## AIRPORT PLAZA

# 5001 AIRPORT PLAZA DRIVE LONG BEACH, CALIFORNIA

## OFFICE LEASE

## 35721

# WCCP AIRPORT PLAZA L.B., LLC, an Arizona limited liability company,

as Landlord,

and

the CITY OF LONG BEACH, a municipal corporation

as Tenant

## TABLE OF CONTENTS

		<u>Page</u>
SUMMARY O	F BASIC LEASE INFORMATION	BLI-i
OFFICE LEAS	E	
ARTICLE 1 RE	AL PROPERTY, BUILDING AND PREMISES	1
ARTICLE 2 LE	ASE TERM	1
ARTICLE 3 BA	SE RENT	2
ARTICLE 4 AD	DITIONAL RENT	2
ARTICLE 5 US	E OF PREMISES	6
ARTICLE 6 SE	RVICES AND UTILITIES	7
ARTICLE 7 RE	PAIRS	8
ARTICLE 8 AD	DITIONS AND ALTERATIONS	8
ARTICLE 9 CO	VENANT AGAINST LIENS	10
ARTICLE 10 IN	DEMNIFICATION AND INSURANCE	10
	AMAGE AND DESTRUCTION	
ARTICLE 12 CO	ONDEMNATION	12
ARTICLE 13 C	OVENANT OF QUIET ENJOYMENT	13
ARTICLE 14 AS	SSIGNMENT AND SUBLETTING	13
ARTICLE 15 SU	JRRENDER; OWNERSHIP AND REMOVAL OF TRADE FIXTURES	15
ARTICLE 16 H	OLDING OVER	15
ARTICLE 17 ES	STOPPEL CERTIFICATES	15
ARTICLE 18 SU	JBORDINATION	15
ARTICLE 19 TI	ENANT'S DEFAULTS; LANDLORD'S REMEDIES	16
ARTICLE 20 SI	ECURITY DEPOSIT	17
ARTICLE 21 C	OMPLIANCE WITH LAW	17
ARTICLE 22 E	NTRY BY LANDLORD	18
ARTICLE 23 T	ENANT PARKING	18
ARTICLE 24 M	ISCELLANEOUS PROVISIONS	18
EXHIBITS		
Exhibit A	OUTLINE OF PREMISES	
Exhibit B	WORK LETTER	
Exhibit C	FORM OF AMENDMENT TO LEASE	
Exhibit D	RULES AND REGULATIONS	
Exhibit E	FORM OF SNDA	
Exhibit F	REMITTANCE INSTRUCTIONS	
Exhibit G	ADDITIONAL AND TERMS AND CONDITIONS	

#### INDEX

Additional Rent \_\_\_\_\_2 Allowance Exhibit B Alterations .......8 Approved Working Drawings ...... Exhibit B, Exhibit B, Exhibit B, Exhibit B, Exhibit B Base Rent......2 Base, Shell and Core ...... Exhibit B, Exhibit B, Exhibit B, Exhibit B, Exhibit B BOMA......1 Building \_\_\_\_\_\_1 Calendar Year......2 Common Areas.....1 Construction Drawings ...... Exhibit B, Exhibit B, Exhibit B, Exhibit B, Exhibit B, Exhibit B, Exhibit B Contract Exhibit B Cost Pools......3 Cost Proposal Exhibit B, Exhibit B Estimate.....5 Estimate Statement ......5 Estimated Excess......5 Excess 5 Expense Base Year ......3 Expense Year......3 Final Costs Exhibit B Final Costs Statement Exhibit B Final Space Plan ...... Exhibit B, Exhibit B, Exhibit B, Exhibit B, Exhibit B Final Working Drawings ...... Exhibit B, Exhibit B, Exhibit B Holidays ......6 Information Exhibit B Interest Rate.......6 Landlord ......1 Landlord Parties ......9 Landlord Supervision Fee Exhibit B, Exhibit B Lease 1 Lease Term.....1 Lease Year ......2 Premises .......1 Project ......1 Proposition 13 ......4 Renovations ......20 Space Plan Design Problem...... Exhibit B Statement ......5 Subject Space \_\_\_\_\_\_\_12 Summary ......i Tax Expense Base Year......4 Tax Expenses......4 Tenant......1 

Page(s)

	Page(s)
Tenant Improvements	Exhibit B, Exhibit B, Exhibit B, Exhibit B
Work Letter	Exhibit B, Exhibit B, Exhibit B, Exhibit B
Tenant's Share	4
Tenant's Agents	Exhibit B
Time Deadlines	Exhibit B
Transfer Notice	12
Transfer Premium	13
	12
Transfers	12
Utilities Base Year	4
Utilities Costs	5
Wi-Fi Network	8
Working Drawing Design Problem	Exhibit B
Working Drawings	Exhibit B, Exhibit B

## **SUMMARY OF BASIC LEASE INFORMATION**

This Summary of Basic Lease Information ("Summary") is hereby incorporated into and made a part of the attached Office Lease. Each reference in the Office Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Office Lease, the terms of the Office Lease shall prevail. Any capitalized terms used herein and not otherwise defined herein shall have the meaning as set forth in the Office Lease.

	IS OF LEASE ences are to the Office Lease)	DESCRIPTION
1.	Date:	September 1, 2020
2.	Landlord:	WCCP AIRPORT PLAZA L.B., LLC, an Arizona limited liability company
3.	Address of Landlord (Section 24.19):	Notices to Landlord:
		WCCP AIRPORT PLAZA L.B., LLC c/o West Coast Capital Partners 25500 Hawthorne Boulevard, #2250 Torrance, CA 90505 Attention: Scott Douglas
		Payments to Landlord:
		See Exhibit F (Remittance Instructions) attached to the Lease.
4.	Tenant:	the CITY OF LONG BEACH, a municipal corporation
5.	Address of Tenant (Section 24.19):	Prior to Lease Commencement Date:
		411 W. Ocean Blvd., 10 <sup>th</sup> Floor Long Beach, CA 90802
		Attention: City Manager's Office
		and
	,	
		After Lease Commencement Date:
		411 W. Ocean Blvd., 10 <sup>th</sup> Floor Long Beach, California 90802 Attention: <u>City Manager's Office</u>
6.	Premises (Article 1):	
	6.1 Premises:	Approximately 5,612 rentable square feet of space located on the first (1st) floor of the Building (as defined below), and designated as Suite 130, as set forth in Exhibit A attached hereto.
	6.2 Building:	The Premises are located in that certain building (sometimes referred to herein as the "Building") whose address is 5001 Airport Plaza Drive, Long Beach, California 90815.
7.	Term (Article 2):	
	7.1 Lease Term:	Ninety-One (91) full calendar months plus any initial partial calendar month following the Lease Commencement Date if it occurs on any day other than the first day of a calendar month.
	7.2 Lease Commencement Date:	The earlier of (i) the date Tenant commences business operations in the Premises, or (ii) the date the Premises are Ready for Occupancy (as defined in the Work Letter attached hereto as Exhibit B), which Lease

Letter attached hereto as Exhibit B), which Lease

Commencement Date is anticipated to be

approximately January 1, 2021.

#### TERMS OF LEASE

(References are to the Office Lease)

#### DESCRIPTION

7.3 Lease Expiration Date:

The last day of the ninety-first (91st) full calendar month following the Lease Commencement Date.

7.4 Amendment to Lease:

Landlord and Tenant may confirm the Lease Commencement Date and Lease Expiration Date in an Amendment to Lease (<u>Exhibit C</u>) to be executed pursuant to <u>Article 2</u> of the Office Lease.

#### 8. Base Rent (Article 3):

Monthly
Installment
of Base Rent
\$13,749.40
\$14,093.14
\$14,445.46
\$14,806.60
\$15,176.76
\$15,556.18
\$15,945.09
\$16,343.72

\*The monthly installment of Base Rent for each of the full calendar months 2, 3, 4, 13, 14, 25, and 26 of the Term following the Lease Commencement Date shall abate in full so long as Tenant is not in material default under this Lease at the time of such abatement.

## 9. Additional Rent (<u>Article 4</u>):

9.1	Expense Base Year:	Calendar Year 2021.
9.2	Tax Expense Base Year:	Calendar Year 2021.

9.3 Utilities Base Year: Calendar Year 2021.

9.4 Tenant's Share of Operating
Expenses, Tax Expenses and Utilities
Costs:

10.71% [52,401 is the total square footage of the building – See Section 4.2.8].

10. Security Deposit (Article 20):

\$0.00.

11. Parking (Article 23):

One (1) parking pass for unreserved parking spaces for every 250 rentable square feet of the Premises.

12. Brokers (<u>Section 24.25</u>):

Cushman & Wakefield of California, Inc. representing Landlord, and CRESA representing Tenant.

## 35721

#### OFFICE LEASE

This Office Lease, which includes the preceding Summary and the exhibits attached hereto and incorporated herein by this reference (the Office Lease, the Summary and the exhibits to be known sometimes collectively hereafter as the "Lease"), dated as of the date set forth in <u>Section 1</u> of the Summary, is made by and between WCCP AIRPORT PLAZA L.B., LLC, an Arizona limited liability company ("Landlord"), and the CITY OF LONG BEACH, a municipal corporation ("Tenant").

#### **ARTICLE 1**

#### REAL PROPERTY, BUILDING AND PREMISES

- Real Property, Building and Premises. Upon and subject to the terms, covenants and conditions hereinafter set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 6.1 of the Summary (the "Premises"), which Premises are part of the building commonly known as 5001 Airport Plaza Drive (the "Building") and the project commonly known as "Airport Plaza", including the Building and adjacent building located at 5000 Airport Plaza Drive (collectively, the "Project"). The outline of the floor plan of the Premises is set forth in Exhibit A attached hereto. The Project, the Project's parking area (the "Parking Area"), any outside plaza areas, land and other improvements surrounding the Project which are designated from time to time by Landlord as common areas appurtenant to or servicing the Project, and the land upon which any of the foregoing are situated, are herein sometimes collectively referred to as the "Real Property". Tenant is hereby granted the right to the nonexclusive use of the common corridors and hallways, stairwells, elevators, restrooms and other public or common areas located within the Building, and the non-exclusive use of the areas located on the Real Property designated by Landlord from time to time as common areas for the Project (the "Common Areas"); provided, however, that (i) the manner in which such public and Common Areas are maintained and operated shall be at the sole discretion of Landlord, (ii) the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time, and (iii) Tenant may not go on the roof of the Building without Landlord's prior consent (which may be withheld in Landlord's sole and absolute discretion) and without otherwise being accompanied by a representative of Landlord. Landlord reserves the right from time to time to use any of the Common Areas, and the roof, risers and conduits of the Building for telecommunications and/or any other purposes, and to do any of the following: (1) make any changes, additions, improvements, repairs and/or replacements in or to the Real Property or any portion or elements thereof, including, without limitation, expanding or decreasing the size of any Common Areas and other elements thereof; (2) close temporarily any of the Common Areas while engaged in making repairs, improvements or alterations to the Real Property; and (3) perform such other acts and make such other changes with respect to the Real Property as Landlord may, in the exercise of good faith business judgment, deem to be appropriate; provided, however, that in each case Tenant shall have continuous access to the Premises.
- 1.2 <u>Condition of Premises</u>. Except as expressly set forth in this Lease and in the Work Letter attached hereto as <u>Exhibit B</u>, Landlord shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the improvement, remodeling or refurbishment of the Premises, and Tenant shall accept the Premises in its "AS-IS" condition on the Lease Commencement Date.
- 1.3 Rentable Square Feet. Subject to Section 4.2.8 below, the parties hereby stipulate that the Premises contain the approximate rentable square feet set forth in Section 6.1 of the Summary, and such square footage amount is not subject to adjustment or remeasurement by Landlord or Tenant. Accordingly, subject to Section 4.2.8 below, there shall be no adjustment in the Base Rent or other amounts set forth in this Lease which are determined based upon rentable square feet of the Premises.

#### **ARTICLE 2**

#### **LEASE TERM**

The terms and provisions of this Lease shall be effective as of the date of this Lease except for the provisions of this Lease relating to the payment of Rent. The term of this Lease (the "Lease Term") shall be as set forth in Section 7.1 of the Summary and shall commence on the date (the "Lease Commencement Date") set forth in Section 7.2 of the Summary (subject, however, to the terms of the Work Letter), and shall terminate on the date (the "Lease Expiration Date") set forth in Section 7.3 of the Summary, unless this Lease is sooner terminated as hereinafter provided. For purposes of this Lease, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Lease Term, provided that the last Lease Year shall end on the Lease Expiration Date. The first Lease Year shall include any applicable initial partial calendar month following the Lease Commencement Date in the event the Lease Commencement Date occurs on a day other than the first day of a calendar month. In the event that the Lease Commencement Date is a date which is other than the date set forth in Section 7.2(ii) of the Summary, within a reasonable period of time after the date Tenant takes possession of the Premises Landlord shall deliver to Tenant an amendment in the form as set forth in Exhibit C attached hereto, setting forth, among other things, the Lease Commencement Date and the Lease Expiration Date, which amendment Tenant shall review and, if reasonably acceptable, execute and return to Landlord within five (5) days after Tenant's receipt thereof. If Tenant fails to object to or execute and return the amendment within such 5-day period, Tenant shall be deemed to have approved and confirmed the dates set forth therein, provided that such deemed approval shall not relieve Tenant of its obligation to execute and return the amendment (and such failure shall constitute a default by Tenant hereunder). In the event that Landlord does not deliver such amendment to Tenant, the Lease Commencement Date shall be deemed to be the date set forth in Section 7.2(ii) of the Summary. Notwithstanding anything herein to the contrary, in no event shall the Lease Commencement Date be a date which is later than the date set forth in Section 7.2(ii) of the Summary, but in no event shall Rent payments be due prior to delivery of the Premises to Tenant. If Landlord does not deliver possession of the Premises to Tenant on or before the anticipated Lease Commencement Date (as set forth in

Section 7.2(ii) of the Summary), Landlord shall not be subject to any liability nor shall the validity of this Lease nor the obligations of Tenant hereunder be affected. In the event that the Lease Commencement Date is a date which is other than the anticipated Lease Commencement Date set forth in Section 7.2(ii) of the Summary, within a reasonable period of time after the date Tenant takes possession of the Premises Landlord shall deliver to Tenant an amendment to lease in the form attached hereto as Exhibit C, setting forth the Lease Commencement Date and the Lease Expiration Date, and Tenant shall execute and return such amendment to Landlord within five (5) days after Tenant's receipt thereof.

#### **ARTICLE 3**

#### **BASE RENT**

Tenant shall pay to Landlord, without notice or demand, base rent ("Base Rent") as set forth in Section 8 of the Summary, Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs, and all other sums or charges required by this Lease to be paid by Tenant to Landlord, all of which are herein sometimes collectively referred to as "Rent", by check, wire or ACH transfer in accordance with the instructions set forth in Exhibit F attached hereto, or in such other manner or at such other place as Landlord may from time to time designate in writing, in lawful money of the United States. Base Rent shall payable in monthly installments as set forth in Section 8 of the Summary in advance on or before the first (1st) day of each and every month during the Lease Term, without any setoff or deduction whatsoever. All payments of Base Rent shall be accompanied by all applicable state and local sales or use taxes. Following any default by Tenant, Landlord shall be permitted to require alternative methods of payment (including wire transfer), in Landlord's sole discretion. The Base Rent for the first (1st) full month of the Lease Term shall be paid at the time of Tenant's execution of this Lease. If any rental payment date (including the Lease Commencement Date) falls on a day of the month other than the first (1st) day of such month or if any rental payment is for a period which is shorter than one (1) month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

#### **ARTICLE 4**

#### ADDITIONAL RENT

- Additional Rent. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay as additional rent the sum of the following: (i) Tenant's Share (as such term is defined below) of the annual Operating Expenses which are in excess of the amount of Operating Expenses applicable to the Expense Base Year; plus (ii) Tenant's Share of the annual Tax Expenses which are in excess of the amount of Tax Expenses applicable to the Tax Expense Base Year; plus (iii) Tenant's Share of the annual Utilities Costs which are in excess of the amount of Utilities Costs applicable to the Utilities Base Year. Such additional rent, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease (including, without limitation, pursuant to Article 6), shall be hereinafter collectively referred to as the "Additional Rent". The Base Rent and Additional Rent are herein collectively referred to as the "Rent". All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner, time and place as the Base Rent. Without limitation on other obligations of Tenant which shall survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term. Notwithstanding the foregoing, in no event shall Tenant be obligated to pay Additional Rent arising from Tenant's Share of Operating Expenses, Tax Expenses or Utilities Costs hereunder, before the first anniversary of the Lease Commencement Date.
- 4.2 <u>Definitions</u>. As used in this <u>Article 4</u>, the following terms shall have the meanings hereinafter set forth:
- 4.2.1 "Calendar Year" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.
  - 4.2.2 "Expense Base Year" shall mean the year set forth in <u>Section 9.1</u> of the Summary.
- 4.2.3 "Expense Year" shall mean each Calendar Year, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive-month period, and, in the event of any such change, Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs shall be equitably adjusted for any Expense Year involved in any such change.
- 4.2.4 "Operating Expenses" shall mean all expenses, costs and amounts of every kind and nature which Landlord shall pay during any Expense Year because of or in connection with the ownership, management, maintenance, repair, replacement, restoration or operation of the Real Property, including, without limitation, any amounts paid for: (i) the cost of operating, maintaining, repairing, renovating and managing the utility systems, mechanical systems, sanitary and storm drainage systems, any elevator systems and all other "Systems and Equipment" (as defined in Section 4.2.5 of this Lease), and the cost of supplies and equipment and maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections, and the cost of contesting the validity or applicability of any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with implementation and of a transportation system management program or similar program; (iii) the cost of insurance carried by Landlord, in such amounts as Landlord may reasonably determine or as may be required by any mortgagees or the lessor of any underlying or ground lease affecting the Real Property; (iv) the cost of landscaping, relamping, supplies, tools, equipment and materials, and all fees, charges and other costs

(including consulting fees, legal fees and accounting fees) incurred in connection with the management, operation, repair and maintenance of the Real Property and any common area amenities; (v) the cost of parking area repair, restoration, and maintenance; (vi) any equipment rental agreements or management agreements (including the cost of any management fee and the fair rental value of any office space provided thereunder); (vii) wages, salaries and other compensation and benefits of all persons engaged in the operation, management, maintenance or security of the Real Property, and employer's Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on such wages, salaries, compensation and benefits; (viii) payments under any easement, license, operating agreement, declaration, restrictive covenant, underlying or ground lease (excluding rent), or instrument pertaining to the sharing of costs by the Real Property; (ix) the cost of janitorial service, alarm and security service, if any, window cleaning, trash removal, replacement of wall and floor coverings, ceiling tiles and fixtures in lobbies, corridors, restrooms and other common or public areas or facilities, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (x) amortization (including interest on the unamortized cost) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Real Property; (xi) costs for workers' compensation insurance, wages, withholding taxes, personal property taxes, fees for required licenses and permits, supplies, charges for management of the Building and Common Areas, and the costs and expenses of complying with, or participating in, conservation, recycling, sustainability, energy efficiency, waste reduction or other programs or practices implemented or enacted from time to time at the Building, including ,without limitation, in connection with any LEED (Leadership in Energy and Environmental Design) rating or compliance system or program, including that currently coordinated through the U.S. Green Building council or Energy Star rating and/or compliance system or program (collectively "Conservation Costs"); and (xii) the cost of any capital improvements or other costs (I) which are intended as a labor-saving device or to effect other economies in the operation or maintenance of the Real Property, (II) made to the Real Property or any portion thereof after the Lease Commencement Date that are required under any governmental law or regulation, or (III) Conservation Costs and/or other costs which are reasonably determined by Landlord to be in the best interests of the Real Property; provided, however, that if any such cost described in (I), (II) or (III) above, is a capital expenditure, such cost shall be amortized (including interest on the unamortized cost) as Landlord shall reasonably determine. If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Building is less than ninety-five percent (95%) occupied during all or a portion of any Expense Year (including the Expense Base Year), Landlord shall make an appropriate adjustment to the variable components of Operating Expenses for such year or applicable portion thereof, employing sound accounting and management principles, to determine the amount of Operating Expenses that would have been paid had the Building been ninetyfive percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year, or applicable portion thereof.

Landlord shall have the right, from time to time, in its discretion, to equitably allocate some or all of the Operating Expenses (and/or Tax Expenses and Utilities Costs) among different tenants of the Project, among different space types at the Real Property and/or to include additional buildings in the Real Property for purposes of determining Operating Expenses (and/or Tax Expenses and Utilities Costs) and/or the provision of various services and amenities thereto (the "Cost Pools"). Such Cost Pools may include, without limitation, the office space tenants and retail space tenants of the Building and/or any such additional buildings, or may be implemented to reflect that certain services or amenities are not provided to certain types of space at the Real Property, in which event Tenant's Share of such services or amenities may be equitably adjusted to reflect the measurement of the space to which such services or amenities are generally provided or attributable (for example, if janitorial services are not provided to any storage space at the Real Property, Tenant's Share with respect to costs of providing janitorial services shall be calculated after deleting the measurement of such storage space from the total building square footage).

Notwithstanding anything to the contrary set forth in this Article 4, when calculating Operating Expenses for the Expense Base Year, Operating Expenses shall exclude one-time Conservation Costs and other special charges, costs or fees incurred in the Expense Base Year only, including those attributable to market-wide labor-rate increases or other extraordinary circumstances, including, but not limited to, boycotts and strikes, and costs relating to capital improvements or expenditures.

Notwithstanding the foregoing, Operating Expenses shall not, however, include: (A) costs of leasing commissions, attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Real Property; (B) costs (including permit, license and inspection costs) incurred in renovating or otherwise improving, decorating or redecorating rentable space for other tenants or vacant rentable space; (C) costs incurred due to the violation by Landlord of the terms and conditions of any lease of space in the Real Property; (D) costs of overhead or profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for services in or in connection with the Real Property to the extent the same exceeds the costs of overhead and profit increment included in the costs of such services which could be obtained from third parties on a competitive basis; (E) except as otherwise specifically provided in this Section 4.2.4, costs of interest on debt or amortization on any mortgages, and rent payable under any ground lease of the Real Property; (F) Utilities Costs; and (G) Tax Expenses; (H) Costs incurred that are reimbursed by other tenants other than through payments of such tenants' share of Operating Expenses; (I) Costs arising from Landlord's charitable or political contributions;(J) Expenses in connection with services or other benefits which are not offered to Tenant; (K) Capital expenditures as determined in accordance with generally accepted accounting principles, consistently applied, and as generally practiced in the real estate industry ("GAAP"), except as otherwise provided in this Lease and except that Landlord may include in Operating Expenses the amortized portion of capital expenditures that would otherwise constitute Operating Expenses and that are allocable to year in question based on such method of amortization as may be applicable under GAAP, but in no event exceeding ten (10) years; (L) Advertising expenditures; (M) Any bad debt loss, rent loss, or reserves for bad debts or rent loss; (N) Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of the operation,

management, repair, replacement and maintenance of the Project; (O) Wages and benefits of any employee who does not devote substantially all of their employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project.

- 4.2.5 "Systems and Equipment" shall mean any plant, machinery, transformers, duct work, cable, wires, and other equipment, facilities, and systems designed to supply heat, ventilation, air conditioning and humidity or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems or equipment which serve the Building and/or any other building in the Project in whole or in part.
  - 4.2.6 "Tax Expense Base Year" shall mean the year set forth in Section 9.2 of the Summary.
- 4.2.7 "Tax Expenses" shall mean all federal, state, county, or local governmental or municipal taxes, fees, assessments, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit assessments, fees and taxes, child care subsidies, fees and/or assessments, job training subsidies, fees and/or assessments, open space fees and/or assessments, housing subsidies and/or housing fund fees or assessments, public art fees and/or assessments, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Real Property), which Landlord shall pay during any Expense Year because of or in connection with the ownership, leasing and operation of the Real Property or Landlord's interest therein. For purposes of this Lease, Tax Expenses shall be calculated as if the tenant improvements in the Building were fully constructed and the Real Property, the Building and all tenant improvements in the Building were fully assessed for real estate tax purposes.
  - 4.2.7.1 Tax Expenses shall include, without limitation:
- (i) Any tax on Landlord's rent, right to rent or other income from the Real Property or as against Landlord's business of leasing any of the Real Property;
- Any assessment, tax, fee, levy or charge in addition to, or in substitution, (ii) partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("Proposition 13") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants. It is the intention of Tenant and Landlord that all such new and increased assessments, taxes, fees, levies, and charges and all similar assessments, taxes, fees, levies and charges be included within the definition of Tax Expenses for purposes of this Lease. Notwithstanding any provisions to the contrary in this Section 4, in the event that, at any time during the initial Lease Term (but not during any option term or extension following the initial Lease Term in this Lease), any sale, refinancing, or change in ownership of the Building is consummated, and as a result thereof, and to the extent that in connection therewith, the Building is reassessed for real estate tax purposes by the appropriate governmental authority pursuant to the terms of Proposition 13 or any similar legislation, then Tenant shall not be obligated to pay Tenant's Share of the portion of the Tax Expense increase during the initial Lease Term applicable to the any reassessment occurring following the date of this Lease, except to the extent any such Tax Expense increase (or any portion thereof) is included in both the Tax Expense Base Year and the subsequent Tax Expense Years; provided, however, Tenant shall be obligated to pay one hundred percent (100%) of Tenant's Share of any Tax Expense increase incurred in connection with any subsequent reassessments occurring due to a sale, refinancing, or change in ownership of the Building that occurs following the expiration of the initial Lease Term. A Tax Expense increase shall mean that portion of the Tax Expenses, as calculated following the reassessment, which is attributable solely to the reassessment. Notwithstanding the foregoing, if a Tax Expense increase is caused by any modification or revision to the provisions of Proposition 13 without the occurrence of any sale, refinancing, or change in ownership of the Building, Tenant shall not receive the protection provided herein due to the same.
- (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the rent payable hereunder, including, without limitation, any gross income tax upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof;
- (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and
- (v) Any reasonable expenses incurred by Landlord in attempting to protest, reduce or minimize Tax Expenses.
- 4.2.7.2 In no event shall Tax Expenses for any Expense Year be less than the Tax Expenses for the Tax Expense Base Year.
- 4.2.7.3 Notwithstanding anything to the contrary contained in this <u>Section 4.2.7</u>, there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state net income taxes, and other taxes to the extent applicable to Landlord's net income (as opposed to rents, receipts or income attributable to operations at the Real

Property), (ii) any items included as Operating Expenses or Utilities Costs, and (iii) any items paid by Tenant under Section 4.4 of this Lease.

4.2.8 "Tenant's Share" shall mean the percentage set forth in Section 9.4 of the Summary. Tenant's Share was calculated by dividing the number of rentable square feet of the Premises as determined by Landlord by the total rentable square feet of office space in the Building (as set forth in Section 9.4 of the Summary) as determined by Landlord, and stating such amount as a percentage, provided that Tenant's Share may be subject to adjustment as necessary, in Landlord's discretion, for the implementation of any Cost Pools as referenced above in Section 4.2.4. Landlord shall have the right from time to time to redetermine the rentable square feet of the Premises and/or Building, including as may be necessary for the implementation of Cost Pools, and Tenant's Share shall be appropriately adjusted to reflect any such redetermination. If Tenant's Share is adjusted pursuant to the foregoing, as to the Expense Year in which such adjustment occurs, Tenant's Share for such year shall be determined on the basis of the number of days during such Expense Year that each such Tenant's Share was in effect.

## 4.2.9 "Utilities Base Year" shall mean the year set forth in Section 9.3 of the Summary.

4.2.10 "Utilities Costs" shall mean all actual charges for utilities for the Building and the Project which Landlord shall pay during any Expense Year, including, but not limited to, the costs of water, sewer, gas and electricity, and the costs of HVAC (including, unless paid by Tenant pursuant to Section 6.1.1 below, the cost of electricity to operate the HVAC air handlers) and other utilities as well as related fees, assessments measurement meters and devices and surcharges (but excluding those charges for which tenants directly reimburse Landlord or otherwise pay directly to the utility company). Utilities Costs shall be calculated assuming the Building is at least ninety-five percent (95%) occupied during all or any portion of an Expense Year (including the Utilities Base Year). If, during all or any part of any Expense Year, Landlord shall not provide any utilities (the cost of which, if provided by Landlord, would be included in Utilities Costs) to a tenant (including Tenant) who has undertaken to provide the same instead of Landlord, Utilities Costs shall be deemed to be increased by an amount equal to the additional Utilities Costs which would reasonably have been incurred during such period by Landlord if Landlord had at its own expense provided such utilities to such tenant. Utilities Costs shall include any costs of utilities which are allocated to the Real Property under any declaration, restrictive covenant, or other instrument pertaining to the sharing of costs by the Real Property or any portion thereof, including any covenants, conditions or restrictions now or hereafter recorded against or affecting the Real Property. For purposes of determining Utilities Costs incurred for the Utilities Base Year, Utilities Costs for the Utilities Base Year shall not include any one-time Conservation Costs or other special charges, costs or fees or extraordinary charges or costs incurred in the Utilities Base Year only, including those attributable to boycotts, embargoes, strikes or other shortages of services or fuel. In addition, if in any Expense Year subsequent to the Utilities Base Year, the amount of Utilities Costs decreases due to a reduction in the cost of providing utilities to the Real Property for any reason, including, without limitation, due to deregulation of the utility industry and/or reduction in rates achieved in contracts with utilities providers and/or due to implementation of energy management and/or energy efficiency systems or measures, then for purposes of the Expense Year in which such decrease in Utilities Costs occurred and all subsequent Expense Years, the Utilities Costs for the Utilities Base Year shall be decreased by an amount equal to such decrease.

#### 4.3 Calculation and Payment of Additional Rent.

- Calculation of Excess. If for any Expense Year ending or commencing within the Lease Term, (i) Tenant's Share of Operating Expenses for such Expense Year exceeds Tenant's Share of Operating Expenses for the Expense Base Year and/or (ii) Tenant's Share of Tax Expenses for such Expense Year exceeds Tenant's Share of Tax Expenses for the Tax Expense Base Year, and/or (iii) Tenant's Share of Utilities Costs for such Expense Year exceeds Tenant's Share of Utilities Costs for the Utilities Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.3.2, below, and as Additional Rent, an amount equal to such excess (the "Excess"). Notwithstanding the foregoing to the contrary, in determining Tenant's Share of Operating Expenses, any increase in "controllable" Operating Expenses in each Expense Year subsequent to the Expense Base Year shall be limited to an amount no greater than five percent (5%) annually on a cumulative basis over the Expense Base Year. For purposes of this limitation, "controllable" Operating Expenses shall mean all Operating Expenses except for insurance premiums. For purposes of clarity, Tax Expenses and Utilities Costs shall also not be considered "controllable" and are excluded from the five percent (5%) annual limitation.
- 4.3.2 <u>Statement of Actual Operating Expenses, Tax Expenses and Utilities Costs and Payment by Tenant</u>. Landlord shall endeavor to give to Tenant on or before the thirtieth (30<sup>th</sup>) day of June following the end of each Expense Year, a statement (the "Statement") which shall state the Operating Expenses, Tax Expenses and Utilities Costs incurred or accrued for such preceding Expense Year, and which shall indicate the amount, if any, of any Excess. Upon receipt of the Statement for each Expense Year ending during the Lease Term, if an Excess is present, Tenant shall pay, with its next installment of Base Rent due, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess", as that term is defined in Section 4.3.3 of this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of the Operating Expenses, Tax Expenses and Utilities Costs for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall immediately pay to Landlord an amount as calculated pursuant to the provisions of Section 4.3.1 of this Lease. The provisions of this Section 4.3.2 shall survive the expiration or earlier termination of the Lease Term.
- 4.3.3 <u>Statement of Estimated Operating Expenses, Tax Expenses and Utilities Costs.</u> In addition, Landlord shall endeavor to give Tenant a yearly expense estimate statement (the "Estimate Statement") which shall set forth Landlord's reasonable estimate (the "Estimate") of what the total amount of Operating Expenses, Tax Expenses and Utilities Costs for the then-current Expense Year shall be and the estimated Excess (the "Estimated")

Excess") as calculated by comparing (i) Tenant's Share of Operating Expenses, which shall be based upon the Estimate, to Tenant's Share of Operating Expenses for the Expense Base Year, (ii) Tenant's Share of Tax Expenses, which shall be based upon the Estimate, to Tenant's Share of Utilities Costs, which shall be based upon the Estimate, to Tenant's Share of Utilities Costs for the Utilities Base Year. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Excess under this Article 4. If pursuant to the Estimate Statement an Estimated Excess is calculated for the then-current Expense Year, Tenant shall pay, with its next installment of Base Rent due, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.3.3). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year to the month of such payment, both months inclusive, and shall have twelve (12) as its denominator. Until a new Estimate Statement is furnished, Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant.

- 4.4 <u>Taxes and Other Charges for Which Tenant Is Directly Responsible</u>. Tenant shall reimburse Landlord upon demand for any and all taxes or assessments required to be paid by Landlord (except to the extent included in Tax Expenses by Landlord), excluding state, local and federal personal or corporate income taxes measured by the net income of Landlord from all sources and estate and inheritance taxes, whether or not now customary or within the contemplation of the parties hereto, when:
- 4.4.1 said taxes are 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, to the extent the cost or value of such leasehold improvements exceeds the cost or value of a building standard build-out as determined by Landlord regardless of whether title to such improvements shall be vested in Tenant or Landlord;
- 4.4.2 said taxes are assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Real Property (including the Parking Area); or
- 4.4.3 said taxes are assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.
- Landlord or Landlord's designee by the due date therefor, then Tenant shall pay to Landlord a late charge equal to ten percent (10%) of the amount due plus any attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder, at law and/or in equity and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid by the date that they are due shall thereafter bear interest until paid at a rate (the "Interest Rate") equal to the lesser of (i) the "Prime Rate" or "Reference Rate" announced from time to time by the Bank of America (or such reasonable comparable national banking institution as selected by Landlord in the event Bank of America ceases to exist or publish a Prime Rate or Reference Rate), plus four percent (4%), or (ii) the highest rate permitted by applicable law.

#### **ARTICLE 5**

#### **USE OF PREMISES**

Tenant shall use the Premises solely for general office purposes for the City of Long Beach Special Events Division or other Departments of the City of Long Beach and consistent with the character of the Building as a professional office environment, and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever. Tenant further covenants and agrees that it shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of Exhibit D, attached hereto, or in violation of the laws of the United States of America, the state in which the Real Property is located, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Real Property. Tenant shall comply with all recorded covenants, conditions, and restrictions, and the provisions of all ground or underlying leases, now or hereafter affecting the Real Property. Tenant shall not use or allow another person or entity to use any part of the Premises for the storage, use, treatment, manufacture or sale of "Hazardous Material", as that term is defined below. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the state in which the Real Property is located or the United States Government. Tenant acknowledges that Landlord has advised Tenant that the Building contains or, because of its age, is likely to contain, asbestos. Upon Tenant's request, Landlord will make available for review by Tenant at the Project during normal business hours (without warranty) copies of any current asbestos management plans, inspection reports, test results or other similar documents in Landlord's possession relating to the presence of asbestos at the Building. To the extent such reports or documents indicate the presence of asbestos at the Building, this provision shall constitute notice to Tenant as required by the California Health & Safety Code. In connection with performing any work that may disturb asbestos at the Building, Tenant shall comply, at its cost, with any applicable laws or asbestos management plans relating to the Building. Tenant shall also comply with all applicable laws, rules and regulations requiring disclosure to employees or invitees of the presence of asbestos or other hazardous materials at or around the Premises or the Building. Landlord has no special knowledge of the general procedures or handling restrictions to minimize or prevent the disturbance, release or exposure to asbestos or of the potential health risks that may result from any exposure to asbestos. Tenant is encouraged to contact local or state public health agencies for further information.

#### **ARTICLE 6**

#### **SERVICES AND UTILITIES**

- 6.1 <u>Standard Tenant Services</u>. Landlord shall provide the following services on all days during the Lease Term, unless otherwise stated below.
- 6.1.1 Subject to reasonable changes implemented by Landlord and to all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and air conditioning (HVAC) when necessary for normal comfort for normal office use in the Premises, from Monday through Friday, during the period from 8:00 a.m. to 6:00 p.m., except for the date of observation of New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and other recognized holidays in the Long Beach market as reasonably designated by Landlord (collectively, the "Holidays"). Tenant may request HVAC service to the Premises outside of the hours and days stated. Such additional service shall be billed to Tenant from time to time at Landlord's then-prevailing rate for such additional service. As of the date of this Lease, the charge is \$45.00 per hour per zoned area, with a two (2) hour minimum charge per day. Payments shall be due upon demand and shall be deemed additional rent under this Lease.
- 6.1.2 Landlord shall provide adequate electrical wiring and facilities and power for normal general office use as determined by Landlord.
- 6.1.3 As part of Operating Expenses or Utilities Costs (as determined by Landlord), Landlord shall replace lamps, starters and ballasts for Building standard lighting fixtures within the Premises. Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.
- 6.1.4 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes.
- 6.1.5 Landlord shall provide janitorial services five (5) days per week, except the date of observation of the Holidays, in and about the Premises and window washing services, each in a manner consistent with other comparable buildings in the vicinity of the Project and in compliance with Los Angeles County Department of Health guidelines for COVID-19 (during the pendency of the pandemic)
  - 6.1.6 Landlord shall provide nonexclusive automatic passenger elevator service at all times.
- 6.1.7 Landlord shall provide nonexclusive freight elevator service subject to scheduling by Landlord.
- Overstandard Tenant Use. Tenant shall not, without Landlord's prior written consent, use heatgenerating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease. If such consent is given, Landlord shall have the right to install supplementary air conditioning units or other facilities in the Premises, including supplementary or additional metering devices, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord upon billing by Landlord. If Tenant uses water or heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, or if Tenant's consumption of electricity shall exceed two (2) watts connected load per square foot of usable area of the Premises, calculated on a monthly basis for the hours described in Section 6.1.1 above, Tenant shall pay to Landlord, within ten (10) days after billing and as additional rent, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices to separately meter any increased use, and in such event Tenant shall pay, as additional rent, the increased cost directly to Landlord, within ten (10) days after demand, including the cost of such additional metering devices. If Tenant desires to use heat, ventilation or air conditioning during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, (i) Tenant shall give Landlord such prior notice, as Landlord shall from time to time establish as appropriate, of Tenant's desired use, (ii) Landlord shall supply such heat, ventilation or air conditioning to Tenant at such hourly cost to Tenant as Landlord shall from time to time establish, and (iii) Tenant shall pay such cost within ten (10) days after billing, as additional rent.
- 6.3 Separate Metering; Compliance with Conservation Measures. Notwithstanding the foregoing provisions of this Article 6 to the contrary, Landlord shall have the right to cause some or all of the electricity, water and/or other utilities to be separately metered for the Premises, and Tenant shall pay for the cost of all such utilities so separately metered, or which are billed directly to Tenant, within ten (10) days after invoice, in which event Utilities Costs for each Expense Year shall be equitably reduced to exclude all such utilities provided to Tenant and other tenants in the Building. Tenant acknowledges that Landlord and/or Tenant may from time to time be requested or required to obtain, report and/or disclose certain energy consumption information with regard to the Premises, which may include, without limitation, benchmarking data for the U.S. Environmental Protection Agency's ENERGY STAR® Portfolio Manager and information relating to compliance with "green building" initiatives, including, if applicable, the Leadership in Energy & Environmental Design (LEED) certification program. Tenant shall throughout the Lease Term, comply with all Federal, State or local laws, rules and regulations relating to consumption of utilities, energy or energy efficiency (as they may be in enacted or in effect from time to time, "Energy Regulations"), and Tenant shall, upon request by Landlord or Landlord's lender, deliver and/or disclose such information regarding the consumption of utilities at the Premises as may be required to comply with applicable Energy Regulations. Further,

Tenant authorizes Landlord to disclose such information and data regarding the Premises as may be requested or required from time to time to comply with Energy Regulations.

- 6.4 <u>Interruption of Use</u>. Tenant agrees that Landlord shall not be liable for damages for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Real Property after reasonable effort to do so, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; provided that Tenant shall be entitled to abate rent beginning on the fourth (4<sup>th</sup>) business day after such utility failure and continuing thereafter until such utility service is restored. Otherwise, such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises. 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 Article 6.
- Additional Services. Landlord shall also have the exclusive right, but not the obligation, to provide any additional services which may be required by Tenant, including, without limitation, locksmithing, lamp replacement, additional janitorial service, and additional repairs and maintenance, provided that Tenant shall pay to Landlord upon billing, the sum of all costs to Landlord of such additional services plus an administration fee. Charges for any utilities or services for which Tenant is required to pay from time to time hereunder, shall be deemed Additional Rent hereunder and shall be billed on a monthly basis.

#### **ARTICLE 7**

#### **REPAIRS**

- Tenant's Repairs. Subject to Landlord's repair obligations in Sections 7.2 and 11.1 below, Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures and furnishings therein, in good order, repair and condition at all times during the Lease Term, which repair obligations shall include, without limitation, the obligation to promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same.
- Landlord's Repairs. Anything contained in Section 7.1 above to the contrary notwithstanding, and subject to Articles 11 and 12 of this Lease, Landlord shall repair and maintain the structural portions of the Building, including the basic plumbing, heating, ventilating, air conditioning and electrical systems serving the Building and not located in the Premises; provided, however, if the need for such maintenance and repairs are caused in part or in whole by the act, neglect, fault of or omission of any duty by Tenant, its agents, servants, employees or invitees, Tenant shall pay to Landlord as additional rent, the reasonable cost of such maintenance and repairs to the extent caused by Tenant, its agents, servants, employees or invitees. Landlord shall not be liable for any failure to make any such repairs, or to perform any such maintenance caused by Tenant, its agents, servants, employees or invitees. Except as provided in Article 11 of this Lease, there shall be no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Real Property, Building or the Premises or in or to fixtures, appurtenances and equipment therein, but rent shall be equitably abated to the extent that such work prevents Tenant from using all or any portion of the Premises; Landlord shall use reasonable efforts to minimize interference with Tenant's operations in connection with such repairs, alterations, or improvements. Tenant hereby waives and releases its right to make repairs at Landlord's expense under Sections 1941 and 1942 of the California Civil Code; or under any similar law, statute, or ordinance now or hereafter in effect.

## **ARTICLE 8**

#### ADDITIONS AND ALTERATIONS

- 8.1 <u>Landlord's Consent to Alterations</u>. Tenant may not make any improvements, alterations, additions or changes to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord; <u>provided, however, Landlord may withhold its consent in its sole and absolute discretion with respect to any Alterations which may affect the structural components of the Building or the Systems and Equipment or which can be seen from outside the Premises. Notwithstanding the foregoing, the installation by Tenant of a Wi-Fi Network shall be governed by the terms of Section 8.3 below. Tenant shall pay for all overhead, general conditions, fees and other costs and expenses of the Alterations, and shall pay to Landlord a Landlord supervision fee of ten percent (10%) of the cost of the Alterations. The construction of the initial improvements to the Premises shall be governed by the terms of the Work Letter and not the terms of this Article 8. Notwithstanding the foregoing, non-structural alterations such as painting walls and re-carpeting floors shall not constitute "Alterations" hereunder and shall not require payment of a supervision fee.</u>
- 8.2 <u>Manner of Construction</u>. Landlord may impose, as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem

desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord; provided, however, Landlord may impose such requirements as Landlord may determine, in its sole and absolute discretion, with respect to any work affecting the structural components of the Building or Systems and Equipment (including designating specific contractors to perform such work, but excluding the requirement of a completion bond or similar). Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance (including, California Energy Code, Title 24) and pursuant to a valid building permit, issued by the city in which the Real Property is located, and in conformance with Landlord's construction rules and regulations. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. In performing the work of any such Alterations, Tenant shall have the work performed in such manner as not to obstruct access to the Building or Real Property or the Common Areas for any other tenant of the Real Property, and as not to obstruct the business of Landlord or other tenants of the Real Property, or interfere with the labor force working at the Real Property. If Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. Upon completion of any Alterations, Tenant shall (i) cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Real Property is located in accordance with Section 3093 of the Civil Code of the State of California or any successor statute, (ii) deliver to the management office of the Real Property a reproducible copy of the "as built" drawings of the Alterations, and (iii) deliver to Landlord evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services or materials.

- Wi-Fi Network. Without limiting the generality of the foregoing, Tenant shall have the right to install a typical commercial wireless intranet, Internet or data or communications network ("Wi-Fi Network") in the Premises for the use by Tenant and its employees, and the same shall be subject to the provisions of this Section 8.3 (in addition to the other provisions of this Article 8), provided, however that Tenant shall not be required to pay a supervision fee in connection with the Wi-Fi Network installation. Tenant shall, in accordance with Section 8.4 below, remove the Wi-Fi Network from the Premises prior to the termination of this Lease. Tenant shall use the Wi-Fi Network so as not to cause any interference to other tenants in the Building or to other tenants at the Project or with any other tenant's communication equipment, and not to damage the Building or Project or interfere with the normal operation of the Building or Project and Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, costs, damages, expenses and liabilities (including attorneys' fees) arising out of Tenant's failure to comply with the provisions of this Section 8.3, except to the extent same is caused by the gross negligence or willful misconduct of Landlord and which is not covered by the insurance carried by Tenant under this Lease (or which would not be covered by the insurance required to be carried by Tenant under this Lease). Should any interference occur, Tenant shall take all necessary steps as soon as reasonably possible and no later than three (3) calendar days following such occurrence to correct such interference. If such interference continues after such three (3) day period, Tenant shall immediately cease operating such Wi-Fi Network until such interference is corrected or remedied to Landlord's satisfaction. Tenant acknowledges that Landlord has granted and/or may grant telecommunication rights to other tenants and occupants of the Building and to telecommunication service providers and in no event shall Landlord be liable to Tenant for any interference of the same with such Wi-Fi Network. Landlord makes no representation that the Wi-Fi Network will be able to receive or transmit communication signals without interference or disturbance. Tenant shall (i) be solely responsible for any damage caused as a result of the Wi-Fi Network, (ii) promptly pay any tax, license or permit fees charged pursuant to any laws or regulations in connection with the installation, maintenance or use of the Wi-Fi Network and comply with all precautions and safeguards recommended by all governmental authorities, (iii) pay for all necessary repairs, replacements to or maintenance of the Wi-Fi Network, and (iv) be responsible for any modifications, additions or repairs to Building systems or infrastructure which are required by reason of the installation or operation of Tenant's Wi-Fi Network. Should Landlord be required to retain professionals to research any interference issues that may arise and to confirm Tenant's compliance with the terms of this Section 8.3, Landlord shall retain such professionals at commercially reasonable rates, and Tenant shall reimburse Landlord within twenty (20) days following submission to Tenant of an invoice from Landlord, which costs shall not exceed \$1,000.00 per year (except in the event of a default by Tenant hereunder). This reimbursement obligation is independent of any rights or remedies Landlord may have in the event of a breach of default by Tenant under this Lease.
- 8.4 <u>Landlord's Property</u>. All Alterations, improvements, fixtures and/or equipment which may be installed or placed in or about the Premises, including any cabling and wiring associated with the Wi-Fi Network, and all signs installed in, on or about the Premises, from time to time, shall be at the sole cost of Tenant. Tenant may remove any Alterations, improvements, fixtures and/or equipment paid for by Tenant provided that the same can be removed without damage to the Premises. Any such Alterations, improvements, fixtures and/or equipment which Tenant cannot remove, or does not remove after expiration or early termination of the Lease Term, shall be and become the property of Landlord. Furthermore, Landlord may require that Tenant remove any improvement or Alteration (including any cabling and wiring associated with the Wi-Fi Network) upon the expiration or early termination of the Lease Term, and repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations (including any cabling and wiring associated with the Wi-Fi Network), Landlord may do so and may charge the cost thereof to Tenant (together with a five percent (5%) supervision/administration fee), and Tenant shall pay such cost to Landlord within thirty (30) days of being billed for the same.

#### ARTICLE 9

#### **COVENANT AGAINST LIENS**

Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon the Real Property, Building or Premises, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only. Landlord shall have the right at all times to post and keep posted on the Premises any notice which it deems necessary for protection from such liens. Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen or others to be placed against the Real Property, the Building or the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case of any such lien attaching or notice of any lien, Tenant covenants and agrees to cause it to be immediately released and removed of record. Notwithstanding anything to the contrary set forth in this Lease, if any such lien is not released and removed on or before the date notice of such lien is delivered by Landlord to Tenant, Landlord, at its sole option, may immediately take all action necessary to release and remove such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be deemed Additional Rent under this Lease and shall immediately be due and payable by Tenant.

#### **ARTICLE 10**

#### INDEMNIFICATION AND INSURANCE

- 10.1 <u>Indemnification and Waiver</u>. Tenant hereby assumes all risk of damage to property and injury to persons, in, on, or about the Premises from any cause whatsoever and agrees that Landlord, and its partners and subpartners, and their respective officers, agents, property managers, servants, employees, and independent contractors (collectively, "Landlord Parties") shall not be liable for, and are hereby released from any responsibility for, any damage to property or injury to persons or resulting from the loss of use thereof, which damage or injury is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause in, on or about the Premises (including, without limitation, Tenant's installation, placement and removal of Alterations, improvements, fixtures and/or equipment in, on or about the Premises), and any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, licensees or invitees of Tenant or any such person, in, on or about the Premises, the Building and Real Property; provided, however, that the terms of the foregoing indemnity shall not apply to the gross negligence or willful misconduct of Landlord. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease.
- 10.2 <u>Tenant's Compliance with Landlord's Fire and Casualty Insurance</u>. Tenant shall, at Tenant's expense, comply as to the Premises with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies, then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.
  - 10.3 <u>Tenant's Insurance</u>. Tenant shall maintain the following coverages in the following amounts.
- 10.3.1 Commercial General Liability Insurance covering the insured against claims of bodily injury, personal injury and property damage arising out of Tenant's operations, assumed liabilities or use of the Premises, including a Broad Form Commercial General Liability endorsement covering the insuring provisions of this Lease and the performance by Tenant of the indemnity agreements set forth in Section 10.1 of this Lease, (and with owned and non-owned automobile liability coverage, and liquor liability coverage in the event alcoholic beverages are served on the Premises) for limits of liability not less than:

Bodily Injury and Property Damage Liability	\$3,000,000 each occurrence \$3,000,000 annual aggregate	
Personal Injury Liability	\$3,000,000 each occurrence \$3,000,000 annual aggregate 0% Insured's participation	

10.3.2 Personal Property Insurance covering (i) all office furniture, trade fixtures, office equipment, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the Tenant Improvements, including any Tenant Improvements which Landlord permits to be installed above the ceiling of the Premises or below the floor of the Premises, and (iii) all other improvements, alterations and additions to the Premises, including any improvements, alterations or additions installed at Tenant's request above the ceiling of the Premises or below the floor of the Premises. Such insurance shall be written on a "physical loss or damage" basis under a "special form" policy, for the full replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include a vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage coverage.

- 10.3.3 Workers' compensation insurance as required by law.
- 10.3.4 Loss-of-income, business interruption and extra-expense insurance in such amounts as will reimburse Tenant for direct and indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of loss of access to the Premises or to the Building as a result of such perils, provided, however, that this insurance requirement shall not apply to the original Tenant but will apply to any assignee of the Tenant.
- 10.3.5 Tenant shall carry comprehensive automobile liability insurance having a combined single limit of not less than Two Million Dollars (\$2,000,000.00) per occurrence and insuring Tenant against liability for claims arising out of ownership, maintenance or use of any owned, hired or non-owned automobiles.
- 10.3.6 Any insurance required of Tenant under this Lease may be provided in the form of selfinsurance by the original Tenant (but not by any assignee of Tenant), at Tenant's sole discretion, provided that Tenant maintains a formal self-insurance program, that such self-insurance's coverage is equivalent in scope and limits to the insurance as described herein, and that Tenant provides written evidence thereof to Landlord. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall: (i) name Landlord, and any other party it so specifies, as an additional insured; (ii) specifically cover the liability assumed by Tenant under this Lease, including, but not limited to, Tenant's obligations under Section 10.1 of this Lease; (iii) be issued by an insurance company having a rating of not less than A-VIII in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the state in which the Real Property is located; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; (v) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee or ground or underlying lessor of Landlord; (vi) contain a cross-liability endorsement or severability of interest clause acceptable to Landlord; and (vii) with respect to the insurance required in Sections 10.3.1 and 10.3.2 above, have deductible amounts not exceeding Fifty Thousand Dollars (\$50,000.00) for the original Tenant and not less than Five Thousand Dollars (\$5,000) for any future assignee of Tenant. Tenant shall deliver said policy or policies or certificates thereof to Landlord on or before the Lease Commencement Date and at least thirty (30) days before the expiration dates thereof. If Tenant shall fail to procure such insurance, or to deliver such policies or certificate, within such time periods and does not correct such failure within ten (10) business days following notice from Landlord, Landlord may, at its option, in addition to all of its other rights and remedies under this Lease, and without regard to any notice and cure periods set forth in Section 19.1, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within ten (10) days after delivery of bills therefor.
- 10.4 <u>Subrogation</u>. Landlord and Tenant agree to have their respective insurance companies issuing property damage insurance waive any rights of subrogation that such companies may have against Landlord or Tenant, as the case may be, so long as the insurance carried by Landlord and Tenant, respectively, is not invalidated thereby. As long as such waivers of subrogation are contained in their respective insurance policies, Landlord and Tenant hereby waive any right that either may have against the other on account of any loss or damage to their respective property to the extent such loss or damage is insurable under policies of insurance for fire and all risk coverage, theft, public liability, or other similar insurance.
- 10.5 Additional Insurance Obligations. Landlord may, not more than once during any three year period of the Lease Term, require Tenant to carry and maintain during the remaining Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance pursuant to this Article 10, and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord to comply with a requirement from Landlord's lender.

## **ARTICLE 11**

## **DAMAGE AND DESTRUCTION**

Repair of Damage to Premises by Landlord. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the base, shell, and core of the Premises and such Common Areas. Such restoration shall be to substantially the same condition of the base, shell, and core of the Premises and Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Real Property, or the lessor of a ground or underlying lease with respect to the Real Property and/or the Building, or any other modifications to the Common Areas deemed desirable by Landlord, provided access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Notwithstanding any other provision of this Lease, upon the occurrence of any damage to the Premises, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease, and Landlord shall repair any injury or damage to the tenant improvements and alterations installed in the Premises and shall return such tenant improvements and alterations to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's repair of the damage. Notwithstanding anything to the contrary herein, in no event shall Landlord be obligated to repair or restore any specialized or dedicated equipment serving Tenant, such as any cabling, wiring, supplemental utility system, telephone system or wireless/Wi-Fi Network. In connection with such repairs and replacements, Tenant shall, prior to the commencement of construction, submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall

select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; <u>provided however</u>, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's employees, contractors, licensees, or invitees, Landlord shall allow Tenant a proportionate abatement of Base Rent and Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs to the extent Landlord is reimbursed from the proceeds of rental interruption insurance purchased by Landlord as part of Operating Expenses, during the time and to the extent the Premises are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof.

- Landlord's Option to Repair. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, the Building and/or any other portion of the Real Property and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date of damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within one hundred twenty (120) days of the date of damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Real Property or ground or underlying lessor with respect to the Real Property and/or the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground or underlying lease, as the case may be; or (iii) the damage is not fully covered, except for deductible amounts, by Landlord's insurance policies. In addition, if the Premises or the Building is destroyed or damaged to any substantial extent during the last twelve (12) months of the Lease Term, then notwithstanding anything contained in this Article 11, Landlord shall have the option to terminate this Lease by giving written notice to Tenant of the exercise of such option within thirty (30) days after such damage or destruction, in which event this Lease shall cease and terminate as of the date of such notice. Upon any such termination of this Lease pursuant to this Section 11.2, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Lease Term.
- Maiver of Statutory Provisions. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or any other portion of the Real Property, and any statute or regulation of the state in which the Real Property is located, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or any other portion of the Real Property.

## **ARTICLE 12**

## **CONDEMNATION**

- Permanent Taking. If the whole or any part of the Premises, Building or Real Property shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Real Property, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking, condemnation, reconfiguration, vacation, deed or other instrument. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired, Tenant shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. Landlord shall be entitled to receive the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claim does not diminish the award available to Landlord, its ground lessor with respect to the Real Property or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination, or the date of such taking, whichever shall first occur. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Base Rent and Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure.
- 12.2 <u>Temporary Taking</u>. Notwithstanding anything to the contrary contained in this <u>Article 12</u>, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and Tenant's Share of Operating Expenses, Tax Expenses and Utilities Costs shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

#### **ARTICLE 13**

#### **COVENANT OF QUIET ENJOYMENT**

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

#### **ARTICLE 14**

## ASSIGNMENT AND SUBLETTING

- Transfers. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant (it being understood that the Tenant is the City of Long Beach and all of its Departments) and its employees (all of the foregoing are hereinaster sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"); provided, however, that in no event may this Lease be assigned, nor the Premises (or any part thereof) be sublet or licensed, to any tenant or other occupant of the Project, nor may the rental rate of any sublease be less than the rental rate then offered by Landlord for any other space in the Project. If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the terms of the proposed Transfer, the name and address of the proposed Transferee, and a copy of all existing and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, and (v) such other information as Landlord may reasonably require. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Each time Tenant requests Landlord's consent to a proposed Transfer, whether or not Landlord shall grant consent, within thirty (30) days after written request by Landlord, as Additional Rent hereunder, Tenant shall pay to Landlord One Thousand Dollars (\$1,000.00) to reimburse Landlord for its review and processing fees
- 14.2 <u>Landlord's Consent</u>. Landlord shall not unreasonably withhold its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. The parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply, without limitation as to other reasonable grounds for withholding consent:
- 14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or Real Property;
- 14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;
  - 14.2.3 Intentionally Omitted;
- 14.2.4 The Transfer will result in more than a reasonable and safe number of occupants per floor within the Subject Space;
- 14.2.5 The Transferee is not a party of reasonable financial worth and/or financial stability that has and will continue to have sufficient financial strength to perform all of the remaining obligations of Tenant under the Lease from and after the date of transfer, as reasonably determined by Landlord taking into account all relevant facts and circumstances;
- 14.2.6 The proposed Transfer would cause Landlord to be in violation of another lease or agreement to which Landlord is a party, or would give an occupant of the Building or Real Property a right to cancel its lease;
- 14.2.7 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right);
- 14.2.8 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent (but this shall not apply if after the proposed Transfer the Building will be 100%

leased), (ii) is negotiating with Landlord to lease space in the Project at such time, or (iii) has negotiated with Landlord during the twelve (12) month period immediately preceding the Transfer Notice; or

14.2.9

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease).

- 14.3 <u>Transfer Premium</u>. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium", as that term is defined in this <u>Section 14.3</u>, received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee (deducting free or abated rent or other concessions) in excess of the Rent and Additional Rent payable by Tenant under this Lease on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any reasonable changes, alterations and improvements to the Premises in connection with the Transfer (but only to the extent approved by Landlord), and (ii) any reasonable brokerage commissions in connection with the Transfer. "Transfer Premium" shall also include, but not be limited to, key money and bonus money paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer.
- Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option, by giving written notice to Tenant within fourteen (14) days after receipt of any Transfer Notice or any other written notice of Tenant's intent to enter into a Transfer, to recapture the Subject Space or the entirety of the Premises, as determined in Landlord's sole discretion. Such recapture notice shall cancel and terminate this Lease with respect to either the Subject Space or the entire Premises, as applicable, as of the date stated in the Transfer Notice as the effective date of the proposed Transfer (with respect to Landlord's recapture following receipt of a Transfer Notice), and otherwise, such termination shall be effective on the date that is sixty (60) days after Landlord's delivery of a recapture notice. If this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space or the Premises under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of the last paragraph of Section 14.2 of this Lease.
- 14.5 Effect of Transfer. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, and (iv) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the this Lease from liability under this Lease. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency and Landlord's costs of such audit.
- 14.6 Additional Transfers. For purposes of this Lease, the term "Transfer" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of twenty-five percent (25%) or more of partnership interests, within a twelve (12) month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a limited liability company or closely held for-profit corporation (i.e., whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant, (B) the sale or other transfer of more than an aggregate of fifty percent (50%) of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12) month period, or (C) the sale, mortgage, hypothecation or pledge of more than an aggregate of fifty percent (50%) of the value of the unencumbered assets of Tenant within a twelve (12) month period. The parties acknowledge that this Section 14.6 does not apply to Tenant because it is not partnership, limited liability company or for-profit corporation and is included in this Lease only to apply to possible assignees of Tenant's interest in this Lease.

#### **ARTICLE 15**

#### SURRENDER; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

- 15.1 <u>Surrender of Premises</u>. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in a writing signed by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises.
- Removal of Tenant Property by Tenant. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and cabling or wiring which may have been placed at the Real Property or within the Building by or on behalf of Tenant, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal. Notwithstanding the foregoing, Tenant shall not be required to remove any electrical wiring or conduit installed by Tenant.

#### **ARTICLE 16**

## **HOLDING OVER**

If Tenant holds over after the expiration of the Lease Term, with or without the express or implied consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to one hundred fifty percent (150%) of the greater of (i) the Base Rent applicable during the last rental period of the Lease Term under this Lease, and (ii) the fair market rental rate of the Premises as of the commencement of such holdover period. Such month-to-month tenancy shall be subject to every other term, covenant and agreement contained herein. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom.

#### **ARTICLE 17**

## **ESTOPPEL CERTIFICATES**

Within fifteen (15) days following a request in writing by Landlord, Tenant shall execute and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be in the form as may be required by any prospective mortgagee or purchaser of the Real Property (or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. Failure of Tenant to timely execute and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception. Failure by Tenant to so deliver such estoppel certificate shall be a material default of the provisions of this Lease. In addition, Tenant shall be liable to Landlord, and shall indemnify Landlord from and against any loss, cost, damage or expense, incidental, consequential, or otherwise, including attorneys' fees, arising or accruing directly or indirectly, from any failure of Tenant to execute or deliver to Landlord any such estoppel certificate.

#### **ARTICLE 18**

## **SUBORDINATION**

18.1 <u>Subordination</u>. This Lease is subject and subordinate to all present and future ground or underlying leases of the Real Property and to the lien of any mortgages or trust deeds, now or hereafter in force against the Real Property, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages or trust deeds, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Without limiting the generality of the foregoing, this Lease is subject and subordinate to those certain two ground leases each dated March 10, 1983 (collectively, as amended from time to time, the "Master

Leases"), each with the City of Long Beach, as lessor ("Master Lessor"). Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage, or if any ground or underlying lease is terminated, to attorn, without any deductions or set-offs whatsoever, to the purchaser upon any such foreclosure sale, or to the lessor of such ground or underlying lease, as the case may be, if so requested to do so by such purchaser or lessor and to recognize such purchaser or lessor as the lessor under this Lease. Tenant shall, within five (5) days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such instrument or instruments if Tenant fails to do so, provided that such authorization shall in no way relieve Tenant from the obligation of executing such instruments of subordination or superiority. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. Without limiting the generality of the foregoing, Tenant agrees to execute and deliver, concurrently with the execution and delivery of this Lease, a subordination, non-disturbance and attornment agreement in the form attached hereto as Exhibit E, and Landlord shall promptly thereafter cause its lender to execute and deliver a fully-executed agreement to Tenant.

18.2 <u>Tenant's Attornment</u>. This Lease and Tenant's rights hereunder shall be subject and subordinate to the Master Leases. Tenant shall attorn to the Master Lessor or, in the event of any proceeding to foreclose any leasehold deed of trust, to the leasehold beneficiary, or any person designated in a notice from leasehold beneficiary, if Tenant is notified of a default by Landlord under one or both of the Master Leases and instructed in writing to make rental payments to one or both of the Master Lessor or leasehold beneficiary or said designated person.

#### **ARTICLE 19**

## TENANT'S DEFAULTS; LANDLORD'S REMEDIES

- 19.1 <u>Events of Default by Tenant</u>. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. The occurrence of any of the following shall constitute a default of this Lease by Tenant:
- 19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when such failure continues after three (3) days written notice from Landlord to Tenant of such failure; or
- 19.1.2 Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for fifteen (15) days after written notice thereof from Landlord to Tenant; provided however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 or any similar or successor law; and provided further that if the nature of such default is such that the same cannot reasonably be cured within a fifteen (15) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure said default as soon as possible; or
- 19.2 <u>Landlord's Remedies Upon Default</u>. Upon the occurrence of any such default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.
- 19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:
- (i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus
- (ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (iv) Any other amount necessary to compensate Landlord for all the 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, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant, including, without limitation, any rent abatement; and
- (v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate set forth in Section 4.5 of this Lease. As used in Section 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

- 19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.
- 19.2.3 Landlord may, but shall not be obligated to, make any such payment or perform or otherwise cure any such obligation, provision, covenant or condition on Tenant's part to be observed or performed (and may enter the Premises for such purposes). In the event of Tenant's failure to perform any of its obligations or covenants under this Lease, and such failure to perform poses a material risk of injury or harm to persons or damage to or loss of property, then Landlord shall have the right to cure or otherwise perform such covenant or obligation at any time after such failure to perform by Tenant, whether or not any such notice or cure period set forth in Section 19.1 above has expired. Any such actions undertaken by Landlord pursuant to the foregoing provisions of this Section 19.2.3 shall not be deemed a waiver of Landlord's rights and remedies as a result of Tenant's failure to perform and shall not release Tenant from any of its obligations under this Lease.
- 19.3 Payment by Tenant. Tenant shall pay to Landlord, within fifteen (15) days after delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with Landlord's performance or cure of any of Tenant's obligations pursuant to the provisions of Section 19.2.3 above; and (ii) sums equal to all expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all legal fees and other amounts so expended. Tenant's obligations under this Section 19.3 shall survive the expiration or sooner termination of the Lease Term.
- 19.4 <u>Sublessees of Tenant</u>. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this <u>Article 19</u>, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.
- 19.5 Waiver of Default. No waiver by Landlord of any violation or breach by Tenant of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other or later violation or breach by Tenant of the same or any other of the terms, provisions, and covenants herein contained. Forbearance by Landlord in enforcement of one or more of the remedies herein provided upon a default by Tenant shall not be deemed or construed to constitute a waiver of such default. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.
- 19.6 Efforts to Relet. For the purposes of this Article 19, Tenant's right to possession shall not be deemed to have been terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

#### **ARTICLE 20**

#### [RESERVED]

#### **ARTICLE 21**

## **COMPLIANCE WITH LAW**

Tenant shall not do anything or suffer anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated. At its sole cost and expense, Tenant shall promptly comply with all such governmental measures, other than the making of structural changes or changes to the Building's life safety system (collectively the "Excluded Changes") except to the extent such Excluded Changes are required due to Tenant's alterations to or manner of use of the Premises. In addition, Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Real Property, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities. The Premises has not undergone an inspection by a certified access specialist and no representations are made with respect to compliance of the Premises with accessibility

standards. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

#### **ARTICLE 22**

#### ENTRY BY LANDLORD

Landlord reserves the right during business hours and upon reasonable notice to Tenant to enter the Premises to: (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees or tenants, or to the ground or underlying lessors; (iii) to post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building if necessary to comply with current building codes or other applicable laws, or for structural alterations, repairs or improvements to the Building, or as Landlord may otherwise reasonably desire or deem necessary. Notwithstanding anything to the contrary contained in this Article 22, Landlord may enter the Premises at any time, without notice to Tenant, in emergency situations and/or to perform janitorial or other services required of Landlord pursuant to this Lease. Any such entries shall be without the abatement of Rent and shall include the right to take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to enter without notice and use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises.

#### **ARTICLE 23**

#### **TENANT PARKING**

Throughout the Lease Term, Tenant shall be entitled to use the number of parking spaces set forth in Section 11 of the Summary, located in those portions of the Parking Area as may be designated by Landlord from time to time, without charge. Tenant's continued right to use the parking spaces is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the Parking Area and upon Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations. In addition, Landlord may assign any parking spaces and/or make all or a portion of such spaces reserved or institute an attendant-assisted tandem parking program and/or valet parking program if Landlord determines in its sole discretion that such is necessary or desirable for orderly and efficient parking. Landlord specifically reserves the right, from time to time, to change the size, configuration, design, layout, location and all other aspects of the Parking Area, and Tenant acknowledges and agrees that Landlord, from time to time, may, without incurring any liability to Tenant and without any abatement of Rent under this Lease temporarily close-off or restrict access to the Parking Area, or temporarily relocate Tenant's parking spaces to other parking structures and/or surface parking areas within a reasonable distance from the Parking Area, for purposes of permitting or facilitating any such construction, alteration or improvements or to accommodate or facilitate renovation, alteration, construction or other modification of other improvements or structures located on the Real Property. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to Landlord. The parking rates, if any, charged by Landlord for Tenant's parking spaces shall be exclusive of any parking tax or other charges imposed by governmental authorities in connection with the use of such parking, which taxes and/or charges shall be paid directly by Tenant or the parking users, or, if directly imposed against Landlord, Tenant shall reimburse Landlord for all such taxes and/or charges within ten (10) days after Tenant's receipt of the invoice from Landlord. The parking spaces which Tenant is entitled to use pursuant to this Article 23 may be used solely for use by Tenant's own personnel and such spaces may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval. (Additional provisions provided in Exhibit G).

## **ARTICLE 24**

## **MISCELLANEOUS PROVISIONS**

- 24.1 <u>Terms: Captions</u>. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.
- 24.2 <u>Binding Effect</u>. Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of <u>Article 14</u> of this Lease.
- 24.3 No Waiver. No waiver of any provision of this Lease shall be implied by any failure of a party to enforce any remedy on account of the violation of such provision, even if such violation shall continue or be repeated subsequently, any waiver by a party of any provision of this Lease may only be in writing, and no express waiver shall affect any provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it

being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

- Modification of Lease; Financials. Should any current or prospective mortgagee or ground lessor for the Real Property require a modification or modifications of this Lease, which modification or modifications will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are required therefor and deliver the same to Landlord within ten (10) days following the request therefor. Should Landlord or any such current or prospective mortgagee or ground lessor require execution of a short form of Lease for recording, containing, among other customary provisions, the names of the parties, a description of the Premises and the Lease Term, Tenant agrees to execute such short form of Lease and to deliver the same to Landlord within ten (10) days following the request therefor. In addition, upon request from time to time, Tenant agrees to provide to Landlord, within ten (10) days of written request, current financial statements for Tenant, dated no earlier than one (1) year prior to such request, certified as accurate by Tenant or, if available, audited financial statements prepared by an independent certified public accountant with copies of the auditor's statement. If any Guaranty is executed in connection with this Lease, Tenant also agrees to deliver to Landlord, within ten (10) days of written request, current financial statements of the Guarantor in a form consistent with the above criteria. All such financial statements will be delivered to Landlord and any such lender or purchaser in confidence and shall only be used for purposes of evaluating the financial strength of Tenant or of Guarantor, as applicable.
- 24.5 <u>Transfer of Landlord's Interest.</u> Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Real Property, the Building and/or in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer. Without limiting the generality of the foregoing, it is acknowledged and agreed that the liability of Landlord under this Lease is limited to its actual period of ownership of title to the Building. The liability of any transferee of Landlord shall be limited to the interest of such transferee in the Real Property or Building and such transferee shall be without personal liability under this Lease, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.
- 24.6 <u>Prohibition Against Recording</u>. Except as provided in <u>Section 24.4</u> of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant, and the recording thereof in violation of this provision shall make this Lease null and void at Landlord's election.
- 24.7 <u>Landlord's Title</u>; Air Rights. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease.
- 24.8 Tenant's Signs. Tenant shall be entitled, at its sole cost and expense, and in a manner comparable to other tenants of the Building, to (i) one (1) identification sign on or near the entry doors of the Premises, and (ii) one (1) identification on the existing Building directory, as designated by Landlord. Such signs shall be installed by a signage contractor designated by Landlord. The location, quality, design, style, lighting and size of such signs shall be consistent with the Landlord's Building standard signage program and shall be subject to Landlord's prior written approval, in its reasonable discretion. Upon the expiration or earlier termination of this Lease, Tenant shall be responsible, at its sole cost and expense, for the removal of such signage and the repair of all damage to the Building caused by such removal. Except for such identification signs, Tenant may not install any signs on the exterior or roof of the Building or the Common Areas. Any signs, window coverings, or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole and absolute discretion.
- 24.9 <u>Relationship of Parties</u>. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.
- 24.10 <u>Application of Payments</u>. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.
  - 24.11 <u>Time of Essence</u>. Time is of the essence of this Lease and each of its provisions.
- 24.12 <u>Partial Invalidity</u>. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

- 24.13 No Warranty. In executing and delivering this Lease, Tenant has not relied on any representation, including, but not limited to, any representation whatsoever as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the Exhibits attached hereto.
- 24.14 <u>Landlord Exculpation</u>. It is expressly understood and agreed that notwithstanding anything in this Lease to the contrary, and notwithstanding any applicable law to the contrary, the liability of Landlord and the Landlord Parties hereunder (including any successor landlord) and any recourse by Tenant against Landlord or the Landlord Parties shall be limited solely and exclusively to an amount which is equal to the ownership interest of Landlord in the Building (excluding any proceeds thereof), and neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.
- 24.15 Entire Agreement. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease and any side letter or separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Lease.
- 24.16 <u>Right to Lease</u>. Landlord reserves the absolute right to effect such other tenancies in the Building or other portions of the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Real Property. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Real Property.
- 24.17 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease and except with respect to Tenant's obligations under the Work Letter (collectively, the "Force Majeure"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.
- 24.18 <u>Waiver of Redemption by Tenant</u>. Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.
- 24.19 Notices. All notices, demands, statements or communications (collectively, "Notices") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or delivered personally (i) to Tenant at the appropriate address set forth in Section 5 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 3 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date it is mailed as provided in this Section 24.19 or upon the date personal delivery is made. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant.
- 24.20 <u>Joint and Several</u>. If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.
- 24.21 <u>Authority</u>. If Tenant is a corporation or partnership, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the state in which the Real Property is located and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.
- 24.22 <u>Jury Trial; Attorneys' Fees.</u> IF EITHER PARTY COMMENCES LITIGATION AGAINST THE OTHER FOR THE SPECIFIC PERFORMANCE OF THIS LEASE, FOR DAMAGES FOR THE BREACH HEREOF OR OTHERWISE FOR ENFORCEMENT OF ANY REMEDY HEREUNDER, THE PARTIES HERETO AGREE TO AND HEREBY DO WAIVE ANY RIGHT TO A TRIAL BY JURY. In the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred, including any and all costs incurred in enforcing, perfecting and executing such judgment.

- 24.23 <u>Governing Law</u>. This Lease shall be construed and enforced in accordance with the laws of the state in which the Real Property is located.
- 24.24 <u>Submission of Lease</u>. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant, and Landlord's lender holding a lien with respect to the Building has approved this Lease and the terms and conditions hereof.
- 24.25 <u>Brokers</u>. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in <u>Section 12</u> of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than the Brokers.
- 24.26 <u>Independent Covenants</u>. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord; <u>provided</u>, <u>however</u>, that the foregoing shall in no way impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Real Property or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.
- 24.27 <u>Building Name and Signage</u>. Landlord shall have the right at any time to change the name of the Building and Real Property and to install, affix and maintain any and all signs on the exterior and on the interior of the Building and any portion of the Real Property as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the names of the Buildings or Real Property or use pictures or illustrations of the Building or Real Property in advertising or other publicity, without the prior written consent of Landlord.
- 24.28 <u>Building Directory</u>. At Tenant's cost, Landlord shall include Tenant's name and location in the Building on one (1) line on the Building directory.
- 24.29 <u>Confidentiality</u>. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants.
- Landlord's Construction. It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, Real Property, or any part thereof and that no representations or warranties respecting the condition of the Premises, the Building or the Real Property have been made by Landlord to Tenant, except as specifically set forth in this Lease. However, Tenant acknowledges that Landlord may from time to time, at Landlord's sole option, renovate, improve, alter, or modify (collectively, the "Renovations") the Building, Premises, and/or Real Property, including without limitation the Building Parking Area, Common Areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) modifying the Common Areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (ii) installing new carpeting, lighting, and wall coverings in the Building Common Areas, and in connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Real Property, including portions of the Common Areas, or perform work in the Building and/or Real Property, which work may create noise, dust or leave debris in the Building and/or Real Property. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations.
- 24.31 <u>Substitution of Other Premises</u>. Landlord shall have the right to move Tenant to other space in the Project comparable in size to the Premises, and all terms hereof shall apply to the new space with equal force. In such event, Landlord shall give Tenant prior notice of Landlord's election to so relocate Tenant, and shall move Tenant's effects to the new space at Landlord's sole cost and expense at such time and in such manner as to inconvenience Tenant as little as reasonably practicable. The new space shall be delivered to Tenant with improvements substantially similar to those improvements existing in the Premises at the time of Landlord's notification to Tenant of the relocation. Simultaneously with such relocation of the Premises, the parties shall immediately execute an amendment to this Lease stating the relocation of the Premises. Notwithstanding the foregoing, Landlord shall have no right to relocate Tenant to other space in the Project during the initial Lease Term of this original Lease and the foregoing provisions shall only be applicable during any extension or option term occurring subsequent to the original Lease Term.

24.32 <u>Required Accessibility Disclosure</u>. Landlord hereby advises Tenant that the Project has not undergone an inspection by a certified access specialist, and except to the extent expressly set forth in this Lease, Landlord shall have no liability or responsibility to make any repairs or modifications to the Premises or the Project in order to comply with accessibility standards. The following disclosure is hereby made pursuant to applicable California law:

"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." [Cal. Civ. Code Section 1938(e)]

Any CASp inspection shall be conducted in compliance with reasonable rules in effect at the Building with regard to such inspections and shall be subject to Landlord's prior written consent.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"Landlord":

WCCP AIRPORT PLAZA L.B., LLC,

an Arizona limited liability company

By: Name;

Title:

"Tenant":

THE CITY OF LONG BEACH,

a municipal corporation

By: Name: Senda J. Jahren

Title:

ASST. CITY MANAGER

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER

20\_20

APPROVED AS TO FORM AND RETURNED

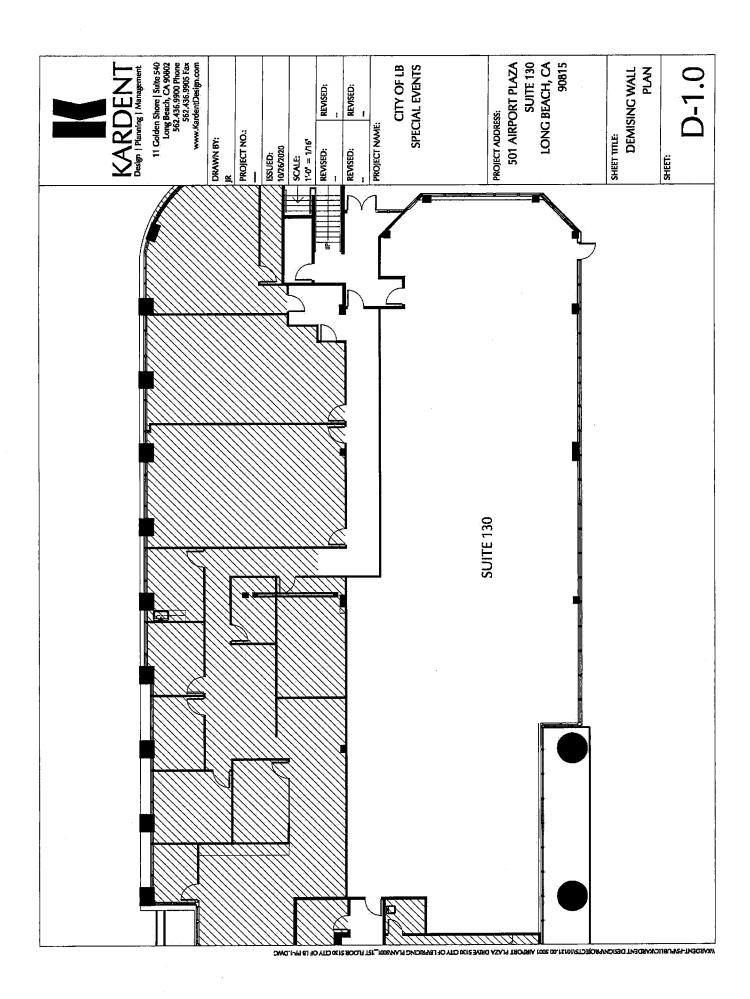
CHARLES PARKIN, City Attorney

ly Allollies

RICHARD ANTHONY DEPUTY CITY ATTORNEY

## EXHIBIT A

## **OUTLINE OF FLOOR PLAN OF PREMISES**



#### **EXHIBIT B**

#### **WORK LETTER**

This Work Letter ("Work Letter") sets forth the terms and conditions relating to the construction of improvements for the Premises. All references in this Work Letter to the "Lease" shall mean the relevant portions of the Lease to which this Work Letter is attached as <u>Exhibit B</u>.

#### **SECTION 1**

#### **BASE, SHELL AND CORE**

Tenant hereby accepts the base, shell and core (i) of the Premises and (ii) of the floor(s) of the Building on which the Premises are located (collectively, the "Base, Shell and Core"), in its current "AS-IS" condition existing as of the date of the Lease and the Lease Commencement Date. Except as otherwise provided below, Landlord shall not be obligated to make or pay for any alterations or improvements to the Premises, the Building, the Project or the Real Property. Landlord shall be obligated to make and pay for any alterations to the Building which are required in order for the Premises and the Tenant's occupancy and use thereof to comply with the ADA.

#### **SECTION 2**

#### CONSTRUCTION DRAWINGS FOR THE PREMISES

Prior to the execution of this Lease, Landlord and Tenant have mutually approved a pricing and space plan for the construction of certain improvements in the Premises, which space plan has been prepared by Kardent and is dated with a 09/14/20 start date and a 09/16/20 issue date and titled Pricing Plan PP-1.1, PP-1.2 and PP-1.3 (the "Final Space Plan"). Based upon and in conformity with the Final Space Plan, Landlord shall cause its architect to prepare and deliver to Tenant, for Tenant's approval, detailed specifications for the tenant improvements shown on the Final Space Plan (the "Working Drawings"). To the extent that the finishes and specifications are not completely set forth in the Final Space Plan for any portion of the tenant improvements depicted thereon, the actual specifications and finish work shall be in accordance with the specifications for the Building's standard tenant improvement items, as determined by Landlord. Within five (5) business days after Tenant's receipt of the Working Drawings, Tenant shall approve or disapprove the same, which approval shall not be unreasonably withheld; provided, however, that Tenant may only disapprove the Working Drawings to the extent such Working Drawings are inconsistent with the Final Space Plan and only if Tenant delivers to Landlord, within such five (5) business days period, specific changes proposed by Tenant which are consistent with the Final Space Plan and do not constitute changes which would result in any of the circumstances described in items (i) through (iv) below. If any such revisions are timely and properly proposed by Tenant, Landlord shall cause its architect to revise the Working Drawings to incorporate such revisions and submit the same for Tenant's approval in accordance with the foregoing provisions, and the parties shall follow the foregoing procedures for approving the Working Drawings until the same are finally approved by Landlord and Tenant. Upon Landlord's and Tenant's approval of the Working Drawings, the same shall be known as the "Approved Working Drawings". The tenant improvements shown on the Approved Working Drawings shall be referred to herein as the "Tenant Improvements". Once the Approved Working Drawings have been approved by Landlord and Tenant, and following submittal and approval by the applicable government permitting agencies, Tenant shall make no changes, change orders or modifications thereto without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion if such change or modification would: (i) directly or indirectly delay the Substantial Completion of the Premises; (ii) increase the cost of designing or constructing the Tenant Improvements above the cost of the tenant improvements depicted in the Final Space Plan; (iii) be of a quality lower than the quality of the standard tenant improvement items for the Building; and/or (iv) require any changes to the Base, Shell and Core or structural improvements or systems of the Building. The Final Space Plan, Working Drawings and Approved Working Drawings shall be collectively referred to herein as, the "Construction Drawings".

#### **SECTION 3**

## CONSTRUCTION AND PAYMENT FOR COSTS OF TENANT IMPROVEMENTS

Landlord shall cause a contractor (which contractor shall comply with the California Labor Code Section 1720 regarding the payment of prevailing wages for the construction of the Tenant Improvements) designated by Landlord and approved by Tenant (the "Contractor"), which approval shall not be unreasonably withheld, to construct the Tenant Improvements as depicted on the Approved Working Drawings in good workmanlike manner and in accordance with all governmental building codes. Except as otherwise provided in this Work Letter, Landlord shall pay for the cost of the design and construction of the Tenant Improvements. Tenant, at Tenant's cost, shall be responsible for the items outlined in the Alternate Cost Keynotes shown on the Final Space Plan. In the event Tenant requests any changes, change orders or modifications to the Working Drawings and/or the Approved Working Drawings (which Landlord approves pursuant to Section 2 above) which increase the cost to construct the Tenant Improvements above the cost of the tenant improvements as described in the Final Space Plan, Tenant shall pay such increased cost to Landlord immediately upon Landlord's request therefor, and, in any event, prior to the date Landlord causes the Contractor to commence construction of the changes, change orders or modifications. Except for the FF&E Allowance (as defined in Exhibit G), in no event shall Landlord be obligated to pay for any of Tenant's furniture, computer systems, telephone systems, low voltage cabling, equipment or other personal property which may be depicted on the Construction Drawings; such items shall be paid for by Tenant.

#### **SECTION 4**

#### READY FOR OCCUPANCY; SUBSTANTIAL COMPLETION OF THE TENANT IMPROVEMENTS

- 4.1 <u>Ready for Occupancy: Substantial Completion</u>. For purposes of this Lease, including for purposes of determining the Lease Commencement Date (as set forth in <u>Section 7.2</u> of the Summary), the Premises shall be "Ready for Occupancy" upon Substantial Completion of the Premises. For purposes of this Lease, "Substantial Completion" of the Premises shall occur upon the completion of construction of the Tenant Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punch list items that do not materially and adversely affect Tenant's use and occupancy of the Premises and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant or under the supervision of Contractor.
- 4.2 <u>Delay of the Substantial Completion of the Premises</u>. If there shall be a delay or there are delays in the Substantial Completion of the Premises as a direct, indirect, partial, or total result of any of the following (collectively, "Tenant Delays"):
- 4.2.1 Tenant's failure to timely approve the Working Drawings or any other matter requiring Tenant's approval;
- 4.2.2 a breach by Tenant of the terms of this Work Letter or the Lease (including, without limitation, any anticipatory breach by Tenant described in <u>Section 5.6</u> below);
  - 4.2.3 Tenant's request for changes in any of the Construction Drawings;
- 4.2.4 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the estimated date of Substantial Completion of the Premises, as set forth in the Lease, or which are different from, or not included in, Landlord's standard tenant improvement items for the Building;
- 4.2.5 changes to the Base, Shell and Core, structural components or systems of the Building required by the Approved Working Drawings, provided Tenant receives specific notice of any such proposed changes during the Working Drawings review and approval process;
  - 4.2.6 any other acts or omissions of Tenant, or its agents, or employees;

then, notwithstanding anything to the contrary set forth in the Lease and regardless of the actual date of Substantial Completion, the Lease Commencement Date (as set forth in Section 7.2 of the Summary) shall be deemed to be the date the Lease Commencement Date would have occurred if no Tenant Delays, as set forth above, had occurred.

## **SECTION 5**

#### **MISCELLANEOUS**

Tenant's Entry Into the Premises Prior to Substantial Completion. Subject to the terms hereof and provided that Tenant and its agents do not interfere with Contractor's work in the Project, the Building and the Premises, at Landlord's reasonable discretion, Contractor shall use commercially reasonable efforts to allow Tenant access to the Premises not less than fourteen (14) days prior to the anticipated Substantial Completion of the Premises for the purpose of Tenant installing over standard equipment or fixtures (including Tenant's data and telephone equipment) and Tenant's furniture in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms of this Section 5.1, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. In connection with any such entry, Tenant acknowledges and agrees that Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees shall fully cooperate, work in harmony and not, in any manner, interfere with Landlord or Landlord's Contractor, agents or representatives in performing work in the Project, the Building and the Premises, or interfere with the general operation of the Building and/or the Project. If at any time any such person representing Tenant shall not be cooperative or shall otherwise cause or threaten to cause any such disharmony or interference, including, without limitation, labor disharmony, and Tenant fails to immediately institute and maintain corrective actions as directed by Landlord, then Landlord may revoke Tenant's entry rights upon twenty-four (24) hours' prior written notice to Tenant. Tenant acknowledges and agrees that any such entry into and occupancy of the Premises or any portion thereof by Tenant or any person or entity working for or on behalf of Tenant shall be deemed to be subject to all of the terms, covenants, conditions and provisions of the Lease, excluding only the covenant to pay Rent (until the occurrence of the Lease Commencement Date). Tenant further acknowledges and agrees that Landlord shall not be liable for any injury, loss or damage which may occur to any of Tenant's work made in or about the Premises in connection with such entry or to any property placed therein prior to the Lease Commencement Date, the same being at Tenant's sole risk and liability. Tenant shall be liable to Landlord for any damage to any portion of the Premises, including the Tenant Improvement work, caused by Tenant or any of Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees. In the event that the performance of Tenant's work in connection with such entry causes extra costs to be incurred by Landlord or requires the use of any Building services, Tenant shall promptly reimburse Landlord for such extra costs and/or shall pay Landlord for such Building services at Landlord's standard rates then in effect. In addition, Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Premises or Project and against injury to any persons caused by Tenant's actions pursuant to this Section 5.1.

- 5.2 <u>Intentionally Omitted.</u>
- 5.3 <u>Tenant's Representative</u>. Tenant has designated Fern Nueno as its sole representative with respect to the matters set forth in this Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.
- 5.4 <u>Landlord's Representative</u>. Landlord has designated Douglas Austin as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Work Letter.
- Time of the Essence in This Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord. Both Landlord and Tenant shall use commercially reasonable, good faith, efforts and all due diligence to cooperate with each other to complete all phases of the Construction Drawings and the permitting process (if applicable) as soon as possible after the execution of the Lease, and, in that regard, shall meet on a scheduled basis to be determined by Landlord and Tenant, to discuss progress in connection with the same.
- Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if a breach or default by Tenant under this Work Letter (which, for purposes hereof, shall include, without limitation, the delivery by Tenant to Landlord of any oral or written notice instructing Landlord to cease the design and/or construction of the Tenant Improvements and/or that Tenant does not intend to occupy the Premises, and/or any other anticipatory breach of the Lease) or the Lease has occurred at any time on or before Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, at law and/or in equity, Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in Substantial Completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in Substantial Completion of the Premises caused by such inaction by Landlord). In addition, if the Lease is terminated prior to the Lease Commencement Date, for any reason due to a default by Tenant as described in Section 19.1 of the Lease or under this Work Letter (including, without limitation, any anticipatory breach described above in this Section 5.6), then (A) Tenant shall be liable to Landlord for all damages available to Landlord pursuant to the Lease and otherwise available to Landlord at law and/or in equity by reason of a default by Tenant under the Lease or this Work Letter (including, without limitation, the remedies available to Landlord pursuant to California Civil Code Section 1951.2), and (B) Tenant shall pay to Landlord, as Additional Rent under the Lease, within five (5) days of receipt of a statement therefor, any and all costs incurred by Landlord and not reimbursed or otherwise paid by Tenant through the date of such termination in connection with the Tenant Improvements to the extent planned, installed and/or constructed as of such date of termination, including, but not limited to, any costs related to the removal of all or any portion of the Tenant Improvements and restoration costs related thereto. For purposes of calculating the damages available to Landlord under California Civil Code 1951.2, the Lease Commencement Date shall be deemed to be the date which the Lease Commencement Date would have otherwise occurred but for such default by Tenant.

## EXHIBIT C

## FORM OF AMENDMENT TO LEASE

an Arizona limited liability company ("l	between Landlord"), a	ment") is made and entered into effective as  WCCP AIRPORT PLAZA L.B., LL and, a(	(n)
("Tenant").	ERT TENA	NT NAME AND ENTITY INFORMATION	[*]
( Tomane ).	DECITA.	T.C.	
	RECITA	<u>arr</u> s:	
(the "Lease"), pursuant to which Landlord lea	ised to Tenant a	tain Office Lease dated as of	as 5.
B. Except as otherwise set fort same meaning as such terms have in the Lease		apitalized terms used in this Amendment shall have t	he
C. Landlord and Tenant desire of the term, as hereinafter provided.	to amend the L	ease to confirm the commencement and expiration dat	tes
NOW, THEREFORE, in consideration and for other good and valuable consideration parties hereto agree as follows:	on of the foregon, the receipt a	oing Recitals and the mutual covenants contained herein and sufficiency of which are hereby acknowledged, to	in, he
and (B) the term of the Lease commenced as	of	confirm that (A) the Premises are Ready for Occupance (the "Lease Commencement Date") for (unless sooner terminated as provided)	r a
,			
2. <u>No Further Modification</u> . E the Lease shall remain unmodified and in full		rth in this Amendment, all of the terms and provisions et.	01
IN WITNESS WHEDEOE this Ame	andment to Lea	ase has been executed as of the day and year first abo	we
written.	indiffent to Lea	ase has been executed as of the day and year first abo	
	"Landl	lord":	
		P AIRPORT PLAZA L.B., LLC, zona limited liability company	
	By:		
	Name: Title:		
	"Tena	int":	
	2(2)		
	a(11)		
	By:		
	Dy.	Name:	
		Its:	
	D		
	By:	Name:	
		Its:	

#### EXHIBIT D

#### **RULES AND REGULATIONS**

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building or Real Property.

- 1. Tenant shall not place any lock(s) on any door, or install any security system (including, without limitation, card key systems, alarms or security cameras), in the Premises or Building without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole discretion, and Landlord shall have the right to retain at all times and to use keys or other access codes or devices to all locks and/or security system within and into the Premises. A reasonable number of keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant's cost, and Tenant shall not make any duplicate keys. All keys shall be returned to Landlord at the expiration or early termination of this Lease. Further, if and to the extent Tenant re-keys, re-programs or otherwise changes any locks at the Project, Tenant shall be obligated to restore all such locks and key systems to be consistent with the master lock and key system at the Building, all at Tenant's sole cost and expense.
- 2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises
- Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register when so doing. After-hours access by Tenant's authorized employees may be provided by hard-key, card-key access or other procedures adopted by Landlord from time to time; Tenant shall pay for the costs of all access cards provided to Tenant's employees and all replacements thereof for lost, stolen or damaged cards. Access to the Building and/or Real Property may be refused unless the person seeking access has proper identification or has a previously arranged pass for such access. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building and/or Real Property of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building and/or Real Property during the continuance of same by any means it deems appropriate for the safety and protection of life and property.
- 4. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.
- 5. No furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building or carried up or down in the elevators, except upon prior notice to Landlord, and in such manner, in such specific elevator, and between such hours as shall be designated by Landlord. Tenant shall provide Landlord with not less than 24 hours prior notice of the need to utilize an elevator for any such purpose, so as to provide Landlord with a reasonable period to schedule such use and to install such padding or take such other actions or prescribe such procedures as are appropriate to protect against damage to the elevators or other parts of the Building. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage or loss.
- 6. Landlord shall have the right to control and operate the public portions of the Building and Real Property, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the vicinity of the Building.
- 7. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Tenant's cost and expense, using the standard graphics for the Building. Landlord may provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants, and no other directory shall be permitted unless previously consented to by Landlord in writing.
- 8. The requirements of Tenant will be attended to only upon application at the management office of the Real Property or at such office location designated by Landlord.
- 9. Tenant shall not disturb, solicit, or canvass any occupant of the Building or Real Property and shall cooperate with Landlord or Landlord's agents to prevent same.
- 10. 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 expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or agents, shall have caused it.

- 11. Tenant shall not overload the floor of the Premises. Tenant shall not mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained; provided, however, Landlord's prior consent shall not be required with respect to Tenant's placement of pictures and other normal office wall hangings on the interior walls of the Premises (but at the end of the Lease Term, Tenant shall repair any holes and other damage to the Premises resulting therefrom).
- 12. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord.
- 13. Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, portable coolers (such as "move n cools") or space heaters, without Landlord's prior written consent, and any such approval will be for devices that meet federal, state and local code.
- 14. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Real Property, except for those substances as are typically found in similar premises used for general office purposes and are being used by Tenant in a safe manner and in accordance with all applicable Laws, rules and regulations. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Real Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Laws which may now or later be in effect. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant, and shall remain solely liable for the costs of abatement and removal.
- 15. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building or Real Property by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having business therewith.
- 16. Tenant shall not bring into or keep within the Real Property, the Building or the Premises any animals (except those assisting handicapped persons), birds, fish tanks, bicycles or other vehicles.
- 17. Tenant shall not use or occupy the Premises in any manner or for any purpose which might injure the reputation or impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used, for lodging, sleeping or for any illegal purpose.
- 18. No cooking shall be done or permitted by Tenant on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other tenants.
- 19. Landlord will approve where and how telephone and telegraph wires and other cabling are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone, call boxes and other office equipment and/or systems affixed to the Premises shall be subject to the approval of Landlord. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building.
- 20. Landlord reserves the right to exclude or expel from the Building and/or Real Property any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations or cause harm to Building occupants and/or property.
- 21. All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time.
- 22. Tenant, its employees and agents shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.
- 23. Tenant at all times shall maintain the entire Premises in a neat and clean, first class condition, free of debris. Tenant shall not place items, including, without limitation, any boxes, files, trash receptacles or loose cabling or wiring, in or near any window to the Premises which would be visible anywhere from the exterior of the Premises.

- 24. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, including, without limitation, the use of window blinds to block solar heat load, and shall refrain from attempting to adjust any controls. Tenant shall comply with and participate in any program for metering or otherwise measuring the use of utilities and services, including, without limitation, programs requiring the disclosure or reporting of the use of any utilities or services. Tenant shall also cooperate and comply with, participate in, and assist in the implementation of (and take no action that is inconsistent with, or which would result in Landlord, the Building and/or the Real Property failing to comply with the requirements of) any conservation, sustainability, recycling, energy efficiency, and waste reduction programs, environmental protection efforts and/or other programs that are in place and/or implemented from time to time at the Building and/or the Real Property, including, without limitation, any required reporting, disclosure, rating or compliance system or program (including, but not limited to any LEED ([Leadership in Energy and Environmental Design] rating or compliance system, including those currently coordinated through the U.S. Green Building Council).
- 25. Tenant shall store all its recyclables, trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of recyclables, trash and garbage in the city in which the Real Property is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.
- 26. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
- 27. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied, or when the Premises' entry is not manned by Tenant on a regular basis.
- 28. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.
- 29. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Real Property, except under specific arrangement with Landlord.
- 30. Food vendors shall be allowed in the Building upon receipt of a written request from the Tenant. The food vendor shall service only the tenants that have a written request on file in the management office of the Real Property. Under no circumstance shall the food vendor display their products in a public or Common Area including corridors and elevator lobbies. Any failure to comply with this rule shall result in immediate permanent withdrawal of the vendor from the Building. Tenants shall obtain ice, drinking water, linen, barbering, shoe polishing, floor polishing, cleaning, janitorial, plant care or other similar services only from vendors who have registered with the Building office and who have been approved by Landlord for provision of such services in the Premises.
- 31. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.
- 32. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the Common Areas, unless the Common Areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the Common Areas or any other part of the Building. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.
- 33. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute, or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building ("Labor Disruption"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against Landlord or and its trustees, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees, or agents.
- 34. No tents, shacks, temporary or permanent structures of any kind shall be allowed on the Real Property. No personal belongings may be left unattended in any Common Areas.
- 35. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.
- 36. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance. Tenant shall ensure, to the

extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.

37. The work of cleaning personnel shall not be hindered by Tenant after 5:30 P.M., and cleaning work may be done at any time when the offices are vacant. Windows, doors and fixtures may be cleaned at any time. Tenant shall provide adequate waste and rubbish receptacles to prevent unreasonable hardship to the cleaning service.

#### PARKING RULES AND REGULATIONS

- (i) Landlord reserves the right to establish and reasonably change the hours for the parking areas, on a non-discriminatory basis, from time to time. Tenant shall not store or permit its employees to store any automobiles in the parking areas without the prior written consent of the operator. Except for emergency repairs, Tenant and its employees shall not perform any work on any automobiles while located in the parking areas, or on the Real Property. The Parking Area may not be used by Tenant or its agents for overnight parking of vehicles. If it is necessary for Tenant or its employees to leave an automobile in the Parking Area overnight, Tenant shall provide the operator with prior notice thereof designating the license plate number and model of such automobile.
- (ii) Tenant (including Tenant's agents) will use the parking spaces solely for the purpose of parking passenger model cars, small vans and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord from time to time with respect to the Parking Area.
- (iii) Cars must be parked entirely within the stall lines painted on the floor, and only small cars may be parked in areas reserved for small cars.
  - (iv) All directional signs and arrows must be observed.
  - (v) The speed limit shall be 5 miles per hour.
  - (vi) Parking spaces reserved for handicapped persons must be used only by vehicles properly designated.
  - (vii) Parking is prohibited in all areas not expressly designated for parking, including without limitation:
    - (a) areas not striped for parking
    - (b) aisles
    - (c) where "no parking" signs are posted
    - (d) ramps
    - (e) loading zones
- (viii) Parking stickers, key cards or any other devices or forms of identification or entry supplied by the operator shall remain the property of the operator. Such device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Parking passes and devices are not transferable and any pass or device in the possession of an unauthorized holder will be void.
  - (ix) Parking managers or attendants are not authorized to make or allow any exceptions to these Rules.
  - (x) Every parker is required to park and lock his/her own car.
- (xi) Loss or theft of parking pass, identification, key cards or other such devices must be reported to Landlord and to the parking manager immediately. Any parking devices reported lost or stolen found on any authorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen passes and devices found by Tenant or its employees must be reported to the office of the parking manager immediately.
- (xii) Washing, waxing, cleaning or servicing of any vehicle by the customer and/or his agents is prohibited. Parking spaces may be used only for parking automobiles.
  - (xiii) Tenant agrees to acquaint all persons to whom Tenant assigns a parking space with these Rules.
- (xiv) Neither Landlord nor any operator of the Parking Area within the Project, as the same are designated and modified by Landlord, in its sole discretion, from time to time will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Area, resulting from fire, theft, vandalism, accident, conduct of other users of the Parking Area and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (i) Landlord will not be obligated to provide any traffic control, security protection or operator for the Parking Area; (ii) Tenant uses the Parking Area at its own risk; and (iii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property. Tenant indemnifies and agrees to hold Landlord, any operator of the Parking Area and their respective agents harmless from and against any and all claims, demands, and actions arising out of the use of the Parking Area by Tenant and its agents, whether brought by any of such persons or any other person.
- (xv) Tenant will ensure that any vehicle parked in any of the parking spaces will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the parking spaces are at any time used: (i) for any purpose other than parking as provided above; (ii) in any way or manner reasonably objectionable to Landlord; or (iii) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an event of default under the Lease.

- (xvi) Tenant's right to use the Parking Area will be in common with other tenants of the Project and with other parties permitted by Landlord to use the Parking Area. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord, provided that Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).
- (xvii) If the Parking Area are damaged or destroyed, or if the use of the Parking Area is limited or prohibited by any governmental authority, or the use or operation of the Parking Area is limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's control, Tenant's inability to use the parking spaces will not subject Landlord or any operator of the Parking Area to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect. Tenant will pay to Landlord upon demand, and Tenant indemnifies Landlord against, any and all loss or damage to the Parking Area, or any equipment, fixtures, or signs used in connection with the Parking Area and any adjoining buildings or structures caused by Tenant or any of its agents.
- (xviii) Tenant has no right to assign or sublicense any of its rights in the parking passes, except as part of a permitted assignment or sublease of the Lease; however, Tenant may allocate the parking passes among its employees.
- (xix) Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees or guests. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Building and/or Real Property. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building and Real Property, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord shall not be responsible to Tenant or to any other person for the nonobservance of the Rules and Regulations by another tenant or other person. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

# EXHIBIT E

## FORM OF SNDA

# SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

DATE:	, 202		
PARTIES:	, a , an	, whose address is whose address is	(" <u>Lessee</u> "); and (" <u>Lender</u> ").
RECITALS:			
A. Lender has made a (the "Borrower"), in the principal and	a loan to WCCP Airport P	laza L.B., LLC, an Arizona lim(the " <u>Loan</u> ").	nited liability company
B. As security, in particular, Borrower has executed and of Fixture Filing (With Assignment of Precorded in the official records of beneficiary, and Lender is trustee, godescribed in Exhibit A attached here	delivered to Lender, among Rents and Security Agreem Los Angeles County, C ranting to the Lender a lier	ent), dated, wh alifornia (the " <u>Deed of Trust</u> " n on Borrower's leasehold inter	hold Deed of Trust and nich will be or has been '), wherein Lender is est in the real property
C. Lessee claims a suby and between Lessee and Borrowe and improvements thereon.	ab-leasehold interest in the er, dated	Property by virtue of that certa, (the " <u>Lease</u> ") covering a	ain Office Lease made portion of the Property
NOW, THEREFORE, in ODisturbance and Attornment Agreen		al covenants contained in this e parties agree as follows:	Subordination, Non-
AGREEMENTS:			
all right, title, liens, claims, and inter Lease or otherwise to Lender's liens shall apply to the full extent of all pr and together with all other amounts a costs incurred by Lender in connect and any and all claims or liens here all right, title, claims, liens, or into subordination shall extend to any consolidations of the Deed of Trust without notice or demand, and with accelerate, or otherwise change the tincluding, without limitation, increase (b) waive or release any part of its lie order or manner of sale thereof as Letthe Loan, or both, in whole or in part of the Loan, Lender has no obligation Loan proceeds by the person or per proceeds for purposes other than the made in this Agreement, in whole or	rest it now has or hereafter a con and claims against the Principal advanced under the secured by the Deed of Tru ion with the Loan or the Pafter acquired by Lender in erest now held or hereafter and all increases, rene, of the Loan, and of any of thout affecting the subordime for payment of or other ses or decreases in the princen on the Property, (c) application of the Lessee further declares, and or duty to, nor has Lender sons to whom they are discose provided for in connection and claims.	roperty. Lessee agrees that its sure Loan, together with all accrued st, including without limitation, roperty. Lessee hereby agrees and to the Property are prior a ser acquired by Lessee in and the wals, extensions, modification other documents securing the Limitation hereunder, (a) renew, twise change the terms of the Locipal amount of the Loan and the yproceeds from the sale of the determine, and (d) assign its riggrees and acknowledges that, in represented that it will, see to bursed by Lender, and any app	whether pursuant to the abordination hereunder I and accruing interest, all attorneys' fees and that the Deed of Trust and superior to any and to the Property. This are, substitutions, and coan, and Lender may, compromise, extend, can or any part thereof, are interest rate thereon, Property and direct the other than the application of such lication or use of such

- 2. <u>Reliance</u>. Lessee acknowledges that the Loan and/or advances thereof would not have been made by Lender without the giving of this Agreement by Lessee and further acknowledges that Lender is relying upon this Agreement in making the Loan and/or advances thereof to Borrower.
- 3. <u>Transfer of Lease</u>. Any transfer or encumbrance of the Lease or Lessee's interest therein shall be subject to the terms of this Agreement. Lessee hereby agrees to notify any purchaser, assignee, or encumbrancer of the Lease of the terms of this Agreement.
  - 4. Representations and Warranties. Lessee represents and warrants to Lender that:
- (a) The Lease is a commercial lease, is in full force and effect, and has not been amended or modified in any way; and there are no documents or written agreements between Lessee and Borrower with respect to the Lease, except those disclosed herein;
- (b) Lessee's interests under the Lease have not been assigned or transferred, whether for purposes of security or otherwise, and Lessee has all the requisite power and authority to enter into this Agreement with Lender;
  - (c) Lessee will faithfully perform all obligations of the lessee under the terms of the Lease;
  - (d) Lessee has prepaid no rent except as specifically set forth in the Lease; and
- (e) To the best of Lessee's knowledge, no uncured event of default or breach on the part of Borrower or Lessee has occurred under the Lease, and no event has occurred which gives Lessee the right to terminate the Lease or otherwise claim defenses, offsets or damages.
  - 5. Covenants. Lessee covenants and agrees that:
- (a) Lessee will not pay any installment of rent or any part thereof more than one (1) month prior to the due date of such installment;
- (b) No extension or modification of the Lease shall be of any force or effect unless Lender has specifically consented thereto in writing;
  - (c) Lender may enter upon the Property and inspect the same at any reasonable time; and
- (d) Lessee will at any time and from time to time execute, deliver, and acknowledge to Lender or to any third party designated by Lender, within ten (10) days following Lender's written request therefor, estoppel certificates executed by Lessee, certifying (if such is the case) that the Lease is in full force and effect, that Borrower is not in default thereunder (or specifying any defaults by Borrower which Lessee alleges), that rent has not been prepaid more than one (1) month in advance, and specifying any further information about the Lease or the Property which Lender or said third party may reasonably request.
- 6. <u>Defaults</u>. Lessee covenants and agrees to give Lender a copy of any notice of default under the Lease served upon the Borrower as landlord. Lessee further covenants and agrees that if Borrower shall have failed to cure such default within the time provided for in the Lease then Lender shall have an additional thirty (30) days to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days Lender has commenced and is diligently pursuing the remedies necessary to cure such a default (including, but not limited to, commencement of foreclosure proceeding if necessary to effect such cure), in which event the Lease shall not be terminated while such remedies are being so diligently pursued. Lessee agrees that the correction of any such default by Lender shall have the same effect and be treated as a correction by Borrower.
- 7. <u>Attornment</u>. If the interests of Borrower shall be transferred by reason of foreclosure or exercise of power of sale or other proceeding for enforcement of the Deed of Trust, or by reason of a deed in lieu of foreclosure, Lessee shall be bound to the person acquiring the interests of landlord (the "<u>Purchaser</u>") under all of the terms,

covenants, and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if the Purchaser were the lessor under the Lease. Lessee does hereby attorn to the Purchaser, including Lender, if it is the Purchaser, as its landlord, said attornment to be effective and self-operative without the execution of any further instruments upon Purchaser succeeding to the interest of the landlord under the Lease.

- 8. <u>Non-Disturbance</u>. Provided Lessee is not in default in payment of rent, taxes, utility charges, or other sums payable by Lessee under the terms of the Lease, nor in default in the performance of any other covenant or provision of the Lease or this Agreement, and provided Lessee is in possession of the portion of the Property subject to the Lease, then the right of possession of Lessee to the portion of the Property subject to the Lease shall not be affected or disturbed by Lender in the exercise of any of its rights or remedies under the Deed of Trust.
- 9. <u>Direct Payment</u>. Lessee agrees that upon receipt of written request therefor by Lender, rental payments will be made directly to Lender or its order at such place as Lender shall direct. Borrower hereby authorizes Lessee to accept such request from Lender and waives all claims against Lessee for any sums so paid at Lender's request and direction.
- Liability of Lender. Notwithstanding anything to the contrary contained in this Agreement, Lender and its successors and assigns shall not, by virtue of this Agreement, be or become subject to any liability or obligation to Lessee under the Lease or otherwise, unless Lender or its successors and assigns shall obtain title to the Property, by foreclosure or otherwise; and, moreover, Purchaser in acquiring the interest of Borrower as a result of any such action or proceeding, and its successors and assigns, shall not be: (a) liable for any act or omission of any prior landlord under the Lease (including Borrower); (b) liable for any damages or other relief attributable to any latent or patent defects in construction with respect to any portion of the Property; (c) subject to any offsets or defenses which Lessee might have against any prior landlord under the Lease (including Borrower); (d) bound by any amendment or modification of the Lease, or any assignment or sublease of the Lease, made without Lender's prior written consent; (e) bound by, or responsible for, any security deposit paid by Lessee (unless delivered to and held by Lender); (f) bound by or responsible for or affected by any purchase option or right of first refusal contained in the Lease, which provisions shall be of no force and effect upon the Lender or its successors or assigns; (g) obligated to construct any improvements on the Property (provided that if Purchaser fails to construct improvements as required under the Lease, Lessee may terminate the Lease) or liable for the payment of any construction allowance or contribution towards the cost of work performed by Lessee at the Property; or (h) bound by, or responsible for, any other term or provision of the Lease which is personal to the Borrower or which may not reasonably be performed by Purchaser or its successors and assigns in the ordinary course of business. Regardless of anything in the Lease or this Agreement to the contrary, in acquiring the interest of Borrower as a result of such action or proceeding, Purchaser shall not have any obligation or liability beyond its interest in the Property. Lessee shall look exclusively to Purchaser's interest in the Property for payment and discharge of any of Purchaser's obligations under this Agreement or under the Lease. Lessee shall not collect or attempt to collect any judgment based upon such obligations out of any other assets of Purchaser. In addition, upon any sale or transfer of its interest in the Property, Purchaser shall have no further obligation under this Agreement or the Lease with respect to matters occurring after such sale or transfer. By executing this Agreement, Borrower specifically acknowledges and agrees that nothing contained in this Section shall impair, affect, lessen, abrogate or otherwise modify the obligations of Borrower to Lessee under the Lease.
- 11. <u>No Assumption</u>. Notwithstanding any other provisions contained in this Agreement, Lender does not assume any responsibility or liability for any acts or conduct by any other person, including, but not limited to, a purchaser at foreclosure or trustee's sale or grantee under deed in lieu of foreclosure.
- 12. Notices. Whenever and wherever in this Agreement, the Lease, or in any proceeding involving the foreclosure or attempt to foreclose pursuant to the Deed of Trust it shall be required or permitted that a notice or demand be given, such notice or demand shall be in writing and be deemed to have been given or served upon receipt or refusal of receipt after being mailed, postage prepaid, by certified, registered, or express mail, return receipt requested, or when delivered in person to the appropriate address set forth above or to such other address as may be hereafter designated by any party thirty (30) days in advance by proper notice to the other.
- 13. <u>Amendments</u>. No amendment or modification of this Agreement shall be valid or binding unless in writing, signed by the party or parties to be bound thereby.

- No Merger. Borrower, Lessee and Lender agree that unless Lender shall otherwise consent in writing, Borrower's estate in and to the Property and the leasehold estate created by the Lease shall not merge, but shall remain separate and distinct, notwithstanding the union of such estates either in Borrower or Lessee or any third party by purchase, assignment or otherwise.
- Nondisturbance Agreement. This Agreement satisfies any condition or requirement in the Lease relating to the granting of a nondisturbance agreement from Lender.
- Severability; Choice of Law. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall, at the option of the Lender, not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. This Agreement shall be governed by and construed according to the internal law of the State where the Property is located.
- Successors. This Agreement shall bind and inure to the benefit of the parties and their respective 17. successors and assigns.
- 18. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.
- Miscellaneous Provisions. Lender may but shall not be obligated to record this Agreement, at Lender's sole discretion.

[Signature Pages Follow]

IN WITNESS WHEREO above.	F, the parties have executed this As	greement as of the date first written
	_	
	Title:	
		"LESSEE"
	ACKNOWLEDGMENT	
A notary public or other officer completing the document to which this certificate is at	g this certificate verifies only the ide tached, and not the truthfulness, accu	entity of the individual who signed tracy, or validity of that document.
State of California		
County of		
On before me,		, Notary Public,
	(here insert name of the offic	er)
personally appeared	who proved to me	on the basis of satisfactory evidence
to be the person(s) whose name(s) is/are subs	scribed to the within instrument and a	acknowledged to me that he/she/they
executed the same in his/her/their authorized	l capacity(ies), and that by his/her/the	eir signature(s) on the instrument the
person(s), or the entity upon behalf of which	the person(s) acted, executed the ins	strument.
I certify under PENALTY OF PERJURY un	der the laws of the State of California	a that the foregoing paragraph is true
and correct.		
WITNESS my hand and official seal.		
	Signature	(Seal)

EXHIBIT E -6AIRPORT PLAZA
The City of Long Beach

				By:					·	
				Title:					<del></del> -	
									"LENDER	₹"
	r ADIZONA	`							* - *	
STATEO	F ARIZONA	)	)							
County of		-	)							
On	this	day	of	, whose identity				personally		
capacity, a		/her signat	ture on	cknowledged before the instrument the per	me that he	e/she execu	ited the s	ame in his/h	ner authorize	ed
(seal)										
				Notary P	ublic					

				0.1 1 .	<b>~</b>	•
Α	Acknowledged a	and agreed	to by Borrower	as of the date	e first written	above:

company	Plaza L.B.,	LLC, an	Arizona	iimitea	павшіцу
_					
By:	<del> </del>				
Name:					
Title:					

"BORROWER"

## ACKNOWLEDGMENT

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.

State of California			
County of			
On befo	re me,(here insert	, Notary Public, name of the officer)	
personally appeared		who proved to me on the basis of sa	tisfactory evidence
to be the person(s) whose name	ne(s) is/are subscribed to the within	n instrument and acknowledged to r	ne 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) acte	d, executed the instrument.	
I certify under PENALTY O and correct.	F PERJURY under the laws of the	State of California that the foregoin	g paragraph is true
WITNESS my hand and offi	cial seal.		
	Signature	3	_ (Seal)

### EXHIBIT F

### **REMITTANCE INSTRUCTIONS**

# WCCP AIRPORT PLAZA L.B., LLC,

an Arizona limited liability company

Payable to: WCCP AIRPORT PLAZA L.B., LLC,

Please note the following remittance instructions for the above referenced project: Bank Name: 1. EFT (Wire): ABA #:\_\_\_\_\_ Acct. Name: Acct. #: EFT (ACH): Bank Name: ABA #: \_\_\_\_\_ Acct. Name: Acct. #: \_\_\_\_ WCCP AIRPORT PLAZA L.B., LLC 2. Mailing: If you elect to remit payment through Electronic Funds Transfer (EFT), you may do so via Wire Transfer or Automated Clearing House (ACH). Please email EFT remittance advice to \_\_\_\_\_\_ to ensure that your payment will be applied to your account in a timely manner. Thank you.

EXHIBIT F

-1-

AIRPORT PLAZA
The City of Long Beach

#### EXHIBIT G

#### ADDITIONAL AND OVERRIDING TERMS AND CONDITIONS

The following are additional and overriding terms and conditions of and to the Lease. In the event of a conflict between the terms and conditions of this Exhibit G and the Lease, the terms and conditions of this Exhibit G shall govern and control:

Option to Renew. So long as Tenant is not in default under the Lease after all applicable notice and cure periods have expired. Tenant shall have one (1) option to renew the Term for a period of sixty (60) months (the "Option Term"), upon all of the terms and conditions contained in the Lease, except that the BaseRent during each option term shall be at the then Fair Market Base Rent (as hereinafter defined). Tenant shall provide written notice to Landlord at least six (6) months prior to the end of the then current Term of its intent to exercise said option, and both parties shall negotiate in good faith for thirty (30) days thereafter (the "Negotiation Period") to determine the Fair Market Base Rent for the applicable Option Term (which negotiation shall include agreement upon the rate of annual increase of Base Rent during such Option Term). For purposes of the Lease, the "Fair Market Base Rent" shall mean the then-prevailing monthly market rental value (which may include increases during the Option Term) for space of comparable size, quality, use and location to the Premises in comparable buildings in the Long Beach, California area. In determining the Fair Market Base Rent, the parties shall take into consideration the length of term, the quality of the building and condition of the premises, the configuration of the Premises and its suitability to Tenant's use, the manner in which landlord is reimbursed for operating expenses, and any other relevant data from comparable lease transactions. If the parties are unable to so agree by the end of the Negotiation Period, Landlord and Tenant shall, within thirty (30) days following the expiration of the Negotiation Period, mutually select a licensed real estate broker who is active in the leasing of comparable space to the Building and in the general vicinity of the Building. If Landlord and Tenant, acting in good faith, are unable to agree upon a mutually acceptable broker within such thirty (30) day period, then Landlord and Tenant shall, within fifteen (15) days following such date, each select a real estate broker meeting the requirements stated above, and the two (2) brokers shall, within fifteen (15) days of their appointment, select a third broker meeting the qualifications stated above, and the third broker shall act as the "broker" hereunder. If one of the parties fails to select a qualified broker within said fifteen (15) day period, then the broker who was timely selected by the other party shall be the "broker" herein, and no other brokers need be appointed.

Once a broker has been selected pursuant to the terms above, Landlord shall submit Landlord's determination of Fair Market Base Rent and Tenant shall submit Tenant's determination of Fair Market Base Rent to such broker, within fifteen (15) days of the broker's appointment, and each of Landlord and Tenant's determinations of Fair Market Base Rent shall include the rate of annual increase thereof during the applicable Option Term. In making their separate determinations of Fair Market Base Rent, Landlord and Tenant each may employ such consultants as each party deems appropriate, at each party's sole cost and expense. Within thirty (30) days following the broker's receipt of Landlord and Tenant's determination of Fair Market Base Rent, the broker shall select either Landlord's or Tenant's determination as the Fair Market Base Rent under this Lease and such determination shall be binding on Landlord and Tenant. If Tenant's determination is selected as the Fair Market Base Rent, then Landlord shall bear all of the broker's cost and fees. If Landlord's determination is selected as the Fair Market Base Rent, then Tenant shall bear all of the broker's cost and fees.

If for any reason the Fair Market Base Rent has not been established by the commencement of the option term, then beginning on the commencement of the applicable Option Term and continuing until such determination has been made, Tenant shall pay Base Rent at a rate equal to one hundred percent (110%) of the Base Rent rate in effect during the final month of the expiring Term (the "Imputed Rate"), along with any additional Rent owing under the Lease. Once the Fair Market Base Rent is finally established pursuant to the terms hereof, the parties shall reconcile any differences between the Fair Market Base Rent, as so determined, and the Imputed Rate actually paid by Tenant during said period. Tenant shall have no right to rescind its election to extend the Term, once exercised.

- 2. Base Rent Abatement. As stated in <u>Section 8</u> of the Summary, the monthly installment of Base Rent for months 2, 3, 4, 13, 14, 25, and 26 shall abate in full so long as Tenant is not in default under the Lease.
- 3. FF&E Allowance. Except as provided herein, in no event shall Landlord be obligated to pay for any of Tenant's furniture, computer systems, telephone systems, low voltage cabling, equipment or other personal property. Notwithstanding the foregoing, Landlord shall provide to Tenant an allowance (the "FF&E Allowance") up to the maximum amount of Sixteen Thousand Eight Hundred Thirty-Six Dollars (\$16,836.00) to reimburse Tenant for its actual moving and installation costs, including costs for data and telecom cabling and furniture, fixtures and equipment. Upon providing evidence thereof reasonably requested by Landlord to verify the costs incurred, such amounts shall be reimbursed up to the maximum amount of the FF&E Allowance after delivery of appropriate documentation to Landlord.
- 4. Monument Signage. Without limiting Tenant's signage rights as provided in Section 24.8, and notwithstanding any provisions to the contrary contained therein, Tenant, at its own cost and expense, shall be entitled to one panel on the Building's monument sign on Clark Avenue. Such signs shall be fabricated, maintained and installed at Tenant's cost by a signage contractor designated (or approved in advance at Landlord's sole discretion) by Landlord. The quality, design, style, lighting and size of such monument panel shall be consistent with the Landlord's

monument standard program and shall be subject to Landlord's prior written approval, in its reasonable discretion. The location of Tenant's panel on the monument shall be determined by Landlord.

- 5. Overnight & Golf Cart Parking/Storage. Notwithstanding any provisions of the Lease restricting the parking of vehicles overnight, and subject to all the other terms and conditions of the Lease related to the parking of vehicles, Tenant shall be entitled to i) park two (2) normal size City pick-up trucks overnight in a portion of the Parking Area in a location to be reasonably determined by Landlord and Tenant prior to Lease Commencement, and ii) park and charge golf carts in the storage unit within the parking lot of the 5000 Airport Plaza Drive building and store Tenant's items in such storage area. Within ninety (90) days following the Lease Commencement Date, Landlord shall install a roof on the storage area and provide electricity. Tenant will reimburse Landlord for the cost of electricity furnished to the storage area as determined and calculated by Landlord in its commercially reasonable discretion. Tenant's insurance and indemnification obligations under the Lease shall at all times be applicable to the storage area and Landlord shall have no liability for any loss, theft or damage to items placed therein.
- 6. Non-Discrimination. Landlord agrees, subject to applicable laws, rules and regulations, that no person shall be subject to discrimination in the performance of this Lease on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, AIDS, HIV status, age, disability, handicap, or Vietnam Era veteran status. Landlord shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any of these bases, including but not limited to employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Landlord agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by the City setting out the provisions of this nondiscrimination clause. Landlord shall in all solicitations or advertisements for employees state that all qualified applicants will receive consideration for employment without regard to these bases.