating to the Subject Property. This Estoppel Certificate shall inure to the benefit of Buyer, any future lender and purchaser of the Subject Property, and their respective successors and assigns.

Sincerely yours,

AIRPORT PLAZA OWNERS ASSOCIATION,  
a California nonprofit mutual benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A  
DECLARATION

(See Attached)

EXHIBIT B

MEMBERS OF THE ASSOCIATION

<b>Member</b>	<b>Parcel Number of Parcel Map</b>	<b>Street Address of Applicable Property and Building Identification Letter</b>	<b>Share of Regular, Special and Capital Improvement Assessments under the Declaration</b>
	<b>Parcel __ of Parcel Map</b> _____		_____%
	<b>Parcel __ of Parcel Map</b> _____		_____%
	<b>Parcel __ of Parcel Map</b> _____		_____%
	<b>Parcel __ of Parcel Map</b> _____		_____%
	<b>Parcel __ of Parcel Map</b> _____		_____%
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	<b>Parcel __ of Parcel Map</b> _____		_____%
	<b>Parcel __ of Parcel Map</b> _____		_____%
	<b>Parcel __ of Parcel Map</b> _____		_____%

Exhibit C

EXHIBIT C

RESOLUTION OF BOARD OF DIRECTORS OF ASSOCIATION

(See Attached)



## **EXHIBIT D**

### **INSURANCE REQUIREMENTS**

The required insurance and the documents provided as evidence thereof shall be in the name of the Buyer. If policies are written with aggregate limits, the aggregate limit shall be at least twice the occurrence limits or as specified below:

#### **Commercial General Liability:**

Commercial General Liability insurance shall be provided on Insurance Services Office (ISO) CGL Form No. CG 00 01 or the equivalent, including provisions for defense of additional insureds and defense costs in addition to limits. Policy limits shall be no less than two million dollars (\$2,000,000) per occurrence for all coverage provided and four million dollars (\$4,000,000) general aggregate. The policy shall not limit coverage for the additional insured to “ongoing operations” or in any way exclude coverage for completed operations. Coverage shall be included on behalf of the insured for claims arising out of the actions of independent contractors. The policy shall contain no provisions or endorsements limiting coverage for contractual liability or third party over action claims, and defense costs shall be excess of limits. If the Buyer utilizes contractors the policy must include work performed “by or on behalf” of the Buyer. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to Seller (also referred to in this Exhibit D as “City”) or any employee or agent of City. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall not exclude contractual liability, restrict coverage to the sole liability of the Buyer or contain any other exclusion contrary to the Right of Entry and Due Diligence Agreement (“Agreement”).

If this coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of the Agreement.

The policy of insurance required above shall be endorsed as follows:

Additional Insured: The City of Long Beach, its Board of Harbor Commissioners, employees and agents shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured using ISO Form CG 20 26 (07 04) or its equivalent. Additional Insured endorsements shall not: 1) be limited to “on-going operations”, 2) exclude “Contractual Liability”, 3) restrict coverage to the sole liability of the contractor, or 4) contain any other exclusion contrary to the Agreement.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the Executive Director of the Harbor Department of the City of Long Beach (the “Executive Director”), except ten (10) days advance notice shall be allowed for non-payment of premium.

### **Business Automobile Insurance:**

Automobile Liability Insurance shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). Limit shall be no less than one million dollars (\$1,000,000) combined single limit per accident. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any employee or agent of City. If Buyer does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies provided that a separate policy limit is provided for this coverage as required by this Agreement.

The policy of insurance required above shall be endorsed as follows:

Additional Insured: The City of Long Beach, its Board of Harbor Commissioners, employees and agents shall be added as additional insured with regard to liability and defense of suits or claims arising from the operations and activities performed by or on behalf of the Named Insured. Additional Insured endorsements shall not: 1) be limited to "on-going operations", 2) exclude "Contractual Liability", 3) restrict coverage to the sole liability of the contractor, or 4) contain any other exclusion contrary to the Agreement.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the Executive Director except ten (10) days advance notice shall be allowed for non-payment of premium.

### **Workers' Compensation:**

Workers' Compensation Insurance, as required by the State of California, and Employer's Liability Insurance with a limit of not less than one million dollars (\$1,000,000) per accident for bodily injury and disease.

The policy of insurance required above shall be endorsed, as follows:

Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the City of Long Beach, its Board of Harbor Commissioners, employees and agents.

Cancellation: The policy shall not be cancelled or the coverage reduced by endorsement until a thirty (30) day advance written notice of cancellation has been served upon the Executive Director of the Harbor, except ten (10) days advance notice shall be allowed for non-payment of premium.

### **Deductible/Self-Insured Retention:**

Any deductible or self-insured retention must be approved in writing by the Executive Director and shall protect the City of Long Beach, its Board of Harbor Commissioners, agents and employees in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. Any deductible or self-insured retention must be approved in writing in accordance with City insurance guidelines.

**Evidence of Insurance:**

The Buyer, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either endorsements on forms approved by the Executive Director (“Evidence of Insurance”) or certified copies of the required policies containing the terms and conditions required by this Agreement to the Executive Director for approval as to sufficiency and to the City Attorney for approval as to form.

At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance has been renewed or extended shall be filed with the Executive Director. If such coverage is cancelled or reduced, Buyer shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the Executive Director evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

NOTE: Copies of approved endorsement forms can be obtained from the Port website at:

[http://www.polb.com/economics/forms\\_permits/insurance.asp](http://www.polb.com/economics/forms_permits/insurance.asp)

**Failure to Maintain Coverage:**

Buyer agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been approved by the City.

**Acceptability of Insurers:**

Each such policy shall be from a company or companies with a current A.M. Best’s rating of no less than A:VII, and authorized to do business in the State of California or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing in accordance with the City insurance guidelines.

**Contractual Liability:**

The coverage provided shall apply to the obligations assumed by the Buyer under the indemnity provisions of this Agreement but this insurance provision in no way limits the indemnity provisions and the indemnity provisions in no way limit this insurance provision.