

STANDARD SUBLEASE FORM

SUBLEASE COVERING PREMISES LOCATED AT
222 W 6th Street, Ste. 410 & 480
San Pedro, CA

SUBLESSOR'S FED. TAX I.D. NO. OR SOCIAL SECURITY NO.
[REDACTED]

SUBTENANT AGENCY
Employment Development Department

35014

Lease No.: 6875-001

Project No.: 140891

Preamble

This Agreement, made and entered into this 4th day of May, 2018, is a Sublease of that certain Lease Agreement (the "Master Lease") dated March 7, 2018 between Pacific Place Office, LLC, a Delaware limited liability company as Lessor (the "Master Lessor") and City of Long Beach, a municipal corporation as Lessee. This Sublease agreement is between

CITY OF LONG BEACH, A MUNICIPAL CORPORATION

hereinafter called the Sublessor, without distinction as to number or gender, and the State of California, acting by and through the Director of the Department of General Services, hereinafter called the State;

WITNESSETH

WHEREAS, under the Master Lease, Sublessor hires from Master Lessor certain premises located at 222 West 6th Street, Suite 410 & 480, San Pedro, CA 90731 as more particularly described in the Master Lease, and

WHEREAS, a copy of the Master Lease is attached hereto, incorporated herein as Exhibit "D", dated March 7, 2017, and made a part of this sublease by this reference; and

WHEREAS, the Master Lease provides that Sublessor shall have the right to sublet any portion of the Master Leased Premises; and Sublessor has obtained necessary consent from the Master Lessor; and

WHEREAS, the City of Long Beach and the State of California's Employment Development Department (EDD) desire to consolidate certain of their operations at a facility currently under Master Lease to the Sublessor;

NOW, THEREFORE, it is mutually agreed between the parties as follows:

Description

1. The Sublessor hereby subleases unto the State and the State hereby hires from the Sublessor those certain premises with appurtenances situated in the City of San Pedro, County of Los Angeles, State of California, and more particularly described as follows:

Approximately 3,066 net usable square feet of office space on the 4th floor (consisting of 2,889 net usable square feet of shared space as outlined in green and 177 net usable square feet of exclusive space as outlined in red on the attached Exhibit A Plan), of the building located at together with Specifications marked Exhibit "B" and Sublessor compliance procedures marked Exhibit "C", said Exhibits "A" and "B" and "C", Project No. 140891 dated March 7, 2018, hereby being incorporated by said reference into this sublease, and including nine (9) nonexclusive and two (2) exclusive, unobstructed parking spaces contiguous to the subject building, and unlimited use of the building's common facilities.

Term

2. The term of this sublease shall commence on May 1, 2018, and shall end on November 30, 2022, with such rights of termination as may be hereinafter expressly set forth.

Early
Termination

3. The State may terminate this sublease at any time effective on or after June 30, 2021, by giving written notice to the Sublessor at least thirty (30) days prior to the date when such termination shall become effective. If the State fails to complete

its move out within the notice period and remains in the premises, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination.

Rent

4. Rental payments shall be paid by the State, from legally available funds and subject to the California Constitution, in arrears on the last day of each month during said term as follows:

Rent Schedule:

SIX THOUSAND SEVEN HUNDRED TWENTY-THREE AND 89/100 DOLLARS
(\$6,723.89) from May 1, 2018, through June 30, 2018; then

SIX THOUSAND NINE HUNDRED THIRTEEN AND 97/100 DOLLARS
(\$6,913.97) from July 1, 2018, through June 30, 2019; then

SEVEN THOUSAND ONE HUNDRED THIRTY-FIVE AND 73/100 DOLLARS
(\$7,135.73) from July 1, 2019, through June 30, 2020; then

SEVEN THOUSAND THREE HUNDRED TWENTY-FIVE AND 82/100 DOLLARS
(\$7,325.82) from July 1, 2020, through June 30, 2021; then

SEVEN THOUSAND FOUR HUNDRED SEVENTY-SIX AND 63/100 DOLLARS
(\$7,476.63) from July 1, 2021, through June 30, 2022; then

SEVEN THOUSAND SEVEN HUNDRED SIXTY-NINE AND 38/100 DOLLARS
(\$7,769.38) from July 1, 2022, through November 30, 2022; and thereafter.

Rental payable hereunder for any period of time less than one month shall be determined by prorating the monthly rental herein specified based on the actual number of days in the month. Rental shall be paid to Sublessor at the address specified in Paragraph 5 or to such other address as the Sublessor may designate by a notice in writing. If the premises are not complete pursuant to Paragraph 6 by the date shown in Paragraph 2, it is understood and agreed by and between the parties that, at the State's sole option, the dates shown in Paragraphs 2 and 3 and the dates and dollar amounts shown in Paragraph 4 may be adjusted to the first of the month following the State's acceptance of the completed premises, such acceptance shall not unreasonably be withheld. If the State exercises this option, it is agreed the State will complete unilaterally an amendment to the sublease to revise the herein above stated dates. Any accrued rents for the period of time prior to the unilaterally adjusted commencement date will be paid in accordance with Paragraph 8. Additionally, it is understood and agreed between the parties that, at the State's option, the dates shown in the "CPI Escalator Operating Expenses" paragraph, if incorporated herein, shall be adjusted to reflect the time delay between sublease commencement and the first of the month following the actual acceptance date.

Notices

5. All notices and correspondence herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States Mail, certified and postage prepaid and addressed as follows:

To the Sublessor Erick Serrato
City of Long Beach
3447 Atlantic Ave.
Long Beach, CA 90807

Phone No.: (562) 570.3762
FAX No.: (562) 570.3704
Email: Erick.Serrato@pacific-gateway.org

and to the State:

DEPARTMENT OF GENERAL SERVICES,
REAL ESTATE SERVICES DIVISION
LEASE MANAGEMENT D 6875-001
707 THIRD STREET, SUITE 5-305
WEST SACRAMENTO, CA 95605

PHONE NO. (916) 375-4172
FAX NO. (916) 375-4173

**ALL NOTICES AND CORRESPONDENCE MUST REFERENCE
TENANT AGENCY AND PREMISES ADDRESS**

Rental warrants shall be made payable to: City of Long Beach

and mailed to: Pacific Gateway Partnership
Attn: Erick Serrato
3447 Atlantic Ave.
Long Beach, CA 90807

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices and correspondence shall be mailed to either party may be changed by giving written notice to the other party.

**Completion and
Compliance with
Plans and
Specifications**

6. Sublessor agrees that, prior to May 1, 2018, and at Sublessor's sole cost and expense, all required construction, improvements and/or alterations, if any, shall be completed and the subleased premises made ready for State's occupancy in full compliance with Exhibit "A", consisting of one (1) sheet titled, "Office Quarters, No. 140891" dated March 7, 2018, and in accordance with Exhibit "B", consisting of twenty seven (27) pages, plus cover sheet, titled, "Outline Specifications Project No. 140891" dated March 7, 2018, and Exhibit "C" consisting of fifteen (15) pages titled, "Administrative Requirements Project No. 140891" dated March 7, 2018 which Exhibits "A" and "B" and "C" are by this reference incorporated herein.

**Notice of
Completion and
Access to
Premises during
Construction**

7. Sublessor shall notify the State in writing by certified mail of the date the subleased premises will be completed and ready for occupancy at least thirty (30) days prior thereto. Such notice shall be a condition precedent to the accrual of rental hereunder, except however, that if the State occupies the premises prior to the receipt of such notice or prior to the expiration of the notice period of such notice, rental shall commence to accrue as of the date of occupancy.

Following execution of this sublease, and not more than sixty days (60) prior to completion of construction and occupancy under this sublease, State or its contractors or other representatives shall have the right to enter the premises for the purpose of installing certain equipment such as, but not limited to, modular system furniture, and electrical and telecommunications cabling and equipment.

State agrees to indemnify and hold Sublessor harmless from and against any claims, damages, or other injury suffered by Sublessor as a result of the work to be performed pursuant to this right to enter the premises prior to State's acceptance and occupancy of the premises. Sublessor agrees to indemnify and hold State and its agents, contractors or other representatives harmless from and against any claims, damages, injury or other harm suffered by reason of the negligence or other wrongful act of Sublessor or any of Sublessor's agents, contractors, or other representatives.

In no event shall the exercise of this right of entry be construed so as to cause an acceleration of the occupancy date of this sublease or the obligation of the State to pay rent.

Sublessor and State shall each make all reasonable efforts to ensure that the respective construction and installation work is scheduled in such a manner so as to not interfere with or delay the other.

In the event that one or the other party causes a delay in the other party's work, such injured party shall be compensated in the following manner:

Delays caused by the Sublessor:

Credit the State a compensating day of delay in the occupancy date and corresponding day of delay in payment of rent.

Delays caused by the State:

Credit the Sublessor a compensating day of payment of rent from the actual date of occupancy.

Compensation will be in one day increments.

The parties agree that this shall be the sole remedy for delay, in that the calculation of damages in any other manner is too uncertain and not susceptible of accurate determination.

Early Occupancy 8. Sublessor agrees that if the subleased premises are ready for occupancy prior to the completion date specified above in Paragraph 6, State may elect to occupy the premises on the earliest date practical after its receipt of the herein required completion notice. The rent payable for any such early occupancy by the State shall be at the rate of \$6,723.89 per month, and shall be prorated on a daily basis for any partial month.

Time limit and Prior Tenancy 9. No rental shall accrue under this sublease, nor shall the State have any obligation to perform the covenants or observe the conditions herein contained until the subleased premises have been made ready for occupancy in accordance with the provisions hereof. It is specifically agreed that in the event the subleased premises are not completed and ready for occupancy by the State on or before May 1, 2018, then and in that event the State may, at its option and in addition to any other remedies it may have, terminate this sublease and be relieved of any further obligations hereunder, providing that a fair and reasonable allowance for the following delays shall be added to said time for completion:

- A. Acts of the State, its agents or employees, or those claiming under agreement with or grant from the State; or by
- B. The acts of God which Sublessor could not reasonably have foreseen or guarded against; or by
- C. Any strikes, boycotts or like obstructive actions by employees or labor organizations and which are beyond control of Sublessor, and which cannot be reasonably overcome; or by
- D. Restrictive regulations by the Federal Government which are enforced in connection with a National Emergency.

It is understood by all parties hereto that it shall be the Sublessor's responsibility to remove any prior tenant.

Conformity to Exhibits 10. Occupancy of the subleased premises by the State shall not relieve Sublessor in any respect from full compliance at all times with aforesaid Exhibits "A" and "B" and "C". It is further understood and agreed that any installation not in conformity with said Exhibits "A" and "B" and "C" shall be immediately corrected by the Sublessor at Sublessor's sole cost and expense. In the event Sublessor shall, after notice in writing from the State requiring the Sublessor to comply with the requirements of this paragraph in regard to a specified condition, fail, refuse or neglect to remedy such condition, State may terminate this sublease without further obligation, or as to such specified condition, at its option and in addition to any other remedy the State may have, withhold rent due and bring the subleased premises into conformity with said Exhibits at its own cost including State's Administrative costs, if any, and deduct the amount thereof from the rent that may then be or thereafter become due hereunder.

Asbestos 11. Sublessor hereby warrants and guarantees that the space subleased to the State will be operated and maintained free of hazard from Asbestos Containing Construction Materials (ACCM) and agrees to the conditions for survey, testing, and abatement of ACCM described in Exhibit "B" as applicable. Sublessor specifically agrees that, in the event the State elects to exercise its rights under the provisions of Paragraph 16 of this sublease, any costs related to abatement or hazard from asbestos shall be the Sublessor's responsibility as described in the aforementioned Exhibit "B."

Parking 12. Sublessor, at Sublessor's sole cost and expense, shall clearly mark the parking spaces described hereinabove as assigned to the State of California. Said parking spaces will be arranged and maintained so as to provide unobstructed access to each parking space at any time. In addition to any assigned parking spaces, State and its invitees shall have equal access to common spaces provided to all tenants on a first-come, first-served basis.

Services, Utilities, and Supplies 13. Sublessor, at Sublessor's sole cost and expense, during the term of this sublease shall furnish the following services, utilities, and supplies to the area subleased by the State, and also to the "common" building areas (if any) such as lobbies, elevators, stairways, corridors, etc., which State shares with other tenants, if any:

- A. Sewer, trash disposal, and water service, including both hot and cold water to the lavatories except lavatories in Employment Development Department public toilet rooms in lobby areas which need only cold water.
- B. Elevator (if any) service.
- C. Electricity and/or gas as necessary to provide power for heating, ventilating, and air conditioning, and electrical or gas service as needed for State's operations.

- D. Janitorial services sufficient to maintain the interior in a clean well-maintained condition; that is, to eliminate all visible dust, dirt, litter, grime, stains, smears, finger marks, etc., to the greatest practical degree possible, by performing at least the following:

Daily:

- (1) Empty and clean all trash containers, and dispose of all trash and rubbish.
- (2) Clean and maintain in a sanitary and odor-free condition all floors, wash mirrors, basins, toilet bowls, and urinals.
- (3) Furnish and replenish all toilet room supplies (including soap, towels, seat covers, toilet tissue, and sanitary napkins).
- (4) Sweep or dust mop all hard surface floors, and carpet sweep all carpeted areas, including stairways and halls. Offices with hard surface floors in the public lobby area shall be damp-mopped daily.
- (5) Remove finger marks and smudges from all glass entrance doors.
- (6) Specifically check, and if action is needed, then:
 - a. Dust the tops of all furniture, counters, cabinets, and window sills, (which are free of interfering objects).
 - b. Remove spots and/or spills from the carpets, floors, and stairways.

As needed, but not less frequently than:

Twice Weekly: Vacuum all carpets.

Weekly:

- (1) Damp mop all hard surface floors.
- (2) Dust all window blinds.
- (3) Treat stainless steel fountains and sinks to eliminate stains and mineral deposits.
- (4) Spot clean the walls.
- (5) Sweep parking areas and sidewalks.

Quarterly:

- (1) Strip all hard surface floors and apply a new coat of floor finish; buff as necessary to produce a uniformly shining appearance.
- (2) Treat carpets for static electricity control (if not integrated in the fabric).

Semi-annually: Wash all windows, window blinds, light fixtures, walls, and painted surfaces.

Annually:

- (1) Steam clean carpets to remove all stains and spots.
- (2) Clean Drapes.

In the event of failure by the Sublessor to furnish any of the above services or supplies in a satisfactory manner, the State may furnish the same at its own cost; and, in addition to any other remedy the State may have, may deduct the amount thereof, including State's Administrative costs, from the rent that may then be, or thereafter become due hereunder.

**Repair and
Maintenance**

14. A. During the sublease term, the Sublessor shall maintain the subleased premises in good repair and tenantable condition, so as to minimize breakdowns and loss of the State's use of the premises caused by deferred or inadequate maintenance, including, but not limited to:

- (1) Generally maintaining the subleased premises in good, vermin free, operating condition and appearance.
- (2) Furnishing prompt, good quality repair of the building, equipment, and appurtenances.
- (3) Furnishing preventative maintenance, including, but not limited to, manufacturers recommended servicing of equipment such as elevator (if any), heating, ventilating and air conditioning equipment, and fixtures.
- (4) Furnishing and promptly replacing any inoperative light bulbs, fluorescent tubes, ballast, starters, and filters for the heating, ventilating and air conditioning equipment as required.
- (5) Furnishing remedial painting as necessary to maintain the premises in a neat, clean and orderly condition.
- (6) Annual testing and maintenance of all fire extinguishers in or adjacent to the subleased premises.
- (7) Repairing and replacing as necessary intrabuilding network cable and inside wire cable used for voice and data transmission.

- (8) Repairing and replacing parking lot bumpers and paving as necessary. Repaint directional arrows, striping, etc., as necessary.
 - (9) Maintaining landscaped areas, including sprinklers, drainage, etc., on a weekly basis, in a growing, litter-free, weedfree, and neatly mowed and/or trimmed condition.
 - (10) Repairing and replacing floor covering as necessary. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repairing or replacement of floor covering.
 - (11) Keeping all walkways, parking lots, entrances, and auxiliary areas free of snow, water, oil spills, debris, or other materials which may be hazardous to users of the building.
- B. Sublessor shall provide prompt repair or correction for any damage except damage arising from a willful or negligent act of the State's agents, employees or invitees.
 - C. Except in emergency situations, the Sublessor shall give not less than 24 hour prior notice to State tenants, when any pest control, remodeling, renovation, or repair work affecting the State occupied space may result in employee health concerns in the work environment.
 - D. In case Sublessor, after notice in writing from the State requiring the Sublessor to comply with the requirements of this paragraph in regard to a specified condition, shall fail, refuse or neglect to comply with such notice, or in invitees, the State may terminate this sublease without further obligation or at its option, perform such maintenance or make such repair at its own cost and, in addition to any other remedy the State may have, may withhold rent due and deduct the amount thereof, including necessary costs incurred by the State required for the administration of such maintenance and repairs, from the rent that may then be or thereafter become due hereunder.
 - E. Sublessor understands and agrees that State shall not assume any of Sublessor's obligations under the Master Lease.

Painting

15. In addition to any painting completed prior to the commencement of this sublease, and touch-up painting required after initial occupancy upon receipt of written request from the State, Sublessor agrees at Sublessor's sole cost and expense to repaint all painted surfaces (☒ interior and ☐ exterior) of the subleased premises in accordance with the attached Exhibits "A" and "B". In no event shall Sublessor be required to repaint more than once during the first sixty (60) month period of this sublease after the painting completed prior to the commencement date, and once during any succeeding sixty (60) month period. Sublessor shall, within forty-five (45) days from the giving of any such notice, arrange for and complete the painting. Colors are to be approved by the State. Sublessor, at Sublessor's sole cost, shall arrange for moving of furniture and equipment prior and subsequent to the repainting, and provide drop cloths, and covers as necessary.

Change Orders and Alterations

16. The State shall have the right during the existence of this sublease to make change orders and alterations; attach fixtures; and erect additions, structures, or signs in or upon the subleased premises. Such fixtures, additions, structures, or signs so placed in or upon or attached to the premises under this sublease or any extension hereof shall be and remain the property of the State and may be removed therefrom by the State prior to the termination or expiration of this sublease or any renewal or extension hereof, or within a reasonable time thereafter.

In the event alterations, fixtures, additions, structures, or signs in or upon the subleased premises are desired by State and State elects not to perform the work, any such work, when authorized in writing by the State shall be performed at Sublessor in accordance with plans and specifications provided by State. Sublessor agrees to obtain competitive bids from at least three licensed contractors and to contract with the lowest bidder. Sublessor further agrees that the overhead and profit for the work shall not exceed fifteen percent (15%) total for Sublessor and any general contractor combined. Within forty-five (45) days after receiving Sublessor's notice of completion of the requested work and an invoice requesting payment therefor, together with a complete detailed accounting of all costs for each trade, State agrees to either reimburse Sublessor by a single total payment for the cost of such work; or, with Sublessor's prior written approval, State will amortize the cost of the requested work over the remaining term of this sublease by increasing the monthly rent by an amount to include principal and interest on the unpaid balance. The interest rate may not exceed the prime rate (the base rate on corporate loans posted by at least seventy-five percent (75%) of the nation's 30 largest banks) plus 2 percent (2%) as of the date of the State's written authorization to proceed.

In the event State terminates this sublease on or after the end of the firm term, but before the expiration date of the sublease, State agrees to pay to Sublessor the portion of the principal balance which is unamortized as of the effective date of termination. Said payment shall be a single payment to be made within forty-five (45) days after the effective date of the termination.

Assignment and Subletting 17. The State shall not assign this sublease without prior written consent of the Sublessor, which shall not be unreasonably withheld, but shall in any event have the right to sublet the subleased premises.

Quiet Possession 18. The Sublessor agrees that the State, while keeping and performing the covenants herein contained, shall at all times during the existence of this sublease, peaceably and quietly have, hold, and enjoy the subleased premises without suit, trouble, or hindrance from the Sublessor or any person claiming under Sublessor.

Inspection 19. The Sublessor reserves the right to enter and inspect the subleased premises at reasonable times, and to render services and make any necessary repairs to the premises.

Destruction 20. If the subleased premises are totally destroyed by fire or other casualty, this sublease shall terminate. If such casualty shall render 10 percent (10%) or less of the floor space of the subleased premises unusable for the purpose intended, Sublessor shall effect restoration of the premises as quickly as is reasonably possible, but in any event within thirty (30) days.

In the event such casualty shall render more than 10 percent (10%) of such floor space unusable but not constitute total destruction, Sublessor shall forthwith give notice to State of the specific number of days required to repair the same. If Sublessor under such circumstances shall not give such notice within fifteen (15) calendar days after such destruction, or if such notice shall specify that such repairs will require more than ninety (90) days to complete from date such notice is given, State, in either such event, at its option, and in addition to maintaining occupancy, may terminate this sublease or, upon notice to Sublessor, may elect to undertake the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

In the event of any such destruction other than total, where the State has not terminated the sublease as herein provided, or pursuant to the terms hereof has not elected to make the repairs itself, Sublessor shall diligently prosecute the repair of said premises and, in any event, if said repairs are not completed within the period of thirty (30) days for destruction aggregating 10 percent (10%) or less of the floor space, or within the period specified in Sublessor's notice in connection with partial destruction aggregating more than 10 percent (10%), the State shall have the option to terminate this sublease or complete the repairs itself, deducting the cost thereof from the rental due or to become due under this sublease and any other sublease between Sublessor and State.

In the event the State remains in possession of said premises though partially damaged, the rental as herein provided shall be reduced by the same ratio as the net square feet the State is thus precluded from occupying bears to the total net square feet in the subleased premises. "Net square feet" shall mean actual inside dimensions and shall not include public corridors, stairwells, elevators, and restrooms.

It is understood and agreed that the State or its agent has the right to enter its destroyed or partially destroyed subleased facilities no matter what the condition. At the State's request, the Sublessor shall immediately identify an appropriate route through the building to access the State subleased space. If the Sublessor cannot identify an appropriate access route, it is agreed that the State may use any and all means of access at its discretion in order to enter its subleased space.

Subrogation Waived 21. To the extent authorized by any fire and extended coverage insurance policy issued to Sublessor on the herein subleased premises, Sublessor hereby waives the subrogation rights of the insurer, and releases the State from liability for any loss or damage covered by said insurance.

Prevailing Wage Provision 22. For those projects defined as "public works" pursuant to Labor Code §1720.2, the following shall apply:
A. Sublessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
B. The Sublessor/contractor shall furnish all subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates which Sublessor will post at the job site. All prevailing wage rates shall be obtained by the Sublessor/contractor from:

Department of Industrial Relations
Division of Labor Statistics and Research
455 Golden Gate Avenue, 8th Floor
San Francisco, California 94102

C. Sublessor/contractor shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code.

D. Prior to commencement of work, Sublessor/contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6, and §1777.7 of the Labor Code and Applicable Regulations

Fair Employment Practices

23. During the performance of this sublease, the Sublessor shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Sublessor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

Sublessor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5), and the regulations or standards adopted by the awarding State agency to implement such article.

DVBE Participation Requirement

24. The State of California supports the use of Disabled Veteran Business Enterprise (DVBE) and California Certified Small Business (SB) and we encourage the Sublessor to utilize DVBE and Certified SB to fulfill its sublease obligation under this sublease.

Service Companies

25. Within fifteen (15) days after occupancy of the subleased premises by the State, Sublessor shall provide the State with the name, address, and telephone number of an agency or person convenient to the State as a local source of service regarding the Sublessor's responsibilities under this sublease as to repairs, maintenance, and servicing of the premises and any or all related equipment, fixtures, and appurtenances.

Service Credit

26. Sublessor agrees that the rental provided under the terms of Paragraph 4 hereof is based in part upon the costs of the services, utilities, and supplies to be furnished by Sublessor in accordance with Paragraph 13 hereof. In the event the State vacate the premises prior to the end of the term of this sublease, or, if after notice in writing from the State, all or any part of such services, utilities, or supplies for any reason are not used by the State, then, in such event, the monthly rental as to each month or portion thereof as to which such services, utilities, or supplies are not used by the State shall be reduced by an amount equal to the average monthly costs of such unused services, utilities, or supplies during the six-month period immediately preceding the first month in which such services, utilities, or supplies are not used.

Holding Over

27. In the event the State remains in possession of the premises after the expiration of the sublease term, or any extension or renewal thereof, this sublease shall be automatically extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable. If the last rental amount shown in Paragraph 4 included the amortization of a capital sum expended by Sublessor for certain alterations and improvements, as described in a separate paragraph herein, and the capital sum has been fully amortized, the holdover rent shall be reduced by the amount of the monthly amortization. If the State fails to vacate the premises within the notice period and remains for an extended period, additional rent shall be paid and prorated on a thirty (30) day month, based on the actual number of days the State occupies the premises following the effective date of termination. In the event the Holding Over period lasts longer than one hundred and eighty (180) days, the State may unilaterally, reduce the monthly rent to seventy percent (70%) of the last base rental amount paid less any amortization under paragraph (4). Notwithstanding the aforementioned option to reduce the monthly rent; anytime during the Holding Over period, the State may unilaterally relinquish any proportion of the Premises thereby reducing the net usable square feet specified in paragraph (1) herein and reduce the monthly rent in proportion to the reduction in net usable square feet. It is understood and agreed by and between the parties that the State, at the State's sole option, may unilaterally amend the sublease to exercise options described herein.

Surrender of Possession

28. Upon termination or expiration of this sublease, the State will peacefully surrender to the Sublessor the subleased premises in as good order and condition as when received, except for reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which State has no control or for which Sublessor is responsible pursuant to this sublease. The State shall have no duty to remove any improvements or fixtures placed by it on the premises or to restore any portion of the premises altered by it, save and except in the event State elects to remove any such improvements or fixtures and such removal causes damages or injury to the subleased premises, and then only to the extent of any such damage or injury.

Time of Essence, 29. Time is of the essence of this sublease, and the terms and provisions of this sublease shall extend to and be binding
Binding upon upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns to the respective parties hereto.
Successors All of the parties hereto shall be jointly and severally liable hereunder.

No Oral 30. It is mutually understood and agreed that no alterations or variations of the terms of this sublease shall be valid unless
Agreements made in writing and signed by the parties hereto, and that no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

Construction 31. Pursuant to California Civil Code §1938, the Lessor states that the leased premises:
Related ☐ have not undergone an inspection by a Certified Access Specialist (CASp). A CASp can inspect the subject
Accessibility premises and determine whether the subject premises comply with all of the applicable construction-related
Standard accessibility standards under state law. Although state law does not require a CASp inspection of the premises, the
Compliance Act Lessor may not prohibit the tenant from obtaining a CASp inspection of the premises for occupancy by the
tenant, if requested by the 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.
☒ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the leased
premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.53 et
seq. Lessor shall provide a copy of the current disability access inspection certificate and any inspection report to
the State within seven days of the date of execution of the lease pursuant to subdivision (b).
☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the leased
premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code
§55.53 et seq." Lessor shall provide a copy of any inspection report to the State prior to the execution of the
Lease. If the report is not provided to the State at least 48 hours prior to execution of the lease, the State shall
have the right to rescind the lease, based upon the information contained in the report, for 72 hours after
execution of the lease.

Lump Sum
Payments

32. Notwithstanding the provisions of Paragraph 4 of this lease, the State hereby agrees to pay Lessor the sum of ELEVEN THOUSAND ONE HUNDRED ELEVEN AND NO/100 DOLLARS (\$11,111.00) for furniture in Office #403 in accordance with the attached Exhibits "A" and "B" identified in Paragraph 6 of this lease. Payment will be made by the State after (a) completion by Lessor of the alterations and improvements in accordance with said Exhibits "A" and "B," (b) inspection and approval by a representative of the Department of General Services, and (c) submission by the Lessor of an invoice for such alterations to the address specified in Paragraph 5 of this lease.

SEE NEXT PAGE
(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, this sublease has been executed by the parties hereto as of the date first above written.

STATE OF CALIFORNIA
Approval Recommended

SUBLESSOR

DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION
ASSET MANAGEMENT BRANCH

CITY OF LONG BEACH, A MUNICIPAL CORPORATION

Tom Medina
Assistant City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER

By Daron Whittle
DARON WHITTLE, Real Estate Officer
Real Estate Leasing and Planning Section

By Patrick H. West
PATRICK H. WEST
City Manager

Date Aug 6, 2018

Date 7/16/18

Approved as to Form

By _____
CHARLES PARKIN
City Attorney

Date _____

Approved

DIRECTOR OF THE DEPARTMENT
OF GENERAL SERVICES

By Brian Hensley
BRIAN HENSLEY, Leasing Manager
Real Estate Leasing and Planning Section

Date 8/7/2018

APPROVED AS TO FORM

7-9, 2018
CHARLES PARKIN, City Attorney

By Richard Anthony
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

EXHIBIT "A"

DUE TO THE LARGE SIZE OF THE FLOOR PLAN MAP (EXHIBIT "A"), A SCANNED IMAGE IS NOT AVAILABLE IN LEGISTAR. ORIGINAL FLOOR PLAN MAP IS ON FILE WITH THE CITY CLERK.



EXHIBIT 'B' OUTLINE SPECIFICATIONS

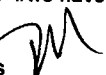
PROJECT: OFFICE QUARTERS PROJECT NO.: 140891
AGENCY: EMPLOYMENT DEVELOPMENT DEPARTMENT LEASE NO.: 6875-001
LOCATION: 222 W 6TH STREET, SUITES 410 & 480 DATE: 3-7-2018
SAN PEDRO, CA 90731

TITLE	PAGE
DIVISION 1 - GENERAL REQUIREMENTS	2
1.1 SUMMARY	2
1.2 RELATED DOCUMENTS	2
1.3 GENERAL PROVISIONS	2
1.4 CONSTRUCTION AND CODE CRITERIA	4
1.5 SUBSTANTIAL COMPLETION AND PROJECT COMPLETION	7
1.6 HAZARDOUS MATERIALS	8
DIVISION 2 - DESIGN REQUIREMENTS	11
2.1 FLOOR CONSTRUCTION AND FINISHES	11
2.2 EXTERIOR WALLS	13
2.3 INTERIOR WALLS AND PARTITIONS	13
2.4 ROOF AND INSULATION	14
2.5 ACOUSTICAL CEILINGS	14
2.6 DOORS	14
2.7 DOOR HARDWARE	15
2.8 MILLWORK	15
2.9 GYPSUM BOARD FINISHES / PAINTING / WALLCOVERING / SEALANTS	16
2.10 BUILDING SPECIALTIES	17
2.11 PLUMBING	20
2.12 HEATING, VENTILATING, AND COOLING	20
2.13 ELECTRICAL	22
2.14 PARKING AND PAVING	25
DIVISION 3 - SPECIAL PROVISIONS	26
DIVISION 4 - TECHNICAL REQUIREMENTS	27

PROJECT CONTACT: MARY KUYPER PHONE: 916.375.4115
STATE FACILITIES MANAGER I FAX: 916.375.4085
EMAIL: mary.kuyper@dgs.ca.gov

Confirmation Statement

I/we have read this Exhibit 'B' Outline Specifications and understand it is incorporated into, and is part of, this lease. I/we have acknowledged each and every page by placing my/our initials on this cover sheet.

Initials 



**EXHIBIT B - OUTLINE SPECIFICATIONS
DIVISION 1**

DIVISION 1 - GENERAL REQUIREMENTS

1.1 SUMMARY

- A. The Outline Specifications describe minimum standards of quality and performance for premises occupied by the State. Construction methods or materials other than those stated herein may be acceptable if, in the opinion of the State, they provide equal quality and performance.

1.2 RELATED DOCUMENTS

- A. Lease
- B. Exhibit "A" – Plans or Facility Design Program (written narrative)
- C. Exhibit "B" – Division 3 Special Provisions:
 - 1. Refer to Division 3 of this specification for Special Provisions, which may amend and or supersede Division 1 and 2 requirements.
- D. Exhibit "B" – Division 4 Technical Requirements:
 - 1. Refer to Division 4 of this specification for Technical Requirements, which may amend and or supersede Division 1 and 2 requirements.
- E. Exhibit "C" – Administrative Requirements
 - 1. Refer to Exhibit "C" for specific requirements related to the following:
 - a. State Fire Marshal Procedures
 - b. Access Compliance Procedures (CBC/ADA)
 - c. Green Building Practices

1.3 GENERAL PROVISIONS

- A. Wherever reference is made to "State," "Agency," "Department," or other State of California administrative department, this shall be construed to mean Department of General Services, Real Estate Services Division, Real Estate Leasing & Planning Section, here and after referred to as DGS.
- B. The State's intent is to achieve adequate standards of quality while avoiding unnecessary alterations, so that in all cases where an existing feature is acceptable to DGS, the Lessor's obligation is only to maintain that feature as it exists.
- C. The Lessor shall immediately address conflicts, omissions, or errors if discovered within the Exhibits, or any questions regarding interpretation or clarification, by submitting in writing to the State, a Request for Information (RFI). Responses from the State will not change any requirement of the lease Exhibits unless so noted by the State in the response to the RFI. In case of conflicts between Exhibit "A" and the Exhibit "B", the Exhibit "A" supersedes these specifications.
- D. Lessor shall patch, repair, and refinish to match, all existing surfaces disturbed by the new construction. Upon completion of the project, there shall be no visual difference between the new work and the existing conditions. No changes, modifications, or substitutions shall be made to the premises as shown, except with the prior written approval of DGS.
- E. LEED Certification: In the event the lease contract provides for a LEED certified facility, see Division 3 Special Provisions.

EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 1

- F. Prevailing Wage: For those projects defined as "public works" pursuant to Labor Code §1720.2, Lessor/contractor shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts.
- G. Project Schedule: Upon execution of the lease, Lessor shall issue to DGS, a complete and detailed Critical Path Method (CPM) schedule for the project, which may be adjusted by mutual agreement as the project proceeds. The schedule shall include allowances for periods of time necessary for the installation of State-owned equipment and modular systems furniture.
- H. Construction Cost: Prior to construction, Lessor shall provide to the State competitive bids from at least three licensed contractors/subcontractors and shall contract with the lowest acceptable bidder. The bids shall include all charges such as, but not limited to labor, materials, tools, equipment, fees, taxes, shipping, handling, permits, inspections, and fabrication for the work defined in the lease exhibits. The bids shall also include any architectural and engineering fees. The bids shall be itemized unit cost construction estimates developed by using the Construction Specification Institute (CSI) format, titles, and numbering system. Lump sum cost estimates are not acceptable.
- I. New Shell Condition: The following items shall be provided by the Lessor and shall not be construed as tenant improvements:
- a. Exterior Window Coverings
 - b. Capital improvements to the building's core and shell
 - c. Building's perimeter walls and core walls with drywall finish ready for paint
 - d. Fire sprinkler main loop including drops and heads
 - e. Electrical service at a minimum of 5 watts per square foot
 - f. HVAC equipment and ducting to the premises
 - g. Code required toilet room facilities
 - h. Americans with Disability Act (ADA) and California Building Code (CBC) compliance work to correct all deficiencies to comply with current code
- J. Previously Constructed and Occupied Space (Second Generation Condition): In addition to items in paragraph I. above, Lessor shall provide the following at no cost to the State:
- a. Code compliant ceiling
 - b. Code compliant lighting systems
 - c. Any code required exit door and frame assemblies
- K. Usable Area Calculation: For the purpose of determining the net useable square feet, State leased space shall be calculated as follows:
- 1. Net usable office area includes all areas assigned to the State such as: offices, conference rooms, reception rooms, special use and supply rooms, hallways within the space, laboratories, private toilet rooms/showers, break rooms, auditoriums, cafeterias, and spaces exclusively used by State. Net usable office area does not include stairwells, stacks/shafts, janitor closets, mechanical rooms, electrical rooms, code required toilet rooms, code required common area corridors,

EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 1

and common area lobbies. Net usable office area is measured from the finished surface of the office side of the corridor and other permanent walls, the dominant surface (wall or glazing) of the exterior walls, and from the centerline of demising walls separating other building tenants.

- L. Record Documents: Lessor, at Lessor's sole cost and expense, shall provide the State accurate architectural drawings of the "as-is" condition of the space to be leased, including building common areas, site/parking plan, and path of travel. The drawings shall be in an electronic format to be determined by DGS. Any required re-design work caused by discrepancies with the "as-is" drawings shall be the responsibility of the Lessor.
- M. Green Building Practices: The Lessor Shall operate and maintain the leased premises in accordance with best practices to achieve energy efficiency, sustainability, improved air quality, reduce water usage and enable maximum recycling efforts throughout the term of the lease.
1. New and renegotiated state building leases shall reduce energy and resource use to the extent possible and economically feasible.
 2. New (state) building leases shall, where economically feasible, include sub-meters and provide energy use data into Energy Star's Portfolio Manager.
 3. Renegotiated state (building) leases for buildings where the State is a sole tenant shall provide energy use data into Energy Star's Portfolio Manager.
 4. New and renegotiated state building leases shall encourage landlords to participate in utility sponsored energy conservation measures, using alternative financing.
 5. Lessors are encouraged to implement measures of the California Green Building Standards Code, (CalGreen), related to indoor environmental quality, where economically feasible, for all new or renegotiated leases.
 6. The State will identify and pursue opportunities to provide electric vehicle charging stations, and accommodate future charging infrastructure demand, at employee parking facilities in new and existing buildings.
 7. All equipment and appliances provided by Lessor shall be Energy Star labeled if Energy Star is applicable to the equipment or appliance.
 8. Wherever restroom fixtures are replaced during construction the California Green Building Standards voluntary measures are to be met to achieve a further reduction in water usage for state leased space (Tier 1, 30% reduction minimum).
 9. Lessor to implement annual irrigation system audits, including leak detection and perform immediate repairs to minimize any water loss.
- N. Submittals: Lessor shall submit shop drawings, product data, and samples to the State for review prior to construction or fabrication.
- O. Material Safety Data Sheet (MSDS): Prior to construction and upon request by State, Lessor shall provide MSDS of all products or materials used in the maintenance, repair, or renovation of the premises.

1.4 CONSTRUCTION AND CODE CRITERIA

- A. Construction Documents: The Exhibit "A" Plan or the Exhibit "A" Facility Design Program (written narrative) are design development guidelines only. Lessor shall

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 1

provide all required construction documents and calculations necessary to obtain a building permit from the local Building Department and to construct the improvements as indicated. The use of Exhibit "A" Plan in lieu of construction documents is not acceptable to the State.

1. Prior to submitting construction documents to the local building department for plan check and or permitting, Lessor shall submit said construction documents to DGS for review. Any DGS comments to the construction documents shall be construed as advisory only and shall not relieve the Lessor in any respect from full compliance with Exhibits "A", "B", and "C" or any other exhibits.
 2. Lessor's architect, engineers, consultants, and contractors shall have current and valid license/certifications as issued by the State of California.
 3. During construction of building's core, shell, and or tenant improvements, Lessor shall maintain at the project site, a complete set of lease Exhibits consisting of Exhibit "A", "B", "C" and any other exhibits for DGS use.
- B. State Fire Marshal: Concurrent with submission to the building department for permitting, Lessor shall submit a complete set of construction documents, including fire sprinkler plans and fire alarm plans, to the State Fire Marshal for review and approval and shall arrange for periodic inspections of the work (refer to Exhibit "C" for procedures). No construction should commence without approved plans.
- C. Access Compliance: Lessor shall ensure that all new work and existing conditions comply with the requirements of CCR Title 24, California Building Code (CBC), and Americans with Disabilities Act (ADA). State agencies are public entities and shall comply with Title II of the ADA. Exceptions to the code for existing buildings are not permitted. Where CBC requirements conflict or differ with ADA requirements, the most stringent requirement shall take precedence. Access compliance shall apply to exterior areas such as, but not limited to, path of travel to and from public transportation and public right-of-way, parking, passenger drop-off and loading zones, walks and sidewalks, curb ramps, ramps, and all stairs. Access compliance shall also apply to interior areas such as, but not limited to, entrances and exits, lobbies, building common areas, elevators, access lifts, doors and gates, access to and through all rooms and spaces, restrooms, signs and identification, counters, waiting, and seating areas, assistive listening systems, telephones, drinking fountains, alarms, and horizontal/vertical access. See Exhibit "C" for procedures.
- D. Codes and Ordinances: All new work and existing conditions shall comply with all current regulations, laws, and ordinances of the governmental authorities having jurisdiction and the applicable editions of the following codes including, but not limited to:
1. Title 8 CCR – Industrial Relations
 2. Title 17 CCR, Public Health
 3. Title 19 CCR, Public Safety, State Fire Marshal Regulations
 4. Title 24 CCR, Part 1 – Building Standard Administrative Code
 5. Title 24 CCR, Part 2 – California Building Code (CBC), Vols. 1 & 2
 6. Title 24 CCR, Part 3 – California Electrical Code (CEC)
 7. Title 24 CCR, Part 4 – California Mechanical Code (CMC)
 8. Title 24 CCR, Part 5 – California Plumbing Code (CPC)
 9. Title 24 CCR, Part 6 – California Energy Code
 10. Title 24 CCR, Part 9 – California Fire Code (CFC)
 11. Title 24 CCR, Part 11 – California Green Building Standards Code
 12. Title 24 CCR, Part 12 – California Reference Standards Code

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 1**

If fire-life safety, health hazards, and/or non-compliant code conditions are discovered either before or after occupancy, then Lessor, at Lessor's sole cost and expense, shall correct the condition.

- E. Building Permit: Lessor shall obtain a building permit for the required construction from the local building department if required. In the event there is no local building department, Lessor, at Lessor's sole cost and expense, shall provide a third party, independent Inspector of Record (IOR). The IOR shall perform periodic inspections of the work for conformance with all regulations, laws, and ordinances.
- F. Safety Evacuation Plans: Lessor shall provide safety evacuation plans of the leased premises. The safety evacuation plans shall clearly delineate evacuation routes, exits, fire extinguishers, and fire alarm pull station locations. The plans shall be a minimum of 8" x 10" in size, framed and under glass or clear plastic. The plans shall be installed in all assembly occupancies including conference rooms, break rooms, reception areas, and where requested by SFM.
- G. Fire Extinguishers: Lessor shall provide and install fire extinguishers. Fire extinguishers shall be housed in semi-recessed cabinets and shall be located as required by CA Title 19 CCR, Public Safety. Above each fire extinguisher, at approximately 90" A.F.F., Lessor shall furnish and install a red triangular shaped 3-D sign with printed text 'Fire Extinguisher' with an arrow pointing down. Lessor shall provide annual servicing of the fire extinguishers throughout the term of the lease.
- H. Seismic Performance: The State will consider only those facilities that can demonstrate the ability to meet a seismic performance level as set forth in:
 - 1. 1998 Edition or subsequent editions of the California Building Code or,
 - 2. 1976 Edition or subsequent editions of the Uniform Building Code and the building does not have any one of the enumerated characteristics or conditions listed below:
 - a) Unreinforced masonry elements, whether load-bearing or not, not including brick veneer.
 - b) Precast, pre-stressed or post-tensioned structural or architectural elements, except piles.
 - c) Flexible diaphragm (e.g., plywood) shear wall (masonry or concrete) structural system constructed pursuant to editions of the Uniform Building Code prior to the 1997 edition.
 - d) Apparent additions, alterations, or repairs to the structural system made without a building permit.
 - e) Constructed on a site with a slope with one or more stories partially below grade (taken as 50% or less) for a portion of their exterior.
 - f) Soft or weak story, including wood frame structures with cripple walls or if construction is over first-story parking.
 - g) Seismic retrofit of the building, whether voluntary or mandated, whether partial or complete.
 - h) Repairs following an earthquake.
 - i) Welded steel moment frames (WSMF) that constitute the primary seismic force-resisting system for the building, and the structure was designed to code requirements preceding those of the 1997 edition of the Uniform Building Code, and the building site has experienced an earthquake of sufficient magnitude and site peak ground motions that inspection is required when any of the conditions of Section 3.2 of

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 1

FEMA 352 indicate an investigation of beam-column connections is warranted.

- j) Visible signs of distress or deterioration of structural or non-structural systems, e.g.; excessively cracked and/or spalling concrete walls or foundations, wood dry rot, etc.
- 3. Certification of the above requirements must be provided by an independent licensed structural engineer at the Lessor's expense.
- 4. Lessor shall provide and install all hardware required to brace and anchor all storage cabinets, lockers, bookcases, shelving units and similar furnishings 5'-0" or more in height whether provided by State or Lessor, in accordance with seismic design requirements of the Code.

1.5 SUBSTANTIAL COMPLETION AND PROJECT COMPLETION

- A. Premises shall fully conform to all lease Exhibits and shall be constructed in accordance with industry standards and best practices. Lessor guarantees that all mechanical, electrical, plumbing systems and other features (including architectural finishes, paint, hardware, doors, floor covering, etc.) are of quality capable of giving satisfactory service in accordance with these specifications for the term of this lease.
- B. Substantial completion is achieved when the, building core, shell, and tenant improvements as defined in the lease exhibits, including the installation of any modular systems furniture (MSF) are sufficiently completed to allow the State to lawfully and physically occupy the premises for its intended purpose. Any work required to complete any outstanding punch list items shall not interfere with, or interrupt the State's daily operations. DGS planner will make the final determination of when substantial completion is achieved.
- C. Lessor shall operate the HVAC system to provide continuous air for a minimum of 24 hours per day for 7 days prior to occupancy.
- D. State employees, agents, and invitees shall have ready access to the building and premises through the main building entry and lobby. Elevators, stairs and restrooms shall be operational.
- E. The premises shall be free of all construction debris and thoroughly cleaned. Lessor shall touch up and restore damaged or defaced painted surfaces throughout the premises subsequent to installation of State's furnishing and equipment. All painting shall be coordinated with DGS planner.
- F. Upon project completion, Lessor shall obtain final approvals from the authorities having jurisdiction and all punch-list items shall have been completed, and re-inspected by the State. Lessor shall submit to the State the following completed documents, if applicable, with all appropriate signatures:
 - 1. Building Permit
 - 2. Building Inspection Card
 - 3. Certificate of Occupancy
 - 4. Fire Department approvals
 - 5. State Fire Marshal Final Construction Approval – Exhibit "C" Form D
 - 6. CBC/ADA Access Compliance Fee Calculation – Exhibit "C" Form E
 - 7. CBC/ADA Access Compliance Verified Report – Exhibit "C" Form G
 - 8. LEED Certification – when applicable
 - 9. Air Balance Report

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 1**

10. Operation manuals and training for equipment such as, but not limited to intrusion alarm system, video conferencing equipment, and appliances.

1.6 HAZARDOUS MATERIALS

- A. Lessor warrants and guarantees that the premises leased to the State will be operated and maintained free of hazard from asbestos, lead, mold, and PCB's.
 1. The areas include:
 - a. Premises leased to the State and air plenums in the same HVAC zone.
 - b. Common public areas which state employees or its invitees would normally and/or reasonably use.
 - c. Building maintenance areas, utility spaces, and elevator shafts within or servicing areas described in items a. and b. above.
 2. Lessor shall be responsible for all costs associated with the abatement of hazardous materials including but not limited to the following; clean up of contaminated State Leased space, State-owned equipment, furnishings and materials and all required monitoring reports. Copies of all air monitoring reports shall be furnished to the State.
 3. The State Leased space shall be maintained at or below the permissible exposure levels for all substances regulated under Title 8 California Code of Regulations Section 5155. If it is determined by the State that the tenant must be relocated to prevent exposure above the permissible level, the Lessor shall provide comparable accommodating space at no cost to the State. In addition, the Lessor shall pay for all costs associated with this move including but not limited to; administrative, furniture, communications contracts and equipment costs.
 4. In the event that after written notice is provided by the State, the Lessor fails, refuses, or neglects to diligently pursue abatement of any hazardous material, the State may effect such abatement. The State may deduct all reasonable costs of such abatement of Hazardous materials from the rent.
 5. The Lessor shall indemnify, defend, and hold the State of California, its officers, and employees harmless from and against any and all losses, damages, judgments, expenses (including court costs and reasonable attorney fees), or claims whatsoever, arising out of, or in any way connected with or related to, directly or indirectly, the presence of hazardous materials within the State-leased space or the building in which the leased premises are located.
- B. Asbestos
 1. For buildings constructed prior to January 1, 1979, the Lessor shall provide the State with a current written asbestos survey of the areas listed in Section 1.6. A.1. An independent California Division of Occupational Safety and Health (DOSH) Certified Asbestos Consultant shall complete the survey.
 2. For buildings constructed after December 31, 1978, and prior to any tenant improvements or major repairs, the Lessor and his construction contractor are responsible for sampling any suspected asbestos containing material (ACM) to be disturbed during the project. Where ACM is suspected to be present, the Lessor shall provide the State with a written asbestos survey covering all materials to be disturbed during the project. An independent

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 1

California Division of Occupational Safety and Health (DOSH) Certified Asbestos Consultant shall complete the survey.

3. Where asbestos containing material (ACM) or suspect ACM have been identified by survey, the Lessor shall provide the State with a copy of a written Operations and Maintenance (O&M) plan. This O&M Plan must be effective in minimizing damage or disturbance of any ACM or suspect ACM and provide for quick repairs of the same.
4. If damaged ACM or suspect ACM is found, or the physical condition of ACM indicates possible fiber release, a response action in accordance with the approved O&M Plan shall be conducted. The approved O&M plan shall include provisions for air sampling by an independent Certified Industrial Hygienist during and at the completion of all response actions; analysis of air samples shall be conducted utilizing Transmission Electron Microscopy (TEM). The standard for re-occupancy of an affected area shall be concentrations at or below 70 asbestos structures per millimeter squared (structures/mm²).
5. Lessor shall perform asbestos notification as required by Chapter 10.4 of the Health and Safety Code. Any abatement work shall be performed by a licensed contractor with asbestos certification (ASB). The State reserves the right to establish consultant oversight of any asbestos related work program at its expense.
6. In addition to any other remedies it may have, in the event the Lessor fails to diligently pursue abatement of hazard from ACM, as required under the provisions of this lease, the State may, by notice in writing, terminate this lease. Lessor shall be liable to the State for all expenses, losses, and damages reasonably incurred by the State as a result of such termination, including but not limited to, additional rental necessary to pay for an available, similar replacement facility. This rental shall extend over the period of what would have been the remaining balance of the lease term plus any option periods, costs or any necessary alterations to the replacement facility, administrative costs, and costs of moving furniture, data processing, and telephone equipment.

C. Lead Material:

1. Any material suspected of containing lead within the areas listed in Paragraph "A" shall be tested and identified through sampling by an independent California Department of Public Health Certified (CDPH) Lead-Related Construction Inspector/Assessor.
2. In the event lead removal is required, Lessor shall provide an independent CDPH Certified Lead-Related Construction Inspector/Assessor to inspect the quality of work for compliance with applicable regulations, perform air monitoring, final clearance visual inspection, wet wipe sampling/lab analysis, and ensure proper handling and/or disposal of hazardous waste.

D. Mold:

1. The Lessor shall operate and maintain the leased premises to be free of hazard from mold.
2. If mold is detected within the State Leased Space, an immediate response action in accordance with industry standard practices shall be undertaken by the Lessor. The Lessor shall contract for the services of an independent California Division of Occupational Safety and Health

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 1**

(DOSH) Certified Industrial Hygienist to determine the appropriate response action.

3. Lessor shall be responsible for all costs associated with any hazard response action.

E. Underground storage tanks (UST):

Lessor shall comply with the requirements of the California Health and Safety Code, Section 25280-25299.8 (Underground Storage Tanks).

END OF DIVISION 1

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

For items that are shown with strikethrough (~~strikethrough~~) please refer to Division 3, Special Provisions for amendments to the requirements.

DIVISION 2 - DESIGN REQUIREMENTS

2.1 FLOOR CONSTRUCTION AND FINISHES

A. Concrete Floor:

1. Concrete floor construction is the standard for comparison. Floors of other material may be acceptable provided its use does not produce or transmit sound or vibration to a greater degree than a 4" reinforced concrete slab.
- a. Lessor shall provide certification that the concrete slab is level and does not exceed a variance of ¼ inch in 10 feet from a true flat plane.
- b. Where slab is out of compliance, leveling shall be achieved using a high-strength concrete topping compound i.e.: Mapei, Ardex, Inc., K-500, Hacker Ind., Firm Fill 4010, Maxxon, Level-Right, or approved equal.
2. Concrete floors in janitor closets, mechanical, and/or electrical utility rooms shall be cleaned and treated with epoxy coating. Office areas throughout shall have carpet or other floor covering with 4" high cove base, unless noted otherwise. Floors in toilet rooms shall be of nonabsorbent material impervious to moisture such as ceramic tile, or approved equal, with minimum 4" high cove base. Floor covering shall extend under counters and cabinets. Colors and patterns shall be as selected or approved by State.
3. Prior to the installation of any finish floor material, Lessor shall perform a quantitative moisture test to the concrete slab. The test shall be administered in accordance with the flooring material manufacturer's written guidelines or recommendations. In the event the moisture content exceeds the flooring material manufacturer's recommendation, the Lessor, at Lessor's sole cost and expense, shall provide and install a waterproofing sealer as recommended by the flooring material manufacturer.
4. Exposed concrete floors are not acceptable in toilet rooms, locker rooms, or shower rooms.

B. Carpet Flooring - General:

1. Lessor shall provide and install carpet and cove base where shown in Exhibit "A". All carpet shall comply with ANSI/NSF 140-2007 Platinum level.
2. Where requested by DGS, Lessor shall submit carpet samples to DGS for selection. The samples shall be from a minimum of three different manufacturers and consist of a variety of patterns, textures, colors, and styles.
3. Carpet shall have random graphic pattern loop non-generic branded, 6 or 6.6 nylon face yarn with inherent static control.

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

4. Broadloom loop pile carpet shall have inherent static control capability to assure a maximum 3.5 KV rating at 20% relative humidity and 70F degrees as measured by AATCC-Test Method 134.
5. Carpet with anti-microbial properties shall be used for healthcare, senior care or childcare, and 'clean' areas.
6. Carpet shall be installed according to manufacturer's guidelines. The carpet shall be securely attached, have a firm cushion, pad or backing, be of level loop, textured loop, level-cut pile, or level-cut/uncut pile texture. The maximum pile height shall be ½ inch.
7. The carpet backing shall have a minimum 10-year guarantee against tuft pull and zippering, and surface wear shall not be more than 10% within 10 years.
8. Carpet adhesives shall be non-toxic, low odor, solvent free, and shall not produce toxic vapors or contain carcinogenic materials.
9. Carpet shall meet Federal, State, and Local flammability standards.
10. Carpet shall be installed in accordance with the Carpet and Rug Institute CRI Carpet Installation Standard. The installation shall be guaranteed against bubbling, wrinkling, stretching/shrinking, opening seams, or other evidence of poor materials and workmanship for a period of two years following installation. This guarantee shall cover normal wear and tear and note deficiencies occurring as a result of damage, negligence and/or alterations. The materials shall be guaranteed against wear, delamination, tuft bind and be lightfast for a period of 10 years. The material shall remain colorfast as a result of atmospheric contaminants for a period of 5 years after installation.
11. Lessor shall maintain the carpet according to manufacturer's guidelines.

C. Broadloom Carpet Requirements:

1. Density: 6000 minimum; heavy commercial use.
2. Density: 36x finished pile weight divided by pile height.
3. Tuft bind for broadloom shall be minimum 6 lbs., ASTM D 1335 – 98, Standard Test Method for Tuft Bind (edge ravel) of Pile Yarn Floor Coverings, tested wet or dry. Warranty edge ravel for 10 years.
4. Face yarn weight: Minimum 22 oz/sq. yd.
5. Minimum of 10 lbs backing delamination test, ASTM D3936 - 05 Standard Test Method for Resistance to Delamination of the Secondary Backing of Pile Yarn Floor Covering.
6. Minimum rating of 7 anti-stain tests; AATCC Test Method 175-2008 Stain Resistance Pile Floor Coverings.
7. Lessor shall provide 2% of product overage including accent carpet up to a maximum of 100 sq. yards from the same dye-lot for future repairs.

D. Carpet Tile Requirements:

1. Density: 5000 minimum; heavy commercial use.
2. Tuft bind strength shall be minimum 5 lbs., ASTM D 1335-98: Standard Test Method for Tuft Bind (edge ravel) of Pile Yarn Floor Coverings, tested wet or dry. Warranty edge ravel for 10 years.
 - a. Face yarn weight: Minimum 16 oz/sq. yd

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 2

- b. Minimum of 10 lbs. backing delamination test, per ASTM D3936-05 Standard Test Method for Resistance to Delamination of the Secondary Backing of Pile Yarn Floor Covering.
- c. Minimum rating of 7 anti-stain tests, per AATCC Test Method 175-2008 Stain Resistance Pile Floor Coverings.
- d. Lessor shall provide 2% of product overage including accent carpet up to a maximum of 100 sq. yards from the same dye-lot for future repairs.

E. Ceramic Tile Flooring Requirements:

Ceramic Tile Flooring shall have a coefficient of friction of at least 0.6 per ASTM C1028 (0.8 % on sloped surfaces steeper than 6%). Unless otherwise noted by DGS, provide slip resistant floor tile with matching ceramic base, include all inner and outer corner and trim pieces. All adhesives, mastics, and grouts shall be non-toxic and low in VOC emissions and shall be as recommended by the ceramic tile manufacturer. All grout shall be sealed and maintained according to manufacturer's guidelines.

F. Resilient Flooring Requirements:

- 1. Resilient Flooring shall meet ASTM F 1066, FS SS-T-312B, Type IV, Composition 1, Class 2, 12" X 12" having uniform thickness of 1/8" with square true edges of manufacturer's standard color and pattern as selected. Product shall comply with all regulations controlling the use of volatile organic compounds (VOC's). Provide one carton (40 pieces) of additional matching floor tile.
- 2. Resilient Flooring shall have a coefficient of friction of at least 0.6 per ASTM D2047. It shall be installed in strict accordance with manufacturer's approved installation instructions using the appropriate recommended 100% solvent free adhesive.

G. Rubber Base Requirements:

- 1. Lessor shall provide and install cove wall base at all carpet and resilient floor finish areas. Wall base shall be extruded rubber cove, 1/8" thick x 4" high complying with ASTM F-1861. The color shall be selected by DGS.

2.2 EXTERIOR WALLS

- A. Exterior walls, including door and window assemblies, shall be weatherproof. All cracks that allow outside air to penetrate the building's envelope shall be sealed.
- B. Exterior walls shall be insulated to comply with CCR Title 24.

2.3 INTERIOR WALLS AND PARTITIONS

- A. Walls and partitions shall be ceiling height unless otherwise noted in Exhibit "A" or Division 3 'Special Provisions'. Subject to code limitations, those indicated as new partitions may be wood or metal stud with plaster or gypsum wallboard or other construction of equal sound transmission coefficient (STC). Provide a minimum STC 32. Demising walls separating State premises and other building tenants shall extend to the under-side of structure above and shall be constructed to achieve a sound transmission coefficient of 50.
- B. Walls of equipment rooms, toilet rooms, conference rooms, hearing rooms, quiet rooms, training rooms, interview rooms, employee break rooms, and where indicated in Exhibit "A", shall be insulated to prevent transmission of sound or vibration. Wall construction shall achieve a minimum rating of 50 STC as set forth in ASTM E90.

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 2

Furnish and install insulation batts above the finished ceiling on each side of the wall for the entire length of the wall.

- C. Moisture resistant wainscot of ceramic wall tile or other DGS approved material shall be installed to all plumbing fixture walls and adjacent walls in the toilet rooms. Wall tile shall be a minimum of 4"x 4" glazed ceramic tile. Wainscot shall extend a minimum of 4'-0" A.F.F. unless noted otherwise.
- D. Glazed openings in office partitions shall be set in metal frame assemblies and comply with Consumer Product Safety Commission impact-safety standards.

2.4 ROOF AND INSULATION

- A. Roof shall be weather tight and provided with suitable drainage system that will effectively dispose of roof water without interfering with use of premises.
- B. Roof shall be insulated such that the heat transfer values from roof to occupied areas comply with CCR Title 24.

2.5 ACOUSTICAL CEILINGS

- A. Ceilings of office areas including reception, private offices, open office areas, corridors, and office storage areas shall have suspended "T" bar systems with acoustical lay-in tiles or other approved material with equivalent acoustical qualities. Ceiling heights shall be a minimum of 9'-0" and a maximum of 12'-0" unless otherwise approved by DGS.
- B. Where existing "T" bar system with acoustical lay-in tiles are reused, Lessor shall modify ceiling system as necessary to comply with all seismic safety regulations. "T" bar system and ceiling tiles shall be free of all dirt, dust, stains, and damage. Where replacement tiles are installed, all tiles shall be arranged as necessary to provide a uniform appearance in each enclosed space.

2.6 DOORS

- A. All interior doors shall be solid-core flush wood doors with wood veneer suitable for stain or paint finish. Doors shall be a minimum dimension of 3'-0" x 6'-8" x 1-3/4".
- B. Doors shall be manufactured per Window & Door Manufacturers Association (WDMA) and Architectural Woodwork Standards (AWS).
- C. The formaldehyde emission level of all new doors shall not exceed 20 ppm.
- D. Glass vision panels in interior doors and sidelights shall be minimum 3/8" clear tempered glass set in metal frame assemblies. Fire protective glass assemblies shall be provided where required by code.
- E. Fire rated door and frame assemblies shall be installed where noted in Exhibit "A" or as required by code. Doors and frames shall bear Underwriters Laboratory (UL) label for required fire resistive rating.
- F. Doors separating conditioned and non-conditioned space shall have weather stripping to effectively limit air infiltration. Adhesive foam-type or felt weather stripping is not acceptable.
- G. Where indicated on plans, or required by code, a roll-down steel fire shutter bearing a UL 3/4 hour, "C" label shall be provided. Emergency operation shall be by smoke detectors with adjustable time delay, initially set at 45 seconds.

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

- H. Where existing door and frame assemblies are reused, Lessor shall patch, repair, adjust, and refinish the assemblies to provide a new looking appearance.

2.7 DOOR HARDWARE

- A. Lessor shall provide and install door hardware and related items including keying of locksets necessary for a complete installation and operation of doors.
- B. All hardware shall be CBC/ADA access compliant, heavy-duty commercial quality equal to Schlage, Von Duprin, or Falcon.
- C. Door hardware shall include, but is not limited to, cylindrical lock and latch sets, door butt hinges, doorstops, push plates, door pulls, closers, and exit devices.
- D. Hinges for exterior outswing doors shall have non-removable pins.
- E. Doorstops shall be provided and installed wherever an opened door or any item of hardware thereon would strike a wall, column, equipment, or other parts of building construction. Doorstops shall be floor mounted.
- F. Lessor shall key all keyed locksets as directed by tenant agency and shall provide a minimum of 3 keys for each lock.
- G. Metal thresholds and weatherstrips shall be provided to all exterior doors. Thresholds shall have non-slip abrasive finish.
- H. Adjustable door closers shall be provided on entrance doors, toilet room doors, vestibule doors, doors with access-control hardware, and where shown on plans, and required by code.
- I. 10" high metal kick plates shall be provided and installed on the push side of all doors equipped with door closers.

2.8 MILLWORK

- A. Lessor shall provide and install new millwork as shown and where indicated in Exhibit "A".
- B. All millwork shall be manufactured and installed in accordance with the Architectural Woodwork Standards (AWS) latest edition, for custom grades. Prior to fabrication, Lessor shall submit to the DGS, shop drawings of all new millwork.
- C. Cabinets shall be of sizes and type as indicated in the Exhibit "A". Base cabinets shall have one row of drawers and one adjustable shelf below with concealed hinged doors, unless noted otherwise. Lessor shall provide a 4" toe space at base cabinets. Upper cabinets shall have two rows of adjustable shelves and hinged doors, unless noted otherwise.
- D. Counter tops shall be finished with plastic laminate or solid surface material. Counter tops shall be self-edged unless otherwise noted. Counter tops with sinks shall be fully formed and have a no-drip edge, and coved splash joint. All counter tops shall have a back and side splash unless otherwise noted. Sinks shall have a sanitary metal rim or be a self-rim stainless steel sink. Other materials may be submitted to the State for approval.
- E. Shelving units shall be a minimum of 3/4" thick white melamine, per AWS. Cover exposed edges with plastic laminate or hardwood edgebound.
- F. Face of millwork shall be high-pressure decorative plastic laminate. NEMA LD-3 grades as required by AWS.

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

- G. Lessor shall provide cabinet hardware such as, but not limited to concealed hinges, pulls, catches, shelf rests, standards and brackets, and drawer slides. All hardware shall comply with ANSI A156.9-01 and Builders Hardware Manufacturers Association.
- H. All millwork shall be installed in accordance with all seismic safety requirements of the Code.
- I. Base Cabinets containing sinks shall be CBC/ADA/ access compliant. Unless otherwise noted, Lessor shall provide cabinet doors with attached toe kicks with rubber base to conceal clear space below.

2.9 GYPSUM BOARD FINISH / PAINTING / WALLCOVERING / SEALANTS

- A. Gypsum board finish shall be a smooth, blemish-free, monolithic surface and free of tool marks and ridges. Heavy textured wall surfaces are not acceptable.
- B. Water-based paints shall not be formulated with aromatic hydrocarbons, formaldehyde, halogenated solvents, mercury or mercury compounds, or tinted with pigments of lead, cadmium, chromium VI, antimony and their oxides. All architectural paints and coatings shall comply with VOC limits of the California Green Standards Code unless more stringent local limits apply.
- C. All wall texture and paint colors shall be selected and or approved by DGS.
- D. New Surfaces:
 - 1. New partitions without factory finish shall be painted with one coat of primer/sealer and two finish coats of premium quality latex, eggshell paint. Flat paint is not acceptable.
 - 2. Breakrooms, toiletrrooms, and janitorial closets shall be painted with semi-gloss enamel paint.
 - 3. Paint-grade doors and trim shall be latex semi-gloss enamel paint.
 - 4. Stained or natural finish wood shall be finished with sealer and two coats lacquer. They shall be finished using non-toxic, water-based urethanes or similar environmentally sensitive products.
- E. Existing Surfaces:
 - 1. Interior walls and plaster or gypsum board ceilings shall be finished in latex eggshell paint.
 - 2. Heavy textured walls shall be sanded smooth and prepared for a new paint finish.
 - 3. Existing wall coverings shall be removed unless otherwise noted, wall surface shall be prepared, and receive a new paint finish.
 - 4. Doors and frames shall be refinished to provide a new looking appearance.
 - 5. HVAC registers and grilles shall be in a newly painted condition.
 - 6. Stained or natural finished wood shall be refinished with sealer and lacquer.
 - 7. Metal toilet stall partitions shall be repainted using electrostatic paint process.
- F. Where alteration work occurs, new painted surfaces shall extend to the natural break.

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

- G. Where wall covering is specified, the product shall be 'breathable' to prevent mold and bacteria development. All adhesives used shall be non-toxic, low in VOC emissions, and shall be as recommended by the wall-covering manufacturer.
- H. Interior sealants shall not contain mercury, butyl rubber, neoprene, SBR (styrene butadiene rubber), nitride, aromatic solvents (organic solvent with a benzene ring in its molecular structure), fibrous talc or asbestos, formaldehyde, halogenated solvents, lead, cadmium, hexavalent chromium, or their components.

2.10 BUILDING SPECIALTIES

- A. Toilet Room Partitions and Accessories: In addition to any Code required toilet room accessories, Lessor shall furnish, install, maintain, and replenish where appropriate, the following accessories:
 - 1. Coin-operated sanitary napkin dispenser (one per women's toilet room)
 - 2. Folding utility shelf and coat hook(one per toilet stall)
 - 3. Mirror with metal frame assembly (one per lavatory, two or more lavatories may have one continuous mirror)
 - 4. Paper towel dispensers (one per every two lavatories)
 - 5. Sanitary napkin waste receptacle (one per women's toilet stall)
 - 6. Soap dispensers (one per lavatory)
 - 7. Toilet paper dispenser, continuous toilet-paper flow, capable of holding two rolls (one per toilet stall)
 - 8. Toilet seat-cover dispenser (one per toilet stall)
 - 9. Trash receptacles (one per toilet room)
- B. All accessories shall be constructed of stainless steel and exposed surfaces shall have satin finish.
- C. Toilet Room Partitions -- New toilet stall partitions shall match building standard.
 - 1. Lessor shall furnish and install privacy screen at all urinal locations -- screens shall match toilet partitions.
- D. Paper Towel and Soap Dispensers:
 - 1. Where sinks and lavatories are provided for State's exclusive use, Lessor shall provide, install, and replenish paper towel and soap dispensers. Dispensers shall be constructed of stainless steel and exposed surfaces shall have satin finish.
- E. Window Treatment:
 - 1. Lessor shall provide and install horizontal or vertical window blinds or other DGS approved device for privacy to all windows and interior glazed openings, including interior door side-lites.
 - 2. At sun-exposed areas, Lessor shall provide and install solar screens, reflective glass coatings, reflective glass panes, or other State and Lessor approved device for sun control.
- F. Knox Box:
 - 1. Where State occupies an entire building, Lessor shall furnish and install a Knox Box near building entrance as directed by Fire Department.
- G. Signage:
 - 1. Lessor shall provide and install room identification signage for all rooms.

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

2. Lessor shall verify signage content, room number designation, and submit mock-ups of signage types to DGS for review and approval prior to fabrication.
 3. All signage located within the State's premises shall be tactile identification signage with raised letters and raised numbers between 5/8" and 2" high with a width-to-height ratio of between 3:5 and 1:1 and a stroke width to height ratio between 1:5 and 1:10. Letters shall be raised 1/32" above the background, Sans Serif uppercase characters. Signage shall be installed per current code. Signage for all private offices shall have a clear 3" – 4" high x 6" wide x 1/16" thick non-glare lens slide-out.
 - a. Characters and background of signage shall be eggshell, matt, or other non-glare finish. Characters shall contrast with their background.
 4. Grade 2 California Braille dots shall be raised 1/40" above the background. Braille shall be 1/10th inch on center within each cell and 2/10th inch between cells. Braille dots shall be domed or rounded
 5. In addition to room identification signage, Lessor shall provide and install tactile exit signs and tactile exit route signs.
 6. Where signs are mounted on glass, such as sidelights, furnish and install a blank of equal material, width, height, and background color to the opposite side of said glass.
 7. State of California Identification:
 - a. On or near the suite entrance door, install the words "STATE OF CALIFORNIA", the name of State tenant/ Department/ Agency and suite numbers and shall include Braille and tactile text and numbering. Signage shall be building standard and subject to approval by the State. Painted or pressure sensitive vinyl letters are not acceptable. Provide agency identification in the building directory, where available.
 8. Lessor shall provide 'Maximum Occupancy' signage(s) on the wall above or near the entry door for all conference, meeting, lunch, auditorium, and assembly rooms.
 9. Exterior signs: (applicable only if building is totally occupied by the State) Lessor shall provide and install exterior signs. Letters shall be of cast aluminum alloy, bronze, black anodized finish, dimensional plastic. Submit samples to DGS for approval. The words "STATE OF CALIFORNIA" and the name of the occupying department, and street address shall be in scale with the building elevation.
 - a. Lessor shall be solely responsible for any additional permits and fees.
- H. Assistive Listening Devices:
1. Lessor shall provide an assistive listening device system for all meeting, conference, quiet, assembly, and gathering rooms. The system shall comply with all accessibility requirements.
 2. Occupant Load less than 50:
 - a. One portable system per floor can be shared between rooms with occupant loads less than 50. The system shall be designed to accommodate the largest room size that is being shared. The portable, wireless FM based system shall include high output acoustic headset(s) such as the Centrum Sound PFM CA (or current model) with disposable ear plugs, neck-loop(s), conference microphones and a lockable charger/accessory carry case large enough to hold all equipment. The

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

system shall be hearing aid compatible. Lessor shall provide signage at reception area indicating that the device is available.

3. Occupant Load of 50 or more:
 - a. Rooms with more than 50 person occupant load and fixed seating must have a fixed assistive listing device system for 4% of the total number of seats in these rooms, but not less than two. Lessor shall provide signage inside each room and in the common hallway and or corridor indicating that the device is available.

I. Modular Systems Furniture (MSF):

1. The State may elect to furnish and install MSF in lieu of traditional office furniture. MSF may be comprised of any combination of freestanding partition panels, panel supported worksurfaces, files, components, and access raceways.
2. Where State elects to install MSF as described above, Lessor, at Lessor's sole cost and expense, shall provide the following:
 - a. Obtain any required permits from the local jurisdiction.
 - b. Electrical engineering and installation of all wiring systems and components as necessary or required from the building's electrical system to the MSF for a complete and fully operational system.
 - c. Provide a minimum of four 20A circuits to each base feed and/or power pole feed. Each base feed or power pole shall serve a maximum of four workstations. Coordinate electrical junction box locations with State furnished MSF plans. See Division 3 Special Provisions for MSF wiring diagram.
 - d. Installation of voice and data communication cabling from the data communication closet to the final point of termination at the MSF panel.
 - e. Cut and assemble the supplied power pole to the appropriate length, insert pole into top trim of panel, align the pole true and plumb, seismically brace pole, cutting the correct size hole in the ceiling tile, routing the electrical conduit through the pole, and installing the ceiling escutcheon plate to complete the pole installation.
 - f. Coordinate the installation of new wall mounted equipment to prevent interference with the MSF such as electrical panels, lighting control switching, thermostats, and fire extinguisher cabinets.
 - g. Relocate any existing wall-mounted equipment as required to accommodate MSF.
 - h. State or its representative shall provide MSF layout drawing(s) to Lessor for use in the preparation of construction documents.
 - i. State shall complete all procurement procedures for purchase of MSF.
 - j. In the event that the Lessor fails to complete the required construction, improvements, and/or alterations prior to the scheduled MSF delivery date, Lessor, at Lessor's sole cost and expense shall be responsible for all additional shipping, handling, and storage fees, including any "overtime" labor costs.
 - k. Where the State utilizes MSF, and the existing floor coverings are to be replaced as defined in the lease exhibits, Lessor, at Lessor sole cost and expense shall lift the existing MSF and disconnect as necessary, all power, voice, and data cabling. The MSF shall be lifted using a MSF lift

EXHIBIT B – OUTLINE SPECIFICATIONS

DIVISION 2

system as recommended by the MSF manufacturer. Upon completion of the installation of floor coverings, Lessor shall reconnect all power, voice, and data cabling and lower the MSF into place. Lessor shall realign and adjust the MSF to its original location and condition. Prior to lifting or moving the MSF, Lessor shall perform an inspection with State representatives and contractor to observe and document the condition of the MSF. In the event the MSF is damaged during the performance of any tenant improvement work, Lessor, at Lessor's sole cost and expense shall repair and/or replace the MSF with approved equal product. MSF manufacturer's authorized installers shall perform all repair work.

J. Flagpoles:

1. Where State is the sole or major tenant of the building, (occupying more than 50% of the available space), the United States flag and California State flag shall be prominently displayed upon or in front of the building or grounds in conformance with all flag displaying protocols and etiquettes.
 - a. Lessor shall furnish and install the flagpole and flags.
 - b. Freestanding flagpole shall extend 30' above grade.
 - c. Flagpoles mounted to building shall extend 14' above building parapet.
 - d. Flagpoles shall be equipped with lockable halyard box.
 - e. Flagpole and halyard shall be CBC/ADA access compliant.
 - f. Flags shall be in scale with building and flagpole.
 - g. Lessor shall provide automatic lighting for nighttime illumination.

2.11 PLUMBING

- A. Lessor shall furnish and install plumbing fixtures in quantity and type as shown in Exhibit "A" and as required by Code. Where State occupies multiple floors, Lessor shall provide accessible toilet rooms on each floor. Lessor shall provide one or more drinking fountains within close proximity to office quarters or as indicated on plan. Drinking fountains shall be CBC/ADA access compliant.
- B. Lessor shall provide hot and cold water at each lavatory and sink. Domestic water heaters shall be located not more than 25 feet from furthest point of use unless a hot water recirculation or other temperature maintenance system is provided. Water heaters shall initially delivery water at 110° F.
- C. Where new toilet rooms, locker rooms with showers, shower rooms are provided and where shown on plans, Lessor shall provide floor drains.
- D. Domestic water supply systems shall be constructed with copper piping and tubing. Soldered connections on water supply lines shall use ASTM B32, Tin Antimony solder. Lead solder is not permitted.

2.12 HEATING, VENTILATING, AND AIR CONDITIONING

- A. Lessor shall provide a climate control system consisting of a fully automatic heating, ventilating, and air conditioning system capable of providing conditioned air continuously during occupied hours to the premises. The HVAC system shall be designed and capable of maintaining the following temperatures in all occupied areas:

Design Criteria

Winter: 76°F

Operating Criteria

Winter: 68°F

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

Summer: 72°F

Summer: 78°F

- B. Lessor shall provide and install thermostats with automatic change over from heating to cooling. Thermostats shall have dead-band with adjustable range where no heating or cooling is activated. The temperature range of the thermostats shall be minimum 55°F to 85°F. Thermostats shall be cleaned, calibrated, and initially adjusted to 68°F maximum for heating and 78°F minimum for cooling. Thermostats shall be located within each zone. In multi-tenant buildings, thermostats shall not be shared with other building tenants.
- C. Lessor shall furnish and install lockable, tamperproof covers to all thermostats within the leased premises.
- D. Lessor shall furnish and install a dedicated air conditioning system with separate thermostat for the computer room, telecommunication room, server room, and other similar spaces. The system shall be capable of providing conditioned air 24 hours per day, 7 days a week. The operating temperature shall comply with the telecommunication equipment manufacturer specifications.
- E. Lessor shall submit detailed heating and cooling calculations, Title 24 compliance information, equipment selection data, and "as-built" mechanical drawings to DGS upon request.
- F. The cooling load for conference rooms, quiet rooms, hearing rooms, public lobbies, waiting rooms, and employee break rooms shall be based on occupancy of 15 square feet per person. Cooling load for all other areas shall be based on occupancy of 100 square feet per person.
- G. Systems shall be zoned for each building exposure and for interior zones where appropriate. Each zone shall be of a size and shape to ensure even air distribution and temperature control throughout the leased premises. Each conference room, quiet room, hearing room, public lobby, waiting room, and employee break room shall be zoned separately.
- H. In multi-tenant buildings, HVAC zones shall not be shared with other building tenants.
- I. All fan systems supplying 2,000 cfm and above shall be equipped with an economizer system that will use outdoor air up to 100% of fan capacity for cooling of the premises. Operation of the economizer cycle shall be controlled by outside dry bulb air temperature.
- J. All lunchrooms and break rooms with microwave oven or other food-heating appliances shall include a general exhaust fan.
- K. Toilet rooms shall be provided with a mechanical exhaust system providing a minimum of 15 air changes per hour. Replacement air shall be supplied directly or indirectly from the building system. Individual supply ducts or sound-lined transfer ducts are acceptable. Each exhaust fan shall be interlocked with the associated HVAC unit supply fan serving the room. Exhaust air shall be ducted to the building exterior.
- L. Ductwork construction and installation shall conform to the appropriate Sheet Metal and Air Conditioning Contractors National Association, Inc. (SMACNA) low velocity or high velocity duct construction standards. Ductwork shall be concealed or aesthetically compatible with the architectural design of the interior space. Individual supply and return air outlets and ductwork shall be provided in each enclosed area. Undercutting of doors, door grilles, or jumper ducts is not acceptable. Return air shall

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

be conducted through registers connected to ductwork or plenum above ceilings, except as otherwise approved by the State.

- M. Air distribution system shall be equipped with air volume controls and shall be capable of draftless operation at an acceptable noise level while handling the design flow of air. The acceptable noise level shall comply with ASHRAE Handbook - HVAC Applications.
- N. The complete HVAC system shall be checked, adjusted, and balanced. The air balance report shall be submitted to the State upon project completion.
- O. Lessor shall provide vibration isolation supports for all mechanical equipment, piping, and ductwork to prevent transmission of vibration to building structure.
- P. Where the heating design of outdoor temperature is below 35°F, Lessor shall provide one winter night setback thermostat for each HVAC system. The thermostat shall cycle the heating system to maintain 55°F.
- Q. Lessor shall provide automatic-control time clocks (7-day-programmable) or energy management systems (microprocessors) to allow the shutoff and startup of the HVAC equipment according to the State's occupancy schedule. State shall determine maximum daily hours of operation. Lessor shall provide one-hour by-pass timers for each HVAC system for after-hours operation.
- R. Indirect evaporative cooling, desiccant dehumidification, and passive solar design measures are acceptable when approved by DGS.

2.13 ELECTRICAL

- A. General Electrical Requirements:
 - 1. Lessor shall provide electrical engineering and installation of all transformers, main switchboard, subpanels, branch circuits, wiring devices, electrical switching, energy management systems, lighting, receptacles, and control equipment for HVAC systems.
 - 2. Service and metering equipment shall be in accordance with utility company requirements. An Electrical Arc-Flash Hazard Analysis and Short-Circuit and Protective Device Coordination Study shall be performed based on the available fault current from the utility system and contribution from the facilities motors. Electrical equipment warning labels shall be provided based upon the available arc hazard energy at each piece of Electrical Equipment. Labels shall comply with the requirements of the California Electrical Code and NFPA 70E.
 - 3. Where electrical service panels are installed to provide service to State premises, Lessor shall provide and install panels with a minimum of 20 percent more circuit capacity than the Lessor's calculated load total.
 - 4. The electrical panels serving the State's premises shall be accessible from the building core or from within the State's quarters. The location of the panels shall be coordinated and approved by the DGS prior to installation.
 - 5. All appliances and all energy-consuming devices shall be Energy Star® certified by the Environmental Protection Agency (EPA).
- B. Power Requirements:

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

1. Duplex convenience outlets shall be 20A, 125V, 3 wire grounding type provided in quantities indicated on the Exhibit "A". Lessor shall provide a minimum of two convenience outlets in each private office.
2. Electrical/data/telephone outlet heights:
 - a. Existing receptacles may remain at 12" A.F.F. New receptacles shall be installed at 15" A.F.F. or as noted on plans.
3. Lessor shall furnish and install all special use outlets, dedicated circuits, and isolated ground convenience outlets for copy machines, electronic communications equipment, and where noted on plan.
 - a. Dedicated circuits shall have individual ungrounded circuit conductors from each device to panel board circuit breaker and individual grounded circuit conductors from each device to the neutral bus located in the panel board. Equipment grounding conductors shall be connected to the grounding electrode system through a ground bus located in the panel board.

C. General Lighting Requirements:

1. Lighting Design Guidelines:
 - a. Lighting shall comply with the design guidelines of the current edition of IESNA Lighting Handbook.
2. Where existing light fixtures are reused, Lessor shall modify fixtures as necessary to comply with all seismic guidelines. Lessor shall thoroughly clean fixture housings, lamps, and fixture lenses. All lenses shall be free of damage and discolor. There shall be no visual discrepancy between existing lamp color temperature and new lamp color temperature in each enclosed space. Lessor shall replace incandescent lamp fixtures with new high efficiency lamp fixtures where applicable.
3. Premises shall have sufficient light fixtures properly spaced and be capable of providing the recommended levels of illumination indicated in the following table.
 - a. Minimum Lighting Levels:

AREA:	FOOTCANDLES:
Work Surfaces (includes task lighting)	50
Work Area Ambient Lighting	30
Telecommunications rooms and closets	50
Special Purpose Area(s)	75
Repair Garage	50
Hallways, Aisles, Corridors	25
Conference / Meeting Rooms	70
Incandescent Lighting	10 - 30
Drafting Areas	50
High Density Filing Areas	50
Document Processing Area/Room	30
Circulation Space around work areas	30
Building Entries	25
Restrooms	40
Waiting and Lounge Areas	15
Coffee Counters	20
Lunch Rooms/ Break Rooms	30
Warehouse	2

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 2**

4. Minimum requirements for new or replacement linear fluorescent lighting systems:
 - a. Minimum Color Rendering Index (CRI) of 70
 - b. Option of common Color Temperature lamps (CCT) (3000° K through 4100°K)
 - c. Minimum power factor of 90%
 - d. Minimum system efficacy of 90 lumens per watt
 - e. High frequency electronic ballast
 - f. Maximum Total Harmonic Distortion (THD) of 20%
 - g. Minimum lamp life of 20,000 hours
5. Minimum requirements for compact fluorescent lighting systems:
 - a. Minimum Color Rendering Index (CRI) of 75%
 - b. Option of common Color Temperature lamps (CCT) (2700° K through 4100°K)
 - c. Minimum power factor of 90%
 - d. Minimum system efficacy of 60 lumens per watt
 - e. Electronic ballast
 - f. Maximum Total Harmonic Distortion (THD) of 20%
 - g. Minimum lamp life of 10,000 hours
6. Minimum requirements for LED lighting systems
 - a. Minimum Color Rendering Index (CRI) of 80
 - b. Option of common Color Temperature lamps (CCT) (3000° K through 4100°K)
 - c. Minimum power factor of 90%
 - d. Minimum system efficacy of 90 lumens per watt
 - e. Internal LED Driver
 - f. Lamps capable of being dimmed from 100% to 0% of maximum lighting output
 - g. Minimum lamp life of 50,000 hours
7. Pairs of one-lamp or three-lamp recessed fluorescent luminaires and continuous mounted fluorescents that are (1) on the same switch control, (2) in the same area, (3) within 10 feet of each other in accessible ceiling spaces; and (4) do not use electronic ballasts, shall be tandem wired and shall not use single lamp ballasts.
8. Where required, lighting panel switches including exterior lighting shall have a two schedule, programmable, 7-day with holiday setting, battery-backup time clock. Time clock operation shall have manual override with a two-hour bypass. Override shall be accessible to the tenant.
9. Where exterior illumination is required, lessor shall provide and install exterior solid-state luminaires that are designed for and exclusively use LED lamp technology. Luminaires shall include integrated controls and the required Backlight, Uplight, and Glare (BUG) ratings based on the Lighting Zone the luminaires are in for accent light and outdoor building security lighting. All building entrances shall be illuminated.

EXHIBIT B – OUTLINE SPECIFICATIONS DIVISION 2

D. Communication Equipment Requirements:

1. Lessor shall provide and install all conduits and telephone service cabling from the building's main point of entry (MPOE) to the tenant agency's Telecommunication closet.
2. Lessor shall furnish and install telephone terminal backboard. Backboard shall be 4' x 8' x 3/4" thick, fire retardant plywood, and painted to match adjacent surfaces.
3. Lessor shall furnish and install termination blocks, cable management hardware, and terminate and label all cables at both ends.
4. Lessor shall provide and install all components as required by the telephone service provider's requirements.
5. Unless otherwise noted, Lessor shall furnish and install a complete structured cabling system from the tenant agency's telecommunication closet to the final point of termination. Lessor shall provide all components such as, but not limited to, cabling, cable labels, cable trays, cable management hardware, patch panels, cross connects, patch cords, faceplate, jacks, and wall outlets, MSF workstation outlets, as necessary or required for a complete and operational system.
6. Lessor shall provide and install all conduit and outlet boxes with pull-wire.
7. The system shall be tested pursuant to and meet ANSI/TIA/EIA standards.
8. BICSI Certified cabling installers shall perform all work, and shall comply with all ANSI/TIA/EIA cabling standards.
9. The system shall comply with the requirements of the tenant agency's specifications.
10. The State shall not be required to remove any communication equipment and or cabling described herein either during the lease term or upon termination of this lease.

2.14 PARKING AND PAVING

- A. Parking areas and access from the public way shall be paved. Each parking stall shall have individual unobstructed access. All stalls shall be marked with 4" wide painted stripes using white traffic grade paint. Traffic areas shall have appropriate painted directional arrows and any other graphics noted on Exhibit "A". Lessor shall furnish and install appropriate signage as required by local jurisdiction.
- B. Pavement at existing parking areas shall be free of holes, patches, divots or badly weathered surface conditions. If new material is used, the existing asphalt shall be ground and used for fill in the parking area.

END OF DIVISION 2

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 3**

DIVISION 3 - SPECIAL PROVISIONS

The following Special Provisions supplement the requirements specified in Divisions 1 and 2. Where Division 3 requirements conflict with Divisions 1 & 2; Division 3 supersedes those requirements.

There are NO SPECIAL PROVISIONS for this Project.

END OF DIVISION 3

**EXHIBIT B – OUTLINE SPECIFICATIONS
DIVISION 4**

DIVISION 4 - TECHNICAL REQUIREMENTS

The following Technical Requirements supplement the requirements specified in Divisions 1 and 2. Where Division 4 requirements conflict with Divisions 1 & 2; Division 4 supersedes those requirements.

There are NO TECHNICAL REQUIREMENTS for this Project.

END OF DIVISION 4

EXHIBIT 'C' – ADMINISTRATIVE REQUIREMENTS

PROJECT: OFFICE QUARTERS PROJECT NO.: 140891
AGENCY: EMPLOYMENT DEVELOPMENT DEPARTMENT LEASE NO.: 6875-001
LOCATION: 222 W 6TH STREET, SUITES 410 & 480 DATE: 3-7-2018
SAN PEDRO, CA 90731

TITLE	PAGE
DIVISION 1 AUTHORITY AND POLICY REQUIREMENTS	
1.00 GENERAL - AUTHORITY & POLICIES REQUIREMENTS OF LEASED FACILITIES	2
1.01 STATE FIRE MARSHAL AUTHORITY	2
1.02 ACCESS COMPLIANCE AUTHORITY	2-3
DIVISION 2 STATE FIRE MARSHAL PROCEDURE	
2.00 RESD LEASE EXHIBIT A	4
2.01 CONSTRUCTION DOCUMENTS	4
2.02 PLAN REVIEW AND APPROVAL	4
2.03 CONSTRUCTION INSPECTION	5
DIVISION 3 CBC/ADA ACCESS COMPLIANCE PROCEDURE	
3.00 GENERAL	6
3.01 FEE REQUIREMENT	6
3.02 DETERMINATION OF FACILITY GROUP TYPE	6
3.03 GROUP I, FACILITY PROCEDURE	6
3.04 GROUP II, FACILITY PROCEDURE	8
DIVISION 4 REFERENCE FORMS	
4.00 NOT USED	
4.01 SAMPLE SFM TRIAGE DEFICIENCY LIST	10
4.02 NOT USED - FORM C	12
4.03 NOT USED - FORM D	12
4.04 CBC/ADA ACCESS COMPLIANCE FEE CALCULATION - FORM E	13
4.05 CALIFORNIA DVBE PROGRAM CERTIFICATION SHEET - FORM F	14
4.06 VERIFIED REPORT - FORM G	15

PROJECT CONTACT: MARY KUYPER PHONE: 916.375.4115
STATE FACILITIES MANAGER I FAX: 916.375.4085
EMAIL: mary.kuyper@dgs.ca.gov

Confirmation Statement

I/we have read this Exhibit 'C' Administrative Requirements and understand it is incorporated into, and is part of, this lease.
I/we have acknowledged each and every page by placing my/our initials on this cover sheet.

Initials 

1.00 GENERAL

- A. The State of California and its governing agencies have mandated that the Department of General Services (DGS), Real Estate Services Division (RESA) adhere to all regulations, policies and state statutes for all state agencies leasing private sector building space.
- B. This Exhibit 'C' document is a binding part of the lease document and shall function with Exhibits 'A' and 'B'.
- C. The forms contained in Division 4 are for the Lessor's reference. A separate Lessor's forms packet will be provided by RESA for the Lessor's use. The forms contained in the "Lessor's Packet" are to be used by the Lessor to accomplish the processes required by this document.
- D. Federal Americans with Disabilities Act (ADA) and California Building Code (Title 24) accessibility requirements are combined and noted hereafter as **CBC/ADA**.
- E. Abbreviations: State Fire Marshal (SFM), Division of the State Architect (DSA), Real Estate Services Division (RESA).

1.01 STATE FIRE MARSHAL AUTHORITY

- A. Section 13108 of the California State Health and Safety Code gives the State Fire Marshal (SFM) authority for enforcement of fire protection regulations for State owned and State occupied leased buildings or premises. This authority encompasses both plan review and construction inspections of all leased facilities.
- B. If at any time during the Design, Construction Document Review, or Construction Inspection processes, a conflict arises between the State and local authorities, the Lessor/architect will compile all pertinent information and present the situation through the RESA Space Planner to the SFM. The SFM has final authority in the determination of compliance and will take the lead in the resolution of problems or suitable interpretation of code.
- C. For projects with no alterations (a change, addition or modification in construction, change in occupancy or use, or repair to an existing building or facility. Including, but not limited to remodeling, renovation, rehabilitation, reconstruction, rearrangement in the plan configuration of walls and full-height partitions), the Lessor is not required to submit construction documents to the SFM.
- D. *Per CBC 111.1: No building or structure shall be used or occupied until the building official has issued a certificate of occupancy.*

1.02 ACCESS COMPLIANCE AUTHORITY

- A. California law incorporates the Americans with Disabilities Act requirements. California Government Code provides that buildings shall be made accessible to, and usable by, persons with disabilities, whether they are leased, rented, contracted, sublet, or hired by any municipal, county, or State divisions of government, or special district. California Building Standards Code defines that all State facilities shall meet the federal Architectural Barriers Acts.
- B. These statutes, in addition to the California Building Code, Title 24, generate the need for a standard process to ensure access compliance with respect to State leased facilities.

DIVISION 1 – AUTHORITY AND POLICY REQUIREMENTS

- C. The **Division of the State Architect (DSA)** is charged with the responsibility of ensuring compliance with the above standards.
- D. If at any time during the Design, Construction Document Review, or Construction Inspection processes, a conflict arises between the State and local authorities, the Lessor/architect will compile all pertinent information and present the situation to the RESD Space Planner.
- E. The DSA has delegated a component of the access compliance responsibility to RESD for leased facilities. Conforming to DSA delegation, RESD is requiring the Lessor to ensure compliance by utilizing one of the two procedures defined in this document. Refer to Division 3 (below) for specific requirements and procedures.
- F. Public right- of- way access is required for all State leased facilities. If the existing conditions do not meet the required codes and regulations, the design professional (Lessor's architect) must demonstrate and document a diligent effort to request that the authority (having control) over the public right- of- way, makes the necessary modifications to secure right-of-way access. All correspondence shall be documented and provided to the RESD Space Planner for the project file.

End of Authority and Policy Requirements

DIVISION 2 – STATE FIRE MARSHAL PROCEDURE

2.00 RESD LEASE EXHIBIT 'A'

- A. Prior to the lease execution, the RESD Space Planner is responsible for the development and submittal of the lease Exhibit 'A' space plan(s) to the SFM for a design consultation review and approval. The approved Exhibit 'A' plan(s) will reflect the design concept for the proposed lease within the configuration of the existing building shell. If RESD elects to use a narrative Facilities Design Program (FDP) in place of the Space Plan, the SFM review and approval will follow lease execution and development of preliminary architectural drawings by the Lessor.

2.01 CONSTRUCTION DRAWINGS

- A. The Exhibit 'A' Plan or the Exhibit 'A' FDP are design development guidelines only. Lessor, at Lessor's sole cost and expense, shall provide all required construction documents and calculations necessary to obtain a building permit from the local Building Department and to construct the improvements as indicated. The use of Exhibit 'A' Plan in lieu of construction documents is not acceptable to the State.

2.02 PLAN REVIEW AND APPROVAL

- A. The Lessor's architect is required to submit the construction documents to the SFM for plan review and approval **prior to construction**. Lessor's architect shall use the Sample SFM Plan submittal checklist Triage List (Form B) in development of construction documents. **All** specific technical elements of the construction such as fire alarm and smoke detection systems, fire sprinklers, construction details of fire assemblies, etc. shall be included with the construction documents. For projects with no alterations, the Lessor is not required to submit construction documents to the SFM.
- B. The RESD space planner will provide a username and password to be used to access the SFM GOVmotus website. No other party shall set up the username and password other than the RESD Space Planner. The SFM GOVmotus website must be used for all plan review submittals, plan check responses and inspection requests throughout the course of the project, all future alterations during the term of the lease will require a new/separate username and password.
- C. The RESD space planner will fill out the State information on the website Permit Application. The Lessor's architect shall complete the Permit application form and plan submittal checklist online. The Lessor's architect shall also submit hardcopies of all permit documents either by mail or in person to the SFM's office in Sacramento. There is no fee for the Lessor associated with the SFM review process. Other pertinent information can be found on the SFM web site at:
<https://calfire.govmotus.org>

DIVISION 2 – STATE FIRE MARSHAL PROCEDURE

- D. **A copy of the Permit Application form** and all submittals shall be sent to:

Office of State Fire Marshal, Fire and Life Safety
1131 S Street
Sacramento, California, 95814
Contact telephone: (916) 445-8550.

This form must be filled out completely, including all Applicant and Building Contractor information. Plan review time is typically 6 to 8 weeks, however the architect shall verify the estimated review time for this project review at submittal. The architect shall make the necessary adjustments to the overall project schedule accordingly.

- E. The construction documents will be returned to the address shown under Applicant Information, on the Permit Application and will be accompanied by either a **SFM Plan Review Approval** or a **SFM Plan Review Transmittal** with a list of deficiencies. Upon completion of plan review, the Lessor/architect shall provide a copy of the SFM Plan Review Approval letter to the RESD Space Planner.

2.03 CONSTRUCTION INSPECTION

- A. The regional SFM office will inspect and approve the construction in the State leased building. There are two fire life safety regions; North and South. The final SFM approved construction documents will include all inspection contact information and will be emailed via the GOVMOTUS website to the Lessor. To request a SFM inspection for your site; provide a minimum of 24 to 48 hour notice prior to the inspection date. The inspections must be requested on the GOVMOTUS website. The Lessor, architect, or contractor shall be responsible for logging into the GOVMOTUS website and requesting inspections.
- B. After completion of each successive SFM construction inspection, any deficiencies shall be recorded on the **SFM Fire Safety Correction Notice** by the SFM assigned Deputy and emailed to the Lessor by the SFM. A copy of the inspection notice will be immediately available on the GOVMOTUS website. This form is to be signed by a Lessor's representative on site. Final approval by the Deputy SFM is recorded on this document and a **SFM Certificate of Occupancy** is then issued. The Lessor or Lessors contractor shall send a copy to the RESD Space Planner.

End of SFM Process

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

3.00 GENERAL

- A. To comply with the accessibility requirements and ensure that the facility has complied with all accessibility codes and regulations, the Lessor is required to complete one of the two processes defined below. In each case the RESD Space Planner will remain the primary contact. The facilities are categorized according to size as either Group I or Group II projects. Each category has specific requirements as defined. Group I projects are submitted to RESD and Group II facilities are submitted to DSA for plan review and approval. The Lessor is required to follow the procedure of the applicable process and is responsible for the associated costs.

3.01 FEE REQUIREMENT

- A. The Lessor is required to submit the project fee to RESD for Group I or directly to the DSA regional office for Group II facilities. The RESD Space Planner will calculate the required fee using the **CBC/ADA Access Compliance Fee Calculation Form E** (attached) and include this in the Exhibit C lease document.

3.02 DETERMINATION OF FACILITY GROUP

- A. The group is determined by the category and the size of the State's net usable leased area. The respective administrative process is defined in the following Sections 3.03 (Group I) and 3.04 (Group II). The Group Types are defined below:

GROUP I:

Building Type:	Net Usable Square Footage:
Existing Office Buildings	Less than 100,000 square feet
Existing Warehouse Buildings	Less than 500,000 square feet
Any Building to be Constructed	Less than 30,000 square feet

GROUP II:

Building Type:	Net Usable Square Footage:
Existing Office Buildings with Alterations	100,000 sq. ft. or greater
Existing Warehouse Buildings with Alterations	500,000 sq. ft. or greater
Any Building to be Constructed	30,000 sq. ft. or greater

Note: Certain Group I projects, at the discretion of the State, may be determined compatible with Group II process regardless of the building size. The RESD Space Planner shall inform the Lessor which process applies to this particular project during lease negotiations.

3.03 GROUP I FACILITY PROCEDURE

For Group I facilities the Lessor's architect is required to complete the requirements outlined in paragraphs A through D below:

- A. Accessibility Survey: The Lessor must have an accessibility survey completed prior to the finalization and approval of the construction documents. The survey must be completed using the DGS' Accessibility Checklist for State-Leased Buildings and Facilities. The following consultants are acceptable:

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

1. DSA certified accessibility consultants trained for Leased facilities
<http://www.dgs.ca.gov/resd/Programs/LeasingandPlanning/NewLease/LeaseRequirements.aspx>
2. Certified Access Specialist (CASP)
<http://www.dgs.ca.gov/dsa/Programs/programCert/casp.aspx#t1>
3. ICC Accessibility Inspector/Plans Examiner
<https://av.iccsafe.org/EWEB/DynamicPage.aspx?Site=icc&WebKey=b7afd990-2e14-4013-a186-aeb405641a95&FromSearchControl=Yes>
4. Architect licensed in the State of California

A.1.1 The consultant will survey the facility and site per CCR Title 24, California Building Code (CBC), and Americans with Disabilities Act (ADA). State agencies are public entities and shall comply with Title II of the ADA. Exceptions to the code for existing buildings are not permitted. Access compliance shall apply to exterior areas such as but not limited to path of travel to and from public transportation and public right-of-way, parking, passenger drop-off and loading zones, walks and sidewalks, curb ramps, ramps, and all stairs. Access compliance shall also apply to interior areas such as but not limited to entrances and exits, lobbies, building common areas, elevators, access lifts, doors and gates, access to and through all rooms and spaces, restrooms, signs and identification, counters, waiting, seating areas, assistive listening systems, telephones, drinking fountains, alarms, and horizontal/vertical access. Consultants will observe and record all deficiencies, as well as provide solutions needed to bring facility into compliance with sufficient detail to allow Lessor or his/her agent to develop a cost estimate for proposed barrier removal. Should all areas mentioned above not be fully constructed, consultants shall review the construction documents in addition to the physical evaluation.

- B. Fee Payment: The Lessor shall prepare a check payable to the Dept. of General Services, Real Estate Services Division. Lessor shall enclose a copy of the **CBC/ADA Access Compliance Fee Calculation Form E** (attached) as prepared by the RESD Space Planner, along with payment and mail to DGS, RESD (Include the project number on the check to RESD).
- C. Construction Documents: The Lessor's Architect will incorporate all items defined in the accessibility survey into the construction documents. The Lessor shall submit the completed drawings to RESD for review.
- D. Verified Report: Following the completion of construction, the Lessor's architect is responsible for verifying that the items outlined in the accessibility survey and incorporated into the construction documents have been completed. The **Verified Report Form G** (attached) shall be signed by the Lessor's architect. The architect shall forward the signed Verified Report to RESD Space Planner prior to the final inspection that will be performed by RESD. The project will not be accepted for occupancy prior to receipt of this document.

End of Group I Procedure

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

3.04 GROUP II FACILITY PROCEDURE

The Lessor is required to submit plans and specifications to the **Division of the State Architect (DSA)** for access compliance review and approval. Although the formal process for access compliance plan review and approval is processed through DSA, the DGS RESD Space Planner will continue as the project manager. The Lessor's architect shall inform RESD of the status of plan review/approval from DSA.

For Group II facilities the Lessor's architect is required to complete the requirements outlined in paragraphs A through F below:

- A. Accessibility Survey: The Lessor must have an accessibility survey completed prior to the finalization and approval of the construction documents. The survey must be completed using the DGS Accessibility Checklist for State-Leased Buildings and Facilities. The following consultants are acceptable:
1. DSA certified accessibility consultants trained for Leased facilities
<http://www.resd.dgs.ca.gov/Branches/PSB/LeaseRequirements.htm>
 2. Certified Access Specialist (CASP)
<http://www.dgs.ca.gov/dsa/Programs/programCert/casp.aspx#t1>
 3. ICC Accessibility Inspector/Plans Examiner
<https://av.iccsafe.org/EWEB/DynamicPage.aspx?Site=icc&WebKey=b7afd990-2e14-4013-a186-aeb405641a95&FromSearchControl=Yes>
 4. Architect licensed in the State of California

Note: See Section 3.03; paragraph A.1.1 (Group I Facility Procedure) for parameters of survey.

- B. Construction Drawings and Specifications: The Lessor is required to retain an architect licensed in the State of California to design and develop plans and specifications in accordance with the lease exhibits and applicable codes and regulations. The Lessor's architect will incorporate all items defined in the accessibility survey into the construction documents. The architect is required to stamp and sign the construction documents.
- C. Fee Payment: In accordance with the calculation of fees per the **CBC/ADA Access Compliance Fee Calculation Form E** (attached), the Lessor shall prepare a check payable to the Division of the State Architect. This check along with a copy of the CBC/ADA Access Compliance Fee Calculation Form E shall be forwarded directly to the appropriate regional DSA office in the submittal package.
- D. Submittal Package: The submittals shall be sent to the appropriate DSA regional office. The state is divided into four regions, San Francisco Bay Area, Sacramento, Los Angeles and San Diego. The DSA regional office that will review this project can be confirmed by calling DSA at (916) 445-8100. The submittal package must be complete before the DSA accepts the project for review. Proceed to the DSA website using the link below for instructions on this process:

<http://www.dgs.ca.gov/dsa/Programs/progProject/overview/projsubmitintro.aspx>

Upon receipt of the submittal package, a DSA application number is assigned to the project for tracking purposes. A preliminary review of your submittal is performed within a few days. Plan review is scheduled after DSA verifies that a complete submittal package has been received. The Lessor's architect shall verify the estimated time for this project review with DSA at submittal. The architect shall make the necessary adjustments to the overall project schedule accordingly.

DIVISION 3 – CBC/ADA ACCESS COMPLIANCE PROCEDURE

- E. DSA Plan Approval: Once approval has been granted by DSA, the Lessor is required to construct the project in compliance with the plans, specifications and lease exhibits. The Lessor shall provide a copy of DSA's letter of approval to the RESD Space Planner. Construction shall not commence until this process has been completed.
- F. Verified Report: Following completion of construction, the Lessor's architect shall visit the site to verify that the building and site are in compliance with the DSA approved plans and specifications. The **Verified Report** Form G (attached) shall be completed and signed by the Lessor's architect. The architect shall forward the Verified Report to RESD Space Planner prior to the final construction inspection by RESD. The project will not be accepted for occupancy prior to receipt of this document.

End of Group II Procedure

DIVISION 4 – REFERENCE FORMS

Office of the State Fire Marshal
Sample Plan Review Triage List

This form is provided for informational purposes only. For the complete triage list visit the website below.

Information and forms may be obtained at Office of the State Fire Marshal, Fire and Life Safety Division - Plan Review Section

www.osfm.fire.ca.gov

1. GENERAL

- ☐ Provide a complete plan review application Submit plans sufficient size
- ☐ Provide site address
- ☐ Provide name of owner and occupant
- ☐ Identify if new construction or T.I.
- ☐ Identify if new or existing tenant space
- ☐ Identify if deferred submittal
- ☐ CSFM file number must be on title sheet
- ☐ Slip sheets shall be bound to set
- ☐ Sheet index
- ☐ Wet stamp and sign sheets
- ☐ Electronic signature approval required
- ☐ Scope of Work
- ☐ Provide a Key Plan coordinated to each sheet
- ☐ Provide a North orientated Site Map
- ☐ Orientate all sheets to North
- ☐ Identify deferred submittals
- ☐ Provide adopted code cycle listings and standards
- ☐ Provide a legible scale. Typically 1/8"
- ☐ Provide approved reference

2. ACCESS AND WATER SUPPLY

- ☐ Provide Local Fire Authority Approval Letter
- ☐ Fire Department Access
- ☐ Fire Department Connection
- ☐ Fire Hydrants
- ☐ Fire Alarm Annunciator
- ☐ Fire Alarm Control Panel
- ☐ Knox Box/Key Switch
- ☐ Emergency Responder Radio Coverage
- ☐ Elevator gurney accommodation
- ☐ Provide a complete fire access plan
- ☐ Provide 6 mo. current site fire flow information

3. NONSTRUCTURAL PROVISIONS

- ☐ Building Analysis (include the following)
 - o Occupancy groups and varied uses
 - o Building construction type
 - o Number of stories
 - o Actual building height
 - o Building area in square feet
 - o Area of project in square feet
 - o Separated, non-separated, accessory use
 - o Allowable area
 - o Area increase

- o Height increase
- o Fire Sprinklers (Type, Full, Partial)
- o Fire Alarm (Type)
- o Other Fire Protection System (Type)
- o Smoke Control System (Y/N)
- o Occupant load for entire building and each floor
- o Year building was constructed
- o High Fire Hazard Severity Zone (Y/N)
- o Seismic Joints and locations (Y/N)
- o Emergency Responder Radio Coverage (Y/N)
- ☐ Identify occupancy groups/uses on floor plans
- ☐ Identify adjacent buildings on the site
- ☐ Identify fire separation distances
- ☐ Identify building allowable area increases
- ☐ Justify frontage allowances
- ☐ Sprinkler height/area increase cannot be combined
- ☐ Identify types and materials of all construction
 - o Provide wall legends
 - o Fire rated assemblies
 - o Scan listed assemblies to plans
- ☐ Penetration protection
 - o Scan listed fire stopping systems to plans
 - o Classification of roof covering
- ☐ Details for opening protection
 - o Door schedule
 - o Window schedule
 - o Louver schedule
 - o Listed smoke containment system
 - o Interior finish smoke and flame spread

4. EXITING

- ☐ Paths of travel to a public way
- ☐ All occupancies/uses on floor plans
- ☐ Correct occupant load factors (gross, net)
- ☐ Cumulative loads (lobbies, corridors, stairs, etc.)
- ☐ Furniture plan
- ☐ Egress capacity (width and number)
- ☐ Door swing
- ☐ Door hardware
- ☐ Delayed egress design
- ☐ Card readers/ access control
- ☐ Emergency lighting and photometric
- ☐ Exit signs
- ☐ Exit enclosures (vertical and horizontal)
- ☐ Exit discharge
- ☐ Areas of refuge & Safe dispersal areas

DIVISION 4 – REFERENCE FORMS

5. FIRE PROTECTION SYSTEMS

• FIRE ALARM

- ☐ Provide highlighted set of data sheets
- ☐ Provide cut sheets for all components
- ☐ Provide current CSFM listings
 - Provide/correct equipment matrix
- ☐ Provide a sequence of operation Identify approved monitoring station
- ☐ Identify fire alarm and egress-control devices
- ☐ Demonstrate compliance for egress-control systems
- ☐ Provide ceiling configuration, surface, and height
- ☐ Provide/correct voltage drop calculations for devices
- ☐ Provide/correct riser diagram
- ☐ Provide/correct standby battery calculations
- ☐ Demonstrate audible visual notification coverage
- ☐ Demonstrate manual fire alarm box coverage

• FIRE SPRINKLERS

- ☐ Provide all OSFM shop drawing notes
- ☐ Submittal shall comply with OSFM design guideline
- ☐ Identify system type (wet, dry, pre-action, etc.)
- ☐ Provide ceiling configuration, surface, and height
- ☐ Provide hydraulic calculations
- ☐ Provide full height cross sections/ceiling construction
- ☐ Identify area protected by each system for each floor
- ☐ Identify area limitations for hazard classifications
- ☐ Correct notes/design to reflect CA amendments
- ☐ Identify miscellaneous storage condition

6. HOOD AND DUCT EQUIPMENT/SYSTEMS

- ☐ Scaled plan of area and equipment
- ☐ Dimensions of hoods, ducts, and appliances
- ☐ Equipment list for system, devices and materials
- ☐ Manufacturer's installation instructions
- ☐ Cut sheets and compliance with UL 300 Standard
- ☐ Isometric drawing of piping and components
 - o Type, size and length of piping
 - o Size and number of fittings
 - o Model number and locations of nozzles
 - o Location, temperature and model of detectors

- o Location and size of extinguishing agent
- o Location of manual means of activation
- o Location and identity of gas and electric shutoffs
- o Interconnection to building fire alarm system
- o Location of a Class K fire extinguisher

7. ELECTRIC VEHICLE CHARGING STATIONS

- ☐ Identify required signage, posts, wheel stops
- ☐ Identify electrical panel bonding and grounding
- ☐ Provide location of disconnect
- ☐ Charging equipment for vehicles requiring ventilation
- ☐ Identify means of indoor mechanical ventilation
- ☐ Provide details for underground runs.
- ☐ (Trench depths, conduit/conductor sizes)

8. HAZARDOUS MATERIALS

- ☐ Inventory summary with hazard class and totals
- ☐ Safety Data Sheets
- ☐ Floor plans
- ☐ Occupancy classifications
- ☐ Control areas
- ☐ Fire resistive construction
- ☐ Hazardous materials warning signs
- ☐ No smoking signs
- ☐ Hazardous materials alarm devices
- ☐ Hazardous materials cabinets Fume hoods and enclosures
- ☐ Equipment utilizing hazardous materials
- ☐ Spill control/secondary containment
- ☐ Standby/emergency power

9. HIGH PILE STORAGE

- ☐ Letter of intent signed by authorized department head
- ☐ HPS analysis prepared by a FPE
- ☐ Scaled site plan (fire lanes, hydrants, FDC's, risers)
- ☐ Scaled floor plan (HPS area, racks, access doors)
- ☐ Fire sprinkler design density
- ☐ Aisle dimensions
- ☐ Dimensions and location of flue spaces
- ☐ Location of different commodity classes
- ☐ Location of banded/encapsulated storage
- ☐ Location and type of building columns
- ☐ Fire resistive construction
- ☐ Occupancy classification of adjacent tenants
- ☐ Location and design of smoke vents

DIVISION 4 – REFERENCE FORMS

4.02 FORM C

(NOT USED)

4.03 FORM D

(NOT USED)

DIVISION 4 – REFERENCE FORMS

4.04

ACCESS COMPLIANCE, FORM E

ACCESS COMPLIANCE FEE CALCULATION

RELPS Planner: Mary Kuyper Date: 3-7-2018

Agency: Employment Development Department

Address: 222 W 6th Street, Suite 410, San Pedro, CA 90731

Project Number: 140891

Project Name: EDD San Pedro 140891

For GROUP I Facilities
Send to:
Dept. of General Services
Real Estate Services Division
Professional Services Branch
707 3rd Street, Suite 5-305
West Sacramento, CA 95605

For Group II Facilities
Send to:
DSA Regional Office
See DSA Website for offices in
your area at
www.dsa.dgs.ca.gov/Contact/default.htm

Project Type	Project Size (net usable s.f.)		Project Value (PV)
<input type="checkbox"/> Existing Warehouse Buildings		\$20/sf	\$ -
<input checked="" type="checkbox"/> Existing Office Buildings	3,066	\$50/sf	\$ 153,300
<input type="checkbox"/> New Construction		\$150/sf	\$ -

GROUP I (Under \$5,000,000)	Project Value	Multiplier	Fee
PV X 0.2% of 1st \$500,000 =	\$ 153,300	0.002	\$ 307
Remainder of PV x 0.1% =	\$ -	0.001	\$ -
Remainder between 2M and 5M x .01% =	\$ -	0.0001	\$ -
Calculated total =			\$ 307
x 10% (QA or \$200 Minimum) = Total Fee			\$ 200

GROUP II (Over \$5,000,000)	Project Value	Multiplier	Fee
PV x 0.5% of 1st \$500,000	\$ -	0.005	\$ -
PV between 500,000 and 2M x .25%	\$ -	0.0025	\$ -
PV over 2M x .1%	\$ -	0.001	\$ -
Calculated total -			\$ -
Total Fee			\$ -

Total Lessor Fee Obligation: \$ 200

DIVISION 4 – REFERENCE FORMS

4.05 DVBE PROGRAM CERTIFICATION SHEET, FORM F

CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE
PROGRAM CERTIFICATION SHEET

Lessor must complete and sign to certify if DVBE Participation was or was not obtained

LEASE AMOUNT/DVBE CERTIFICATION

Lease Project No.: 140891

I hereby certify that the Lease Contract Amount, as defined below, is in the amount of

\$_____ of which \$_____ was awarded to a certified

DVBE firm resulting in _____% DVBE participation. I understand that the Lease Contract

Amount is the total dollar figure against which the DVBE participation will be evaluated.

Lessor Name

Date

Lessor's Signature

Printed Name

DEFINITION: Lease contract amount is the total amount of lease costs expended by the Lessor over the firm term of the lease which are attributable to expenditures by the lessor to make the leased property sufficient for state occupancy. This typically includes, but is not necessarily limited to, tenant improvements, extraordinary maintenance, and janitorial services specified in the lease. In the case of a build-to-suit facility, the total of the construction and off-site development costs, as well as architectural and engineering costs, would be included.

DIVISION 4 – REFERENCE FORMS

4.06 VERIFIED REPORT, FORM G

State Leased Buildings and Facilities Verified Report - Form G

The Architect having general responsible charge of the work of construction on the plans and specifications, is responsible for the submission of this report to the Department of General Services / Real Estate Services Division, Planner (DGS/RESO) prior to the state tenant taking occupancy.

RESO Project Info:	Agency: Employment Development Department		RESO Project # 140891
	Project Type (Scope of Work): New Space		Date: 4/26/2018
	RESO Planner: Mary Kuyper	Phone: 916.375.4115	Fax: 916.375.4085

Facility Info:	Building Name		Hours of Operation:	
	Address: 222 W 6th Street			Suite 410
	City: San Pedro			Zip: 90731
	Lessor Contact		Phone	Fax

Contractor:	Company Name	License #	Phone
-------------	--------------	-----------	-------

This report includes all construction work through the date of: _____ month _____ day _____ year			
Exterior Work	% Compliant	Interior Work	% Compliant
		Accessible Main Entrance	
Parking & Accessible Stalls		Doors & Gates	
Walks & Sidewalks		Information / Reception Counter	
Curb Ramps		Elevators / Ramps / Lifts	
Stairways		Sanitary Facilities / Sinks / Drinking Fountains	
Ramps & Landings		Stairwells / Exits	
Accessible Main Entrance		Conference / Meeting / Assembly Rooms	
Wayfinding & Signage		Wayfinding & Signage	
		Fire Alarms	
Total Project Percentage of Completion			
*All items required to be 100% complete unless Hardship approved by DSA or Mitigation Plan outlined in lease.			
List work and % to be completed (attach additional pages as necessary):			

I declare under penalty of perjury that I have read the above report and know the contents thereof; that all of the above statements are true and that I know of my own personal knowledge that the work during the period covered by the report has been performed and materials used and installed, and in every material respect are in compliance with the duly approved plans and specifications therefore.

Architect:	Signature		Date
	Name		Architect #
	Company / Firm		Phone
	Address		Fax

Submit completed forms to location indicated below:	
DGS/RESO Attn: Planner	Real Estate Services Division 707 Third Street, Suite 5-305 West Sacramento, CA 95605

EXHIBIT D

File No.: 6875-001

Project 140891

March 7, 2018

222 West 6th Street, Suites 410 & 480, San Pedro, CA 90731

AMENDMENT ONE dated October 12, 2017

MASTER LEASE dated December 28, 2016



FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE (hereafter called this "*Amendment*") is made this 12th day of October, 2017 (the "*Effective Date*") by and between **PACIFIC PLACE OFFICE LLC**, a Delaware limited liability company, the principal place of business and office address of which is c/o Jupiter Holdings LLC, 24 Corporate Plaza, Suite 100, Newport Beach, California 92660 (hereafter called "*Landlord*"), and **CITY OF LONG BEACH**, a municipal corporation, the principal place of business and address of which is 333 West Ocean Boulevard, Long Beach, California 90802 (hereafter called "*Tenant*").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Office Lease dated December 28, 2016 (the "*Lease*"), demising approximately 8,020 square feet of floor area designated as Suite No. 410 in the Topaz office building located at 222 West 6th Street, Los Angeles, California (the "*Building*"); and

WHEREAS, Tenant desires to lease additional space within the Building from Landlord, and otherwise to amend the Lease as hereinafter set forth; and

WHEREAS, Landlord is willing to lease additional space to Tenant, and otherwise to amend the Lease as hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Lease, and intending to be bound legally hereby, Landlord and Tenant hereby agree as follows:

1. **Confirmation of Defined Terms.** Unless modified herein, all terms previously defined and capitalized in the Lease shall hold the same meaning for the purposes of this Amendment.
2. **Premises.** Section 1.4 of the Lease is hereby amended to reflect the following. The Premises is initially designated as Suite No. 410 (the "*Original Premises*") as depicted on the plan originally attached to the Lease as Exhibit A. From and after September 1, 2017 (the "*Expansion Date*"), in addition to the Original Premises, Tenant shall have the right to occupy an area on the 4th floor of the Building adjacent to Suite No. 410 designated as Suite No. 480, containing approximately 1,175 square feet of rentable floor area as shown on Exhibit A attached to this Amendment (the "*Expansion Space*"). Prior to the Expansion Date, the term "Premises" as used in the Lease shall mean the Original Premises; from and after the Expansion Date, the term "Premises" as used in the Lease shall mean the Original Premises and the Expansion Space, which together contain approximately 9,195 square feet of rentable floor area in total.
3. **Commencement Date.** Section 1.6 of the Lease and Section 7(a) of Exhibit C attached to the Lease are hereby amended to reflect that the Commencement Date of the Term is July 1, 2017.
4. **Monthly Base Rent.** Section 1.8 of the Lease is hereby deleted in its entirety and the following inserted in place thereof:

1.8 Monthly Base Rent:

<u>Period</u>	<u>Monthly Base Rent</u>	<u>Rate PSF</u>
From the Commencement Date through and including August 31, 2017.	\$16,842.00**	\$2.10
From September 1, 2017 through and including June 30, 2018.	\$19,309.50**	\$2.10
From July 1, 2018 through and including June 30, 2019.	\$19,861.20	\$2.16
From July 1, 2019 through and including June 30, 2020.	\$20,504.85	\$2.23
From July 1, 2020 through and including June 30, 2021.	\$21,056.55	\$2.29
From July 1, 2021 through and including June 30, 2022.	\$21,700.20	\$2.36
From July 1, 2022 through and including November 30, 2022.	\$22,343.85	\$2.43

**Notwithstanding the foregoing, provided Tenant is not in default under this Lease, Landlord hereby agrees to abate Tenant's obligation to pay the Monthly Base Rent due during the second through the sixth months of the Term, inclusive, for Suite No. 410, and Landlord hereby agrees to abate Tenant's obligation to pay the Monthly Base Rent due during the fourth through the sixth months of the Term, inclusive, for Suite No. 480 (such amounts of abated Monthly Base Rent being hereinafter collectively referred to as the "Abated Amount").

5. **Tenant's Percentage:** Section 1.16 of the Lease is hereby amended to provide that from and after the Expansion Date, Tenant's percentage of Operating Expenses, Taxes, Insurance Costs and Utility Costs in shall increase from 2.742% to 3.143%.

6. **Exhibit A.** The Lease is hereby amended by deleting the Exhibit A attached thereto and by substituting the Exhibit A attached to this First Amendment in place thereof.

7. **Condition of Premises.** Landlord shall deliver the Expansion Space to Tenant, and Tenant shall accept the Expansion Space, in its existing, "as is, where is" condition. Tenant hereby acknowledges that Landlord is not required to pay for or make any improvements to the Expansion Space in connection with this Amendment.

8. **Non-waiver.** The execution and delivery of this Amendment shall in no manner constitute a waiver of any defaults which may have occurred and be continuing under the Lease.

9. **No Commission.** Except for the broker's commission to be paid by Landlord to Tenant's broker, Cresa Los Angeles, under a separate agreement, Tenant represents and warrants to

Landlord that Tenant has done nothing to give rise to the payment of a broker's commission or fee in connection with this Amendment.

10. **Tenant Certification.** To induce Landlord to enter into this Amendment, Tenant hereby certifies to Landlord that as of the Effective Date, to Tenant's knowledge: (i) the Lease, as herein amended, contains the entire agreement between the parties relating to the Premises and that there are no other agreements relating to the Premises or the Building which are not contained in the Lease, as herein amended; (ii) Landlord is not in default in any respect regarding any of the terms, covenants and conditions of the Lease, as herein amended; and (iii) Tenant has no setoffs, counterclaims or defenses against Landlord under the Lease, as herein amended.

11. **Ratification.** The Lease, as herein amended, is hereby ratified and confirmed and shall continue in full force and effect.

12. **Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

13. **Facsimile and Electronic Delivery.** The parties hereto agree that this Amendment may be executed and the signature page transmitted by facsimile or other electronic transmission. The delivery of such facsimile or electronic copy of the executed signature page to this Amendment shall constitute effective execution and delivery hereof. If so executed and delivered by one or both of the parties hereto, the effectiveness of this Amendment shall not be affected by the non-delivery of any manually-signed signature page.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first above written.

PACIFIC PLACE OFFICE LLC, a Delaware
limited liability company

By JUPITER B-II LLC, a Delaware limited liability
company
Its Member

By JUPITER ADVISORS LLC, a California
limited liability company
Its Manager

By Edmond F. St. Geme
Its Managing Member

CITY OF LONG BEACH, a municipal corporation

By Tom Modica EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.
Name: Tom Modica
Title: Assistant City Manager

By _____
Name: _____
Title: _____

Landlord

APPROVED AS TO FORM

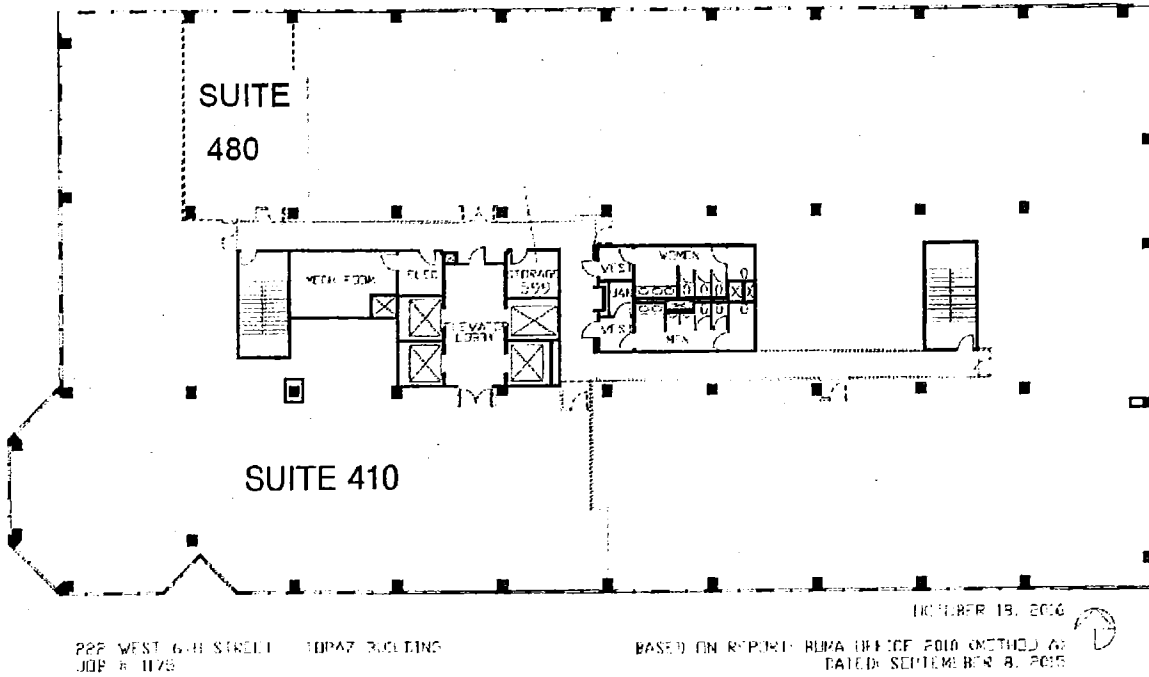
Tenant

10.4.2017
CHARLES PARKIN, City Attorney

By Richard Anthony
RICHARD ANTHONY
DEPUTY CITY ATTORNEY

EXHIBIT A

Floor Plan of Expansion Area



OFFICE LEASE

TOPAZ
San Pedro, California

LANDLORD:
PACIFIC PLACE OFFICE LLC,
a Delaware limited liability company

TENANT:
CITY OF LONG BEACH,
a municipal corporation

TOPAZ
San Pedro, California

LANDLORD:

PACIFIC PLACE OFFICE LLC,
a Delaware limited liability company

TENANT:

CITY OF LONG BEACH,
a municipal corporation

TABLE OF CONTENTS

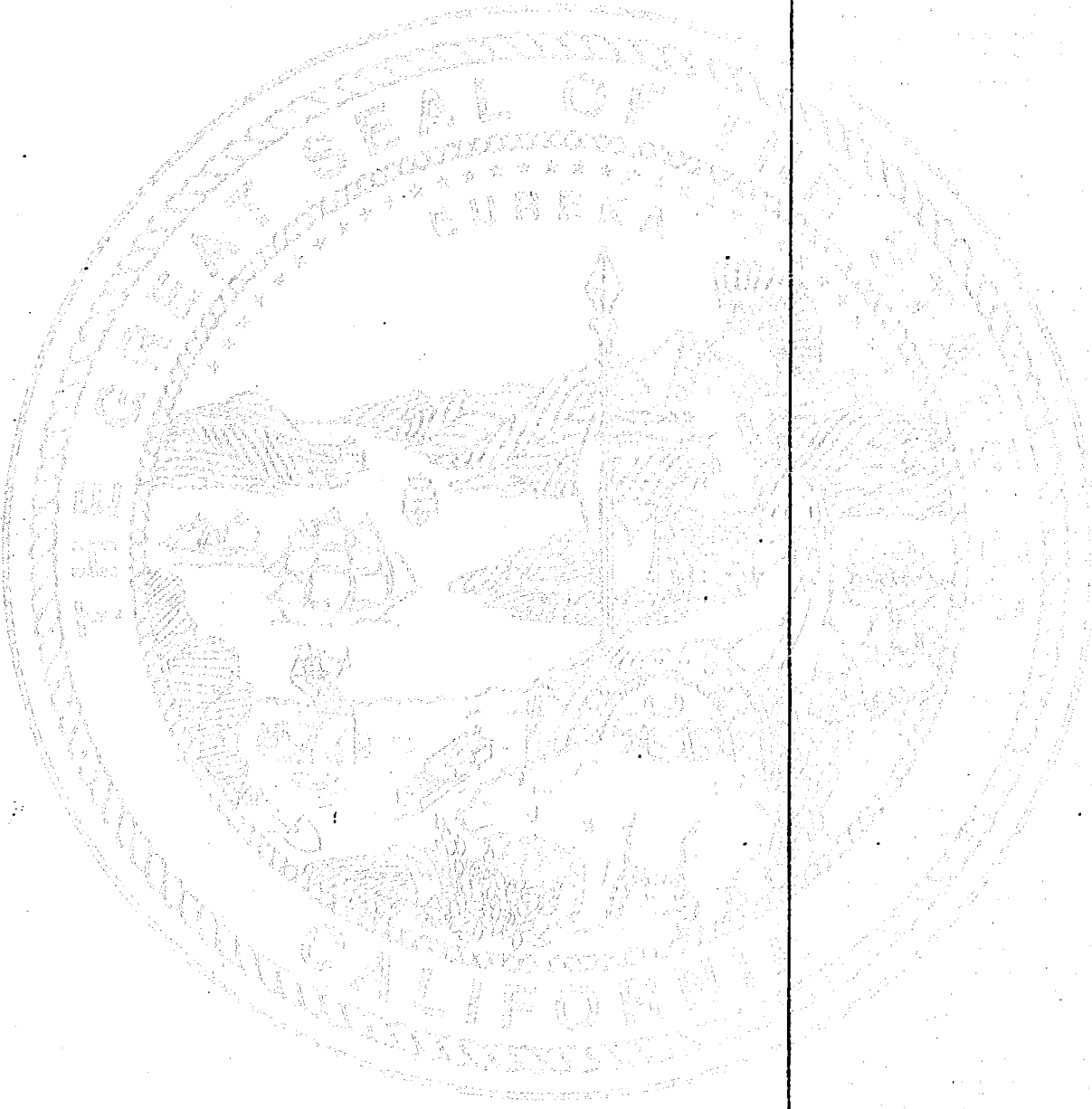
ARTICLE 1 - LEASE SUMMARY AND PROPERTY SPECIFIC PROVISIONS	1
ARTICLE 2 - LEASE	10
ARTICLE 3 - PREMISES	10
ARTICLE 4 - TERM AND POSSESSION	10
ARTICLE 5 - RENT	11
ARTICLE 6 - SECURITY DEPOSIT	11
ARTICLE 7 - OPERATING EXPENSES/UTILITIES/SERVICES	11
ARTICLE 8 - MAINTENANCE AND REPAIR	12
ARTICLE 9 - USE	13
ARTICLE 10 - HAZARDOUS MATERIALS	13
ARTICLE 11 - PARKING	14
ARTICLE 12 - TENANT SIGNS	14
ARTICLE 13 - ALTERATIONS	14
ARTICLE 14 - TENANT'S INSURANCE	15
ARTICLE 15 - LANDLORD'S INSURANCE	15
ARTICLE 16 - INDEMNIFICATION AND EXCULPATION	17
ARTICLE 17 - CASUALTY DAMAGE/DESTRUCTION	18
ARTICLE 18 - CONDEMNATION	19
ARTICLE 19 - WAIVER OF CLAIMS; WAIVER OF SUBROGATION	20
ARTICLE 20 - ASSIGNMENT AND SUBLETTING	20
ARTICLE 21 - SURRENDER AND HOLDING OVER	22
ARTICLE 22 - DEFAULTS	23
ARTICLE 23 - REMEDIES OF LANDLORD	23
ARTICLE 24 - ENTRY BY LANDLORD	25
ARTICLE 25 - LIMITATION ON LANDLORD'S LIABILITY	25
ARTICLE 26 - SUBORDINATION	25
ARTICLE 27 - ESTOPPEL CERTIFICATE	26
ARTICLE 28 - RELOCATION OF PREMISES	26
ARTICLE 29 - MORTGAGEE PROTECTION	26
ARTICLE 30 - QUIET ENJOYMENT	26
ARTICLE 31 - MISCELLANEOUS PROVISIONS	26

EXHIBITS:

Exhibit A	Premises Floor Plan
Exhibit B	Site Plan
Exhibit C	Work Letter
Exhibit D	Notice of Lease Term Dates
Exhibit E	Rules and Regulations
Exhibit F	Estoppel Certificate
Exhibit G	Space Plans
Exhibit H	Tenant's Seismic and ADA Requirements

RIDERS:

Rider No. 1	Extension Option
Rider No. 2	Fair Market Rental Rate



THIS OFFICE LEASE (this "Lease"), entered into as of this 28th day of December, 2016 for reference purposes, is by and between PACIFIC PLACE OFFICE LLC, a Delaware limited liability company, hereinafter referred to as "Landlord", and CITY OF LONG BEACH, a municipal corporation, hereinafter referred to as "Tenant".

ARTICLE 1 - LEASE SUMMARY AND PROPERTY SPECIFIC PROVISIONS

1.1 Landlord's Address: Pacific Place Office LLC
c/o Jupiter Holdings LLC
24 Corporate Plaza, Suite 100
Newport Beach, California 92660
Attn: Edmond F. St Geme
Telephone: (949) 706-8050
Facsimile: (949) 706-8051

For payment of Rent: Pacific Place Office LLC
c/o Avison Young
555 South Flower Street, Suite 3200
Los Angeles, CA 90071.

1.2 Tenant's Address: CITY OF LONG BEACH
333 West Ocean Boulevard
Long Beach, CA 90802
Attn: City Manager
Telephone: (562) 570-6916
Facsimile: (562) 570-6583

1.3 Building: That certain office building located at 222 West 6th Street, Los Angeles, California (the "Building"). The Building, together with all other buildings, improvements and facilities, now or subsequently located upon the land (the "Site") as shown on the Site Plan attached hereto as Exhibit B, as such area may be expanded or reduced from time to time, is referred to herein as the "Property". The Property is commonly known as TOPAZ. Landlord and Tenant stipulate and agree that the Building and Property contain 292,540 rentable square feet in the aggregate for all purposes of this Lease.

1.4 Premises: Suite 410 on the 4th floor of the Building, as outlined on the Premises Floor Plan attached hereto as Exhibit A. Landlord and Tenant stipulate and agree that the Premises contain 8,020 rentable square feet, for all purposes of this Lease. Tenant acknowledges and agrees that although the square footage set forth in this Lease is based upon an approximation of the actual area, it shall control in any question relating to the area of the Premises, whether or not the actual square footage is the same as stated in this Lease.

1.5 City: The City of Los Angeles, County of Los Angeles, State of California.

1.6 Commencement Date: The date for commencement of the Term, to be determined pursuant to the Work Letter attached as Exhibit C hereto. Estimated Commencement Date: January 1, 2017.

1.7 Term: Sixty-five (65) months, plus any partial month at the beginning of the Term, commencing on the Commencement Date and ending on the last day of the 65th full calendar month following the Commencement Date, subject to early termination and/or extension as provided herein ("Expiration Date").

1.8 Monthly Base Rent:

<u>Period</u>	<u>Monthly Base Rent</u>	<u>Rate PSF</u>
From the Commencement Date through and including the last day of the twelfth full month thereafter*	\$16,842**	\$2.10
From the first day of the thirteenth month through the last day of the twenty-fourth month	\$17,347.26	\$2.16

<u>Period</u>	<u>Monthly Base Rent</u>	<u>Rate PSF</u>
From the first day of the twenty-fifth month through the last day of the thirty-sixth month	\$17,867.68	\$2.23
From the first day of the thirty-seventh month through the last day of the forty-eighth month	\$18,403.71	\$2.29
From the first day of the forty-ninth month through the last day of the sixtieth month	\$18,955.82	\$2.36
From the first day of the sixty-first month through the last day of the sixty-fifth month	\$19,524.49	\$2.43

*Including any partial month at the beginning of the Term.

**Notwithstanding the foregoing, provided Tenant is not in default under this Lease, Landlord hereby agrees to abate Tenant's obligation to pay the entire Monthly Base Rent due during the second through the sixth months of the Term, inclusive (such amount of abated Monthly Base Rent being hereinafter collectively referred to as the "Abated Amount").

1.9 Security Deposit: None.

1.10 Permitted Use: The Premises shall be used solely as a job training and placement center and related office uses, or any other office use consistent with the character of a first class office building, subject to the provisions set forth in this Lease and as permitted by law.

1.11 Parking: Tenant shall rent a minimum of twelve unreserved parking spaces, and a maximum of 3.5 unreserved parking spaces per 1,000 rentable square feet of the Premises, currently at the rate of \$50 per space per month, subject to the terms of Section 1.22 of this Lease Summary and Article 11 of the Standard Lease Provisions. Provided that Tenant is not in default under this Lease, Landlord agrees to waive all parking charges for such spaces during the initial twelve full months of the Lease Term, and agrees to waive all visitor parking charges for the initial twenty-four full months of the Lease Term.

1.12 Brokers: CBRE, Inc. (South Bay Office Advisory Group) representing Landlord, and Cresa Los Angeles representing Tenant.

1.13 Interest Rate: The lesser of: (a) Ten percent (10%) or (b) the maximum rate permitted by law in the State where the Property is located.

1.14 Insurance Amounts:

a. Commercial General Liability Insurance: General liability equivalent in scope to ISO CG 00 01 10 93 with limits of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate.

b. Commercial Automobile Liability Insurance: Auto liability equivalent in scope to ISO CA 00 01 06 92 with limits of One Million Dollars (\$1,000,000.00) combined single limits covering Symbol 1 ("any auto").

c. Worker's Compensation and Employers Liability Insurance: With limits as mandated pursuant to the laws in the State in which the Property is located, and Employer's Liability with limits of One Million Dollars (\$1,000,000.00) per accident and occupational illness

d. Excess Liability Insurance: Limits of Two Million Dollars (\$2,000,000.00) per occurrence.

1.15 [reserved].

1.16 Tenant's Percentage: 2.742%, which is the ratio that the rentable square footage of the Premises bears to the rentable square footage of the Building. Accordingly, as more particularly set forth in Section 1.18 hereof, Tenant shall pay to Landlord: (a) 2.742% of the Operating Expenses (as defined in Section 1.18 b.) in excess of the Operating Expenses for the Base Year; (b) 2.742% of the Taxes (as defined in Section 1.18 c.) in excess of the Taxes for the Base Year; (c) 2.742% of the Insurance Costs (as defined in Section 7.4 of the Standard Lease Provisions) in excess of the Insurance Costs for the Base Year; and (d) 2.742% of the Utilities Costs (as defined in Section 1.18 e.) in excess of Utilities Costs for the Base Year. Tenant's Percentage is subject to adjustment in accordance with Sections 1.4 and 3.2 of this Lease.

1.17 Common Areas; Definitions; Tenant's Rights. During the Term, Tenant shall have the non-exclusive right to use, in common with other tenants in the Property, and subject to the Rules and Regulations referred to in Article 9 of the Standard Lease Provisions, those portions of the Property (the "Common Areas") not leased or designated for lease to tenants that are provided for use in common by Landlord, Tenant and any other tenants of the Property (or by the sublessees, agents, employees, customers invitees, guests or licensees of any such party), whether or not those areas are open to the general public. The Common Areas shall include, without limitation, all areas of the Building outside of the Premises and outside of any premises leased or designated for lease to tenants, the common entrances, lobbies, common restrooms, accessways, loading docks, ramps, drives and platforms and any passageways and serviceways thereto to the extent not exclusively serving another tenant or contained within another tenant's premises, and the common pipes, conduits, wires and appurtenant equipment serving the Premises, the parking areas (subject to Article 11 of the Standard Lease Provisions), loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas appurtenant to the Building, fixtures, systems, decor, facilities and landscaping contained, maintained or used in connection with those areas, and shall be deemed to include any city sidewalks adjacent to the Property, any pedestrian walkway system, park or other facilities located on the Site and open to the general public.

1.18 Operating Expenses, Taxes, Insurance Costs and Utilities Costs:

a. Base Costs: As used in this Lease, the term "Base Costs" shall mean Tenant's Percentage of Operating Expenses, Taxes, Insurance Costs and Utilities Costs, respectively, incurred and paid by Landlord during calendar year 2017 (the "Base Year").

b. Definition of Operating Expenses. As used in this Lease, the term "Operating Expenses" shall consist of all costs and expenses of operation, maintenance and repair of the Property and Common Areas as determined by standard accounting practices and calculated assuming the Property is at least ninety-five percent (95%) occupied. Operating Expenses include the following costs by way of illustration but not limitation: (i) any and all assessments imposed with respect to the Building, Property, Common Areas, and/or Site pursuant to any covenants, conditions and restrictions affecting the Property; (ii) costs, levies or assessments resulting from statutes or regulations promulgated by any government authority in connection with the use or occupancy of the Site, Property, Building or the Premises or the parking facilities serving the Site, Property, Building or the Premises; (iii) waste disposal and janitorial services; (iv) security; (v) costs incurred in the management of the Site, Property, Building and Common Areas, including, without limitation: (1) supplies, materials, equipment and tools, (2) wages, salaries, benefits, pension payments, fringe benefits, uniforms and dry-cleaning thereof (and payroll taxes, insurance and similar governmental charges related thereto) of employees used in the operation and maintenance of the Site, Property, Building and Common Areas, (3) the rental of personal property used by Landlord's personnel in the maintenance, repair and operation of the Property, (4) management office expenses including rent and operating costs, (5) accounting fees, legal fees and real estate consultant's fees, and (6) a management/administrative fee; (vi) repair and maintenance of other portions of the Property other than such portions as are maintained by Tenant, including the elevators, restrooms, structural and non-structural portions of the Building and Property, and the plumbing, heating, ventilating, air-conditioning and electrical systems installed or furnished by Landlord and not maintained by Tenant pursuant to Section 8.2 of the Standard Lease Provisions; (vii) maintenance, costs and upkeep of all parking and Common Areas; (viii) amortization on a straight-line basis over the useful life together with interest at the Interest Rate (as defined in Section 1.13 of the Lease Summary) on the unamortized balance of all costs of a capital nature (including, without limitation, capital improvements, capital replacements, capital repairs, capital equipment and capital tools): (1) reasonably intended to produce a reduction in operating charges or energy consumption; or (2) required after the date of this Lease under any Law that was not applicable to the Building at the time it was originally constructed; or (3) for repair or replacement of any equipment or improvements needed to operate and/or maintain the Building, the Property, the Common Areas and/or the Site at the same quality levels as prior to the repair or replacement; (ix) costs and expenses of gardening and landscaping; (x) maintenance of signs (other than signs of tenants of the Site); (xi) personal property taxes levied on or attributable to personal property used in connection with the Building, the Property, the Common Areas and/or the Site; and (xii) costs and expenses of repairs, resurfacing, repairing, maintenance, painting, lighting, cleaning, refuse removal, security and similar items, including appropriate reserves.

For purposes of determining the Operating Expenses for the Base Year, Operating Expenses shall not include one-time special assessments, charges, costs or fees or extraordinary charges or costs incurred in the Base Year only, including those attributable to boycotts, embargoes, strikes or other shortages of services or supplies or amortized costs relating to capital improvements. Operating Expenses shall not include Taxes, Insurance Costs or Utilities Costs which shall be separately accounted for under the terms of this Lease.

c. **Taxes.** Taxes are defined in Section 7.3 of the Standard Lease Provisions. All Taxes shall be adjusted to reflect an assumption that the Building is fully assessed for real property tax purposes as a completed building(s) ready for occupancy. Notwithstanding anything herein to the contrary, if after the Commencement Date Taxes are reduced, then for purposes of all subsequent calendar years, including the calendar year in which the reduction occurs, the Base Costs of Taxes shall be proportionately reduced. Such reduction in the Base Costs of Taxes shall not be limited to the initial reduction, if any, but may, at Landlord's election, be subject to reduction annually upon each subsequent reduction in Taxes. When calculating Taxes for purposes of establishing the Taxes for the Base Year, Taxes shall not include Taxes attributable to one-time special assessments, charges, costs, or fees arising from modifications or changes in Laws, including, but not limited to, the institution of a split tax roll during the Base Year.

d. **Definition of Insurance Costs.** Insurance Costs are defined in Section 7.4 of the Standard Lease Provisions. Reductions in the base year may only be included to the extent they are subsequently included in future comparison years.

e. **Definition of Utilities Costs.** As used in this Lease, "Utilities Costs" shall mean all actual charges for utilities for the Property including the Common Areas, calculated assuming the Property is at least ninety-five percent (95%) occupied, including but not limited to water, sewer and electricity, and the costs of heating, ventilating and air conditioning and other utilities (but excluding those charges for which tenants are individually responsible) as well as related fees, assessments and surcharges. For purposes of determining the Base Costs with respect to Utilities Costs, Utilities Costs shall not include any one time special charges, costs or fees or any extraordinary charges or costs incurred in the Base Year only, including, without limitation, utility rate increases and other costs arising from extraordinary market circumstances such as by way of example, boycotts, black-outs, brown-outs, the leasing of auxiliary power supply equipment, embargoes, strikes or other shortages of services or fuel (whether or not such shortages are deemed actual or manufactured), or any conservation surcharges, penalties or fines incurred by Landlord. Furthermore, notwithstanding any contrary provision in this Lease, if at any time after the Commencement Date, the amount of Utilities Costs decreases, then for purposes of the calendar year in which such decrease in Utilities Costs occurs, and for all subsequent calendar years, the Base Costs with respect to Utilities Costs shall be reduced by an amount equal to such decrease in Utilities Costs. Such decrease in the Base Costs of Utilities Costs shall not be limited to the initial decrease, if any, but may, at Landlord's election, be subject to decrease annually upon each subsequent decrease in Utilities Costs.

f. **Excess Expenses, Taxes, Insurance Costs and Utilities Costs.** In addition to the Monthly Base Rent required to be paid by Tenant pursuant to Section 1.8 above, during each month during the Term (after the Base Year), Tenant shall pay to Landlord the amount by which Tenant's Percentage of Operating Expenses, Taxes, Insurance Costs and Utilities Costs for such calendar year exceeds the Operating Expenses, Taxes, Insurance Costs and Utilities Costs for the Base Year (such amounts shall be referred to in this Section 1.18 as the "Excess Expenses," "Excess Taxes," "Excess Insurance Costs," and "Excess Utilities Costs," respectively), in the manner and at the times set forth in the following provisions of this Section 1.18. In no event during the Term of the Lease after the Base year shall the Excess Expenses increase by more than 5% from the previous calendar year. No reduction in Operating Expenses, Taxes, Insurance Costs, or Utilities Costs after the Base Year will reduce the Monthly Base Rent payable by Tenant hereunder or entitle Tenant to receive a credit against future installments of Operating Expenses, Taxes, Insurance Costs, Utilities Costs, or other Additional Rent due hereunder; provided however that nothing in this Section 1.18.f. shall limit Tenant's rights under Section 1.18.h. Notwithstanding anything to the contrary in this Lease, Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Expenses, Taxes, Insurance Costs and Utilities Costs among different tenants, buildings and/or premises of the Property based upon differing levels of use, demand, risk or other distinctions among such tenants, buildings or premises (the "Cost Pools"). Such Cost Pools may include, for example, all office space tenants or industrial/R&D space tenants in the Property and may be modified to take into account the addition of any additional buildings within the Property. Accordingly, in the event of such allocations into Cost Pools, Tenant's Percentage shall be appropriately adjusted to reflect such allocation. In addition, if Landlord does not furnish a particular service or work (the cost of which, if furnished by Landlord would be included in Operating Expenses, Insurance Costs, Utilities Costs or Taxes) to a tenant (other than Tenant) that has undertaken to perform such service or work in lieu of receiving it from Landlord, then Operating Expenses, Insurance Costs, Utilities Costs and/or Taxes, as applicable, shall be considered to be increased by an amount equal to the additional Operating Expenses, Insurance Costs, Utilities Costs and/or Taxes that Landlord would reasonably have incurred had Landlord furnished such service or work to that tenant.

g. **Estimate Statement.** By the first day of April (or as soon as practicable thereafter) of each calendar year during the Term after the Base Year, Landlord shall endeavor to deliver to Tenant a statement ("Estimate Statement") estimating the Operating Expenses, Taxes, Insurance Costs, and Utilities Costs for the current calendar year and the estimated amount of Excess Expenses, Excess Taxes, Excess Insurance Costs, and Excess Utilities Costs payable by Tenant. If at any time during the Term, but not more often than quarterly, Landlord reasonably determines that the estimated amount of Excess Expenses, Excess Taxes, Excess Insurance Costs or Excess Utilities Costs payable by Tenant for the current calendar year will be greater or less than the amount set forth in the then current Estimate Statement, Landlord may issue a revised Estimate Statement and Tenant agrees to pay Landlord, within thirty (30) days after receipt of the revised Estimate Statement, the difference between the amount owed by Tenant under such revised Estimate Statement and the amount owed by Tenant under the original Estimate Statement for the portion of the then current calendar year which has expired. Thereafter Tenant agrees to pay Excess Expenses, Excess Taxes, Excess Insurance Costs and Excess Utilities Costs based on such revised Estimate Statement until Tenant receives the next calendar year's Estimate Statement or a new revised Estimate Statement for the current calendar year. The Excess Expenses, Excess Taxes, Excess Insurance Costs, and/or Excess Utilities Costs shown on the Estimate Statement (or revised Estimate Statement, as applicable) shall be divided into twelve (12) equal monthly installments, and Tenant shall pay to Landlord, concurrently with the regular monthly payment of Rent next due following the receipt of the Estimate Statement (or revised Estimate Statement, as applicable), an amount equal to one (1) monthly installment of such Excess Expenses, Excess Taxes, Excess Insurance Costs, and Excess Utilities Costs multiplied by the number of months from January in the calendar year in which such statement is submitted to the month of such payment, both months inclusive (less any amounts previously paid by Tenant with respect to any previously delivered Estimate Statement or revised Estimate Statement for such calendar year). Subsequent installments shall be paid concurrently with the regular monthly payments of Rent for the balance of the calendar year and shall continue until the next calendar year's Estimate Statement (or current calendar year's revised Estimate Statement) is received.

h. **Actual Statement.** By the first day of June (or as soon as practicable thereafter) of each subsequent calendar year during the Term after the Base Year, Landlord shall endeavor to deliver to Tenant a statement ("Actual Statement") which states the Tenant's Percentage of actual Operating Expenses, Taxes, Insurance Costs, and Utilities Costs and Excess Expenses, Excess Taxes, Excess Insurance Costs, and Excess Utilities Costs payable by Tenant for the immediately preceding calendar year. If the Actual Statement reveals that Excess Expenses, Excess Taxes, Excess Insurance Costs, and/or Excess Utilities Costs were under-stated in any Estimate Statement (or revised Estimate Statement) previously delivered by Landlord pursuant to Section 1.18 g. above, then within thirty (30) days after Landlord's delivery of the Actual Statement to Tenant, Tenant shall pay to Landlord the amount of any such under-payment. Such obligation will be a continuing one which will survive the expiration or earlier termination of this Lease. If the Actual Statement reveals that the Excess Expenses, Excess Taxes, Excess Insurance Costs, and/or Excess Utilities Costs were over-stated in any Estimate Statement (or revised Estimate Statement), Landlord will credit any overpayment toward the next monthly installment(s) of Rent due from Tenant. Prior to the expiration or sooner termination of the Term and Landlord's acceptance of Tenant's surrender of the Premises, Landlord will have the right to estimate the actual Operating Expenses, Taxes, Insurance Costs, and Utilities Costs for the then current calendar year and to collect or credit (as the case may be) from Tenant prior to Tenant's surrender of the Premises, Tenant's Percentage of any excess of such actual Operating Expenses, Taxes, Insurance Costs, and Utilities Costs over the estimated Operating Expenses, Taxes, Insurance Costs, and Utilities Costs paid by Tenant in such calendar year. Tenant shall have the right to audit Landlord's Operating Expenses, Taxes, Insurance Costs and Utility Costs upon reasonable notice, provided that Tenant shall have notified Landlord in writing of its desire to conduct an audit no later than ninety (90) days after Tenant has received the applicable Actual Statement. Tenant's failure to request an audit within such time period shall be deemed a waiver of such audit right with respect to such Actual Statement and an acceptance of the contents thereof. Landlord shall maintain records for a period of at least three (3) years.

i. **No Release.** Any delay or failure by Landlord in delivering any Estimate Statement or Actual Statement pursuant to this Section 1.18 shall not constitute a waiver of its right to receive Tenant's payment of Excess Expenses, Excess Taxes, Excess Insurance Costs, and Excess Utilities Costs, nor shall it relieve Tenant of its obligations to pay Excess Expenses, Excess Taxes, Excess Insurance Costs, and Excess Utilities Costs pursuant to this Section 1.18, except that Tenant shall not be obligated to make any payments based on such Estimate Statement or Actual Statement until thirty (30) days after receipt of such statement.

j. **Exclusions from Operating Expenses, Taxes, Insurance Costs and Utilities Costs.** Notwithstanding anything to the contrary contained elsewhere in this Section 1.18, the following items shall be excluded from Operating Expenses, Taxes, Insurance Costs, and Utilities Costs, as applicable: Costs of decorating, redecorating, or special cleaning or other services provided to certain tenants and not provided on a regular basis to all tenants of the Building; (ii) Any charge for depreciation of the Building or equipment and any interest or other financing charge; (iii) All costs relating to activities for the marketing, solicitation, negotiation and execution of leases of space in the Building, including

without limitation, costs of tenant improvements; (iv) All costs for which Tenant or any other tenant in the Building is being charged other than pursuant to the operating expense clauses of leases for the Building; (v) The cost of correcting defects in the construction of the Building or in the Building equipment, except that conditions (not occasioned by construction defects) resulting from ordinary wear and tear will not be deemed defects for the purpose of this category; (vi) To the extent Landlord is reimbursed by third parties, the cost of repair made by Landlord because of the total or partial destruction of the Building or the condemnation of a portion of the Building; (vii) The cost of any items for which Landlord is reimbursed by insurance or otherwise compensated by parties other than tenants of the Building pursuant to clauses similar to this paragraph; (viii) Any operating expense representing an amount paid to a related corporation, entity, or person which is in excess of the amount which would be paid in the absence of such relationship; (ix) The cost of any work or service performed for or facilities furnished to any tenant of the Building to a greater extent or in a manner more favorable to such tenant than that performed for or furnished to Tenant; (x) The cost of alterations of space in the Building leased to other tenants; (xi) Ground rent or similar payments to a ground lessor; (xii) Legal fees and related expenses incurred by Landlord (together with any damages awarded against Landlord) due to the gross negligence or willful misconduct of Landlord; (xiii) Costs arising from the presence of any Hazardous Materials within, upon or beneath the Property by reason of Landlord's introduction thereof to the Property in violation of Environmental Law applicable as of the date of such introduction; (xiv) Costs for sculpture, paintings or other objects of art in the Building which exceed those typically incurred in other similar office buildings in the area in which the Building is located; (xv) Salaries and compensation of ownership and management personnel to the extent that such persons provide services to properties other than the Building; and (xvi) Costs of selling or financing the Building; and (xvii) replacements of the foundation and structural elements of the Building (including structural load bearing walls and roof structures.

1.19 Utilities and Services.

a. **Standard Utilities and Services.** So long as Tenant is not in default beyond applicable notice and cure periods under any provisions of this Lease, and subject to the terms and conditions of this Lease, and the obligations of Tenant as set forth hereinbelow, Landlord shall furnish or cause to be furnished to the Premises the following utilities and services (Landlord reserves the right to adopt non-discriminatory modifications and additions to the following provisions from time to time):

(i) Landlord shall make the elevator of the Building available for Tenant's non-exclusive use, twenty-four (24) hours per day.

(ii) Landlord shall furnish during the Business Hours for the Building specified in Section 1.21, heating, ventilating, air conditioning ("HVAC") for the Premises as required in Landlord's judgment for the comfortable and normal office occupancy of the Premises. The cost of maintenance and service calls to adjust and regulate the HVAC system shall be charged to Tenant if the need for maintenance work results from either Tenant's adjustment of room thermostats or Tenant's failure to comply with its obligations under this Section 1.19, including keeping window coverings closed as needed. Such work shall be charged at hourly rates equal to then-current journeyman's wages for HVAC mechanics. If Tenant desires HVAC at any time other than during the Business Hours for the Building, Landlord shall provide such "after-hours" usage after advance reasonable request by Tenant, and Tenant shall pay to Landlord, as Additional Rent (and not as part of the Operating Expenses) the cost, as fairly determined by Landlord, of such after-hours usage (as well as the cost of any HVAC used by Tenant in excess of what Landlord considers reasonable or normal), including any minimum hour charges for after-hours requests and any special start-up costs for after-hours services which requires a special start-up (such as late evenings, weekends and holidays). The current charge for "after-hours" usage is \$50.00 per hour.

(iii) Landlord shall furnish to the Premises twenty-four (24) hours per day, reasonable quantities of electric current as required in Landlord's judgment for normal lighting and normal fractional horsepower office business machines. In no event shall Tenant's use of electric current ever exceed the capacity of the feeders to the Building or the risers or wiring installation of the Building. Landlord shall also furnish water to the Building twenty-four (24) hours per day for drinking and lavatory purposes, in such quantities as required in Landlord's judgment for the comfortable and normal use of the Building. If Tenant requires or consumes water or electrical power in excess of what is considered reasonable or normal by Landlord, Landlord may require Tenant to pay to Landlord, as Additional Rent, the cost as fairly determined by Landlord incurred for such excess usage.

(iv) Landlord shall furnish janitorial services to the Premises five (5) days per week pursuant to janitorial and cleaning specifications as may be adopted by Landlord from time to time. No person(s) other than those persons approved by Landlord shall be permitted to enter the Premises for such purposes. Janitor service shall include ordinary dusting and cleaning by the janitor assigned to do such work and shall not include cleaning of carpets or rugs, except normal vacuuming, or moving of furniture, interior window cleaning, coffee or eating area cleaning and other special services. Such

additional services may be rendered by Landlord pursuant to written agreement with Tenant as to the extent of such services and the payment of the cost thereof. Janitor service will not be furnished on nights when rooms are occupied after 7:30 p.m. or to rooms which are locked unless a key is furnished to the Landlord for use by the janitorial contractor. Window cleaning shall be done only by Landlord, at such time and frequency as determined by Landlord at Landlord's sole discretion. Tenant shall pay to Landlord, as Additional Rent, the cost of removal of any of Tenant's refuse and rubbish to the extent that the same exceeds the refuse and rubbish usually attendant upon the use of the Premises as offices.

(v) Landlord may provide security service or protection in the Building, in any manner deemed reasonable by Landlord at Landlord's sole discretion, from the Commencement Date throughout the Term. Landlord shall have no liability in connection with the decision whether or not to provide such services and Tenant hereby waives all claims based thereon. Landlord shall not be liable for losses due to theft, vandalism or similar causes.

(vi) At Landlord's option, Landlord may install water, electricity and/or HVAC meters in the Premises to measure Tenant's consumption of such utilities, including any after-hours and extraordinary usage described above. Tenant shall pay to Landlord, as Additional Rent, within ten (10) days after demand, the cost of the installation, maintenance and repair of such meter(s).

The costs of Building services shall be included in Operating Expenses and all charges with respect to utilities shall be included in Utilities Costs as defined in Section 1.18 e. above. Landlord may, but is not obligated to, provide additional services hereunder; provided, however, that if Landlord does provide such extra services, Tenant agrees to pay, as Additional Rent, a five percent (5%) administration fee in connection with such services. All costs payable for excess, after-hours or above-standard services or utilities, as provided above, shall be due and payable at the same time as the installment of Monthly Base Rent with which the same are billed, or if billed separately, shall be due within ten (10) days after such billing.

Landlord shall have the right at any time and from time-to-time during the Term to contract for service from any company or companies providing electricity service ("Service Provider"). Tenant shall cooperate with Landlord and the Service Provider at all times and, as reasonably necessary, shall allow Landlord and Service Provider reasonable access to the Building's electric lines, feeders, risers, wiring, and any other machinery within the Premises. Landlord shall in no way be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption, or defect in the supply or character of the electric energy furnished to the Premises, or if the quantity or character of the electric energy supplied by the Service Provider is no longer available or suitable for Tenant's requirements, no such change, failure, defect, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Rent, or relieve Tenant from any of its obligations under this Lease.

b. **Tenant's Obligations.** Tenant shall cooperate fully at all times with Landlord, and abide by all reasonable regulations and requirements which Landlord may prescribe for the proper functioning and protection of the Building's services and systems. Tenant shall not use any apparatus or device in, upon or about the Premises which may in any way increase the amount of services or utilities usually furnished or supplied to the Premises or other premises in the Building. In addition, Tenant shall not connect any conduit, pipe, apparatus or other device to the Building's water, waste or other supply lines or systems for any purpose. Neither Tenant nor its employees, agents, contractors, licensees or invitees shall at any time enter, adjust, tamper with, touch or otherwise in any manner affect the mechanical installations or facilities of the Building.

1.20 Landlord's Additional Repair Obligations. Landlord, at Landlord's cost (subject to inclusion in Operating Expenses as provided in Section 1.18 of the Summary), shall repair, maintain and replace as necessary, the foundation and structural elements of the Building (including structural load bearing walls and roof structure), and utility meters, electrical lines, pipes and conduits serving the Building and the Premises; provided, however, to the extent such maintenance, repairs or replacements are required as a result of any act, neglect, fault or omission of Tenant or any of Tenant's Parties, Tenant shall pay to Landlord, as Additional Rent, the costs of such maintenance, repairs and replacements. In addition, and subject to Sections 17.1 and 17.2 of the Standard Lease Provisions, Landlord shall, as part of the Operating Expenses, repair, maintain and replace, as necessary (a) the basic HVAC, sprinkler and electrical systems within the Building core and standard conduits, connections and distribution systems thereof within the Premises (but not any above standard improvements installed in the Premises such as, for example, but not by way of limitation, custom lighting, special or supplementary HVAC or plumbing systems or distribution extensions, special or supplemental electrical panels or distribution systems, or kitchen or restroom facilities and appliances to the extent such facilities and appliances are intended for the exclusive use of Tenant), and (b) the Common Areas, if any; provided, however, to the extent such maintenance, repairs or replacements are required as a result of any act, neglect, fault or omission of Tenant or any of Tenant's Parties, Tenant shall pay to Landlord, as Additional Rent within thirty (30) days after demand, the costs of such maintenance, repairs and replacements. Landlord shall not be liable to Tenant for failure to perform any such maintenance, repairs or replacements, unless Landlord shall fail to make such maintenance, repairs or replacements and such failure shall continue for an unreasonable time following written notice from Tenant to Landlord of the need therefor. Without limiting the foregoing, Tenant waives the right to make repairs at Landlord's expense under any applicable Laws now or hereafter in effect.

1.21 Business Hours for the Building: 8:00 a.m. to 6:00 p.m., Mondays through Fridays (except Building Holidays) and 9:00 a.m. to 1:00 p.m. on Saturdays (except Building Holidays). **Building Holidays:** New Year's Day, Labor Day, Presidents' Day, Thanksgiving Day, Memorial Day, Independence Day and Christmas Day and such other national holidays as are adopted by Landlord as holidays for the Building.

1.22 Additional Parking Provisions. Each of Tenant's parking privileges set forth in Section 1.11 hereof shall be subject to a monthly parking fee as may be established and adjusted by Landlord from time to time (or, at Landlord's option, by the operator or master lessee of the parking facilities). In addition to such parking privileges for use by Tenant's employees, Landlord shall permit access to the parking areas for Tenant's visitors, subject to availability of spaces and payment (by validation charges or otherwise) of daily visitor parking charges therefor as may be established and adjusted by Landlord from time to time (or, at Landlord's option, the operator or master lessee of the parking facilities). If, at any time during the Term hereof, Tenant fails or elects not to pay any parking fee so established by Landlord (or, at Landlord's option, the operator or master lessee of the parking facilities) for the full number of parking privileges set forth in Section 1.11, Landlord may, at any time thereafter, upon ten (10) days' written notice to Tenant, terminate Tenant's right to use any or all privileges for which Tenant has failed or chosen not to pay.

1.23 Moving Allowance. Landlord hereby agrees that Landlord shall contribute \$5.00 per rentable square foot of the Premises (the "Moving Allowance") towards moving costs and other costs incurred by Tenant in relocating its offices to the Premises. The Moving Allowance shall be paid by Landlord to Tenant within thirty (30) business days following full execution of this Lease, and shall be used by Tenant in its sole discretion.

1.24 Tenant's Right of Early Termination. From and after the twenty-fourth month of the Term, if Tenant and/or its partners are no longer adequately funded to provide job training and placement services from the Premises, Tenant shall have the right to terminate this Lease, effective ninety days after providing Landlord with written notice of such termination, together with a letter from the City of Long Beach confirming the lack of adequate funding. Ten days prior to the date of termination, Tenant shall pay to Landlord the unamortized portion of the cost of all Tenant Improvements paid for by Landlord, brokerage commissions, the Abated Amount and the Moving Allowance, calculated as of the effective date of termination, including interest at an annual rate of 4%.

1.25 Non-Discrimination Clause. Landlord agrees, subject to applicable laws, rules and regulations, that no person shall be subject to discrimination in the performance of this Agreement 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 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 non-

discrimination 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.

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STANDARD LEASE PROVISIONS

ARTICLE 2 - LEASE

2.1 **Lease Elements; Definitions; Exhibits.** The Lease is comprised of the Lease Summary and Property Specific Provisions (the "Summary"), these Standard Lease Provisions ("Standard Lease Provisions") and all exhibits, and riders attached hereto (collectively, "Exhibits"), all of which are incorporated together as part of one and the same instrument. All references in any such documents and instruments to "Lease" means the Summary, these Standard Lease Provisions and all Exhibits attached hereto. All terms used in this Lease shall have the meanings ascribed to such terms in the Summary, these Standard Lease Provisions and any Exhibits. To the extent of any inconsistency between the terms and conditions of the Summary, these Standard Lease Provisions, or any Exhibits attached hereto, the Summary and any Exhibits attached hereto shall control over these Standard Lease Provisions.

ARTICLE 3 - PREMISES

3.1 **Lease of Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, upon and subject to, the terms, covenants and conditions of this Lease. Each party covenants and agrees, as a material part of the consideration for this Lease, to keep and perform their respective obligations under this Lease.

3.2 **Landlord's Reserved Rights.** Landlord reserves the right from time to time to do any of the following: (a) expand the Building and construct or alter other buildings or improvements on the Property as long as Tenant's parking ratio is not substantially and adversely impacted; (b) make any changes, additions, improvements, maintenance, repairs or replacements in or to the Property, Common Areas and/or the Building (including the Premises if required to do so by any applicable Laws or to the extent necessary in conjunction with any improvements to the Property, Common Areas and/or the Building, provided that Tenant's use of the Premises is not materially and adversely affected), and the fixtures and equipment thereof, including, without limitation: (i) maintenance, replacement and relocation of pipes, ducts, conduits, wires and meters and equipment above the ceiling surfaces, below the floor surfaces and within the walls of the Building and the Premises; and (ii) changes in the location, size, shape and number of driveways, entrances, stairways, elevators, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways, easements, parking spaces and parking areas as long as Tenant's parking ratio is not substantially and adversely impacted; (c) close temporarily any of the Property while engaged in making repairs, improvements or alterations to the Property; and (d) perform such other acts and make such other changes with respect to the Property, as Landlord may, in the exercise of good faith business judgment, deem to be appropriate. If Landlord is required to reconfigure the Premises as a result of any changes to the Property, Common Areas and/or the Building as a result of Landlord's exercise of its rights under this Section 3.2, Landlord shall provide Tenant with reasonable advance written notice of the construction schedule to the extent that the Premises are affected, and Landlord shall endeavor to minimize, as reasonably practicable, the interference with Tenant's business as a result of any such construction.

ARTICLE 4 - TERM AND POSSESSION

4.1 **Term; Notice of Lease Dates.** The Term shall be for the period designated in the Summary commencing on the Commencement Date and ending on the Expiration Date, unless the Term is sooner terminated or extended as provided in this Lease. If the Commencement Date falls on any day other than the first day of a calendar month then the Term will be measured from the first day of the month following the month in which the Commencement Date occurs. Within ten (10) days after Landlord's written request, Tenant shall execute a written confirmation of the Commencement Date and Expiration Date of the Term in the form of the Notice of Lease Term Dates attached hereto as Exhibit D. The Notice of Lease Term Dates shall be binding upon Tenant unless Tenant reasonably objects thereto in writing within such ten (10) day period.

4.2 **Possession.** Landlord shall deliver possession of the Premises to Tenant as provided in the Work Letter, or if no Work Letter is attached hereto, Landlord shall deliver possession of the Premises to Tenant in its then as-is condition, subject to the provisions of Section 4.3 below. Tenant agrees that if Landlord is unable to deliver possession of the Premises to Tenant on or prior to the Commencement Date or the Estimated Commencement Date, the Lease will not be void or voidable, nor will Landlord be liable to Tenant for any loss or damage resulting therefrom. Notwithstanding the foregoing, Landlord will not be obligated to deliver possession of the Premises to Tenant until Landlord has received from Tenant all of the following: (i) a copy of this Lease fully executed by Tenant; (ii) any Security Deposit, Guaranty and/or Letter of Credit required hereunder and the first installment of Monthly Base Rent and Additional Rent, if any, due under this Lease; and (iii) copies of Tenant's insurance certificates as required hereunder.

4.3 Condition of Premises. Tenant acknowledges that, except as otherwise expressly set forth in this Lease and the Work Letter, if any, (i) neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, the Building or the Property or their condition, or with respect to the suitability thereof for the conduct of Tenant's business, and Tenant shall accept the Premises in its then as-is condition on delivery by Landlord, and (ii) the acceptance of possession of the Premises by Tenant shall establish that the Premises, the Building and the Property were at such time complete and in good, sanitary and satisfactory condition and repair with all work required to be performed by Landlord, if any, pursuant to the Work Letter completed and without any obligation on Landlord's part to make any further alterations, upgrades or improvements thereto, subject only to completion of minor punch-list items identified by the parties to be corrected by Landlord, if any, as provided in the Work Letter. The warranties made by Landlord in this Section 4.3 shall be of no force or effect if immediately prior to the Commencement Date or Early Access Period, if applicable, Tenant was the owner or occupant of the Premises. In such event, Tenant shall be responsible for any necessary corrective work. Landlord shall comply with Tenant's seismic and ADA requirements, and correct any deficiencies therein, at its cost, as specified in Exhibit H. In addition, Landlord shall ensure that the Premises complies with all municipal codes in effect as of the Commencement Date.

ARTICLE 5 - RENT

5.1 Monthly Base Rent. Tenant agrees to pay Landlord, the Monthly Base Rent as designated in the Summary. Monthly Base Rent and recurring monthly charges of Additional Rent (defined below) shall be paid by Tenant in advance on the first day of each and every calendar month ("Due Date") during the Term, except that the first full month's Monthly Base Rent and Additional Rent, if any, shall be paid upon Tenant's execution and delivery of this Lease to Landlord. Monthly Base Rent for any partial month shall be prorated in the proportion that the number of days this Lease is in effect during such month bears to the actual number of days in such month.

5.2 Additional Rent. All amounts and charges payable by Tenant under this Lease in addition to Monthly Base Rent, if any, including, without limitation, payments for Operating Expenses, Taxes, Insurance Costs and Utilities Costs to the extent payable by Tenant under this Lease shall be considered "Additional Rent", and the word "Rent" in this Lease shall include Monthly Base Rent and all such Additional Rent unless the context specifically states or clearly implies that only Monthly Base Rent is referenced. Rent shall be paid to Landlord, without any prior notice or demand therefor and without any notice, deduction or offset, in lawful money of the United States of America.

5.3 Late Charges & Interest Rate. If Landlord does not receive Rent or any other payment due from Tenant within five (5) days after the Due Date, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such past due Rent or other payment. Tenant agrees that this late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of Tenant's late payment. Accepting any late charge shall not constitute a waiver by Landlord of Tenant's default with respect to any overdue amount nor prevent Landlord from exercising any other rights or remedies available to Landlord. If any installment of Monthly Base Rent or Additional Rent, or any other amount payable by Tenant hereunder is not received by Landlord by the Due Date, it shall bear interest at the Interest Rate set forth in the Summary from the Due Date until paid. All interest, and any late charges imposed pursuant to this Section 5.3, shall be considered Additional Rent due from Tenant to Landlord under the terms of this Lease.

ARTICLE 6 - SECURITY DEPOSIT (Intentionally Omitted)

ARTICLE 7 - OPERATING EXPENSES/UTILITIES/SERVICES

7.1 Operating Expenses. Tenant shall pay for or contribute to the costs of operation, maintenance, repair and replacement of the Premises, Building and Property as provided in the Summary.

7.2 Utilities and Services. Utilities and services to the Premises and the Property are described in the Summary.

7.3 Taxes. As used in this Lease, the term "Taxes" means: All real property taxes and assessments, possessory interest taxes, sales taxes, personal property taxes, business or license taxes or fees, gross receipts taxes, license or use fees, excises, transit charges, and other impositions of any kind (including fees "in-lieu" or in substitution of any such tax or assessment) which are now or hereafter assessed, levied, charged or imposed by any public authority upon the Building, Site, Property and/or Premises or any portion thereof, its operations or the Rent derived therefrom (or any portion or component thereof, or the ownership, operation, or transfer thereof), and any and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize the same. Taxes shall not include inheritance or estate taxes imposed upon or assessed against

the interest of Landlord, gift taxes, excess profit taxes, franchise taxes, or similar taxes on Landlord's business or any other taxes computed upon the basis of the net income of Landlord. If it shall not be lawful for Tenant to reimburse Landlord for any such Taxes, the Monthly Base Rent payable to Landlord under this Lease shall be revised to net Landlord the same net rent after imposition of any such Taxes by Landlord as would have been payable to Landlord prior to the payment of any such Taxes. Tenant shall pay for or contribute to Taxes as part of Operating Expenses as provided in the Summary. Notwithstanding anything herein to the contrary, Tenant shall be liable for all taxes levied or assessed against personal property, furniture, fixtures, above-standard Tenant Improvements and alterations, additions or improvements placed by or for Tenant in the Premises. Furthermore, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services provided herein or otherwise respecting this Lease, (ii) taxes 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 Property; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

7.4 Insurance Costs. As used in this Lease, "Insurance Costs" means the cost of insurance obtained by Landlord pursuant to Article 15. Tenant shall pay for or contribute to Insurance Costs as part of Operating Expenses as provided in the Summary.

7.5 Interruption of Utilities. Landlord shall have no liability to Tenant for any interruption in utilities or services to be provided to the Premises when such failure is caused by all or any of the following: (a) accident, breakage or repairs; (b) strikes, lockouts or other labor disturbances or labor disputes of any such character; (c) governmental regulation, moratorium or other governmental action; (d) inability, despite the exercise of reasonable diligence, to obtain electricity, water or fuel; (e) service interruptions or any other unavailability of utilities resulting from causes beyond Landlord's control including without limitation, any electrical power "brown-out" or "black-out"; or (f) any other cause beyond Landlord's reasonable control. In addition, in the event of any such interruption in utilities or services, Tenant shall not be entitled to any abatement or reduction of Rent (except as expressly provided in Articles 17 and 18 if such failure is a result of any casualty damage or taking described therein), no eviction of Tenant shall result, and Tenant shall not be relieved from the performance of any covenant or agreement in this Lease. In the event of any stoppage or interruption of services or utilities which are not obtained directly by Tenant, Landlord shall diligently attempt to resume such services or utilities as promptly as practicable. Tenant hereby waives the provisions of any applicable existing or future Law, ordinance or governmental regulation permitting the termination of this Lease due to an interruption, failure or inability to provide any services (including, without limitation, the provisions of California Civil Code Section 1932(1)).

ARTICLE 8 - MAINTENANCE AND REPAIR

8.1 Landlord's Repair Obligations. Except as otherwise expressly provided in this Lease, Landlord shall have no obligation to alter, remodel, improve, repair, renovate, redecorate or paint all or any part of the Premises. Except as otherwise stated in the Summary, Tenant waives the right to make repairs at Landlord's expense under any applicable Laws (including, without limitation, the provisions of California Civil Code Sections 1941 and 1942 and any successor statutes or laws of a similar nature). All other repair and maintenance of the Premises, Building and Property to be performed by Landlord, if any, shall be as provided in the Summary.

8.2 Tenant's Repair Obligations. Except for Landlord's obligations specifically set forth elsewhere in this Lease and in Section 8.1 above and in the Summary, Tenant shall at all times and at Tenant's sole cost and expense, keep, maintain, clean, repair, preserve and replace, as necessary, the interior of the Premises and all parts thereof including, without limitation, all Tenant Improvements, Alterations, and all furniture, fixtures and equipment, including, without limitation, all computer, telephone and data cabling and equipment, Tenant's signs, if any, door locks, closing devices, security devices, interior of windows, window sashes, casements and frames, floors and floor coverings, shelving, kitchen, restroom facilities and/or appliances of any kind located within the Premises, if any, custom lighting, and any additions and other property located within the Premises, so as to keep all of the foregoing elements of the Premises in good condition and repair, reasonable wear and tear and casualty damage excepted. Tenant shall replace, at its expense, any and all plate and other glass in and about the Premises which is damaged or broken from any cause whatsoever except due to the negligence or willful misconduct of Landlord, its agents or employees. Such maintenance and repairs shall be performed with due diligence, lien-free and in a first-class and workmanlike manner, by licensed contractor(s) that are selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold or delay. All other repair and maintenance of the Premises, Building and Property to be performed by Tenant, if any, shall be as provided in the Summary. If Tenant refuses or neglects to repair and maintain the Premises property as required hereunder to the reasonable satisfaction of Landlord, then at any time following ten (10) days from the date on which Landlord makes a written demand on Tenant to effect such repair and maintenance, Landlord may enter upon the Premises and make such repairs and/or

maintenance, and upon completion thereof, Tenant agrees to pay to Landlord as Additional Rent, Landlord's costs for making such repairs plus an amount not to exceed ten percent (10%) of such costs for overhead, within ten (10) days after receipt from Landlord of a written itemized bill therefor. Any amounts not reimbursed by Tenant within such ten (10) day period will bear interest at the Interest Rate until paid by Tenant.

ARTICLE 9 - USE

Tenant shall procure, at its sole cost and expense, any and all permits required by applicable Law for Tenant's use and occupancy of the Premises. Tenant shall use the Premises solely for the Permitted Use specified in the Summary, and shall not use or permit the Premises to be used for any other use or purpose whatsoever without Landlord's prior written approval. Tenant shall observe and comply with the Rules and Regulations attached hereto as Exhibit E, as the same may be modified by Landlord from time to time, and all reasonable non-discriminatory modifications thereof and additions thereto from time to time put into effect and furnished to Tenant by Landlord. Landlord shall endeavor to enforce the Rules and Regulations, but shall have no liability to Tenant for the violation or non-performance by any other tenant or occupant of any such Rules and Regulations. Tenant shall, at its sole cost and expense, observe and comply with all Laws and all requirements of any board of fire underwriters or similar body relating to the Premises now or hereafter in force relating to or affecting the condition, use, occupancy, alteration or improvement of the Premises (whether, except as otherwise provided herein, structural or nonstructural, including unforeseen and/or extraordinary alterations and/or improvements to the Premises and regardless of the period of time remaining in the Term). Tenant shall not use or allow the Premises to be used for any improper, immoral, unlawful or reasonably objectionable purpose. Tenant shall not do or permit to be done anything that will obstruct or interfere with the rights of other tenants or occupants of the Building or the Property, if any, or injure or annoy them. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises, the Building or the Property, nor commit or suffer to be committed any waste in, on or about the Premises.

ARTICLE 10 - HAZARDOUS MATERIALS

As used in this Lease, the term "Environmental Law(s)" means any past, present or future federal, state or local Law relating to (a) the environment, human health or safety, including, without limitation, emissions, discharges, releases or threatened releases of Hazardous Materials (as defined below) into the environment (including, without limitation, air, surface water, groundwater or land), or (b) the manufacture, generation, refining, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport, arranging for transport, or handling of Hazardous Materials. As used in this Lease, the term "Hazardous Materials" means and includes any hazardous or toxic materials, substances or wastes as now or hereafter designated or regulated under any Environmental Laws including, without limitation, asbestos, petroleum, petroleum hydrocarbons and petroleum based products, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs"), and freon and other chlorofluorocarbons. Except for ordinary and general office supplies, such as copier toner, liquid paper, glue, ink and common household cleaning materials, and motor vehicle fuel stored in fuel tanks of motor vehicles used on site in compliance with all Environmental Laws (some or all of which may constitute Hazardous Materials), Tenant agrees not to cause or permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises, the Building, the Common Areas or any other portion of the Property by Tenant, its agents, officers, managers, employees, subtenants, assignees, licensees, contractors or invitees (collectively, "Tenant's Parties"), without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Property, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials which are installed, brought upon, stored, used, generated or released upon, in, under or about the Premises, the Building and/or the Property or any portion thereof by Tenant or any of Tenant's Parties. To the fullest extent permitted by law, Tenant agrees to promptly indemnify, protect, defend and hold harmless Landlord and Landlord's members, shareholders, partners, officers, directors, managers, employees, agents, contractors, successors and assigns (collectively, "Landlord Parties") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees and court costs) which arise or result from the presence of Hazardous Materials on, in, under or about the Premises, the Building or any other portion of the Property and which are caused or permitted by Tenant or any of Tenant's Parties. The provisions of this Article 10 will survive the expiration or earlier termination of this Lease. Tenant shall give Landlord written notice of any evidence of Mold, water leaks or water infiltration in the Premises promptly upon discovery of same. At its expense, Tenant shall investigate, clean up and remediate any Mold in the Premises caused by Tenant. Leaks in the plenum caused by Landlord or other tenants shall not be Tenant's responsibility. Investigation, clean up and remediation may be performed only after Tenant has Landlord's written approval of a plan for such remediation. All clean up and remediation shall

be done in compliance with all applicable Laws and to the reasonable satisfaction of Landlord. As used in this Lease, "Mold" means mold, fungi, spores, microbial matter, mycotoxins and microbiological organic compounds.

ARTICLE 11 - PARKING

During the Term, Tenant shall be entitled to utilize, and be obligated to pay for, the number and type of parking spaces specified in the Summary within the parking areas for the Property as designated by Landlord from time to time. Landlord shall at all times have the right to establish and modify the nature and extent of the parking areas for the Building and Property (including whether such areas shall be surface, underground and/or other structures). In addition, if Tenant is not the sole occupant of the Property, Landlord may, in its discretion, designate any unreserved parking spaces as reserved parking. The terms and conditions for parking at the Property shall be as specified in the Summary and in the Rules and Regulations regarding parking as contained in Exhibit B attached hereto, as the same may be modified by Landlord from time to time. Tenant shall not use more parking spaces than its allotment and shall not use any parking spaces specifically assigned by Landlord to other tenants, if any, or for such other uses such as visitor, handicapped or other special purpose parking. Tenant's visitors shall be entitled to access to the parking areas on the Property designated for visitor use, subject to availability of spaces and the terms of the Summary.

ARTICLE 12 - TENANT SIGNS

Tenant shall have the right to have placed by Landlord, at Landlord's expense, Tenant's name on a Building standard suite/unit door sign and in the Building's lobby directory. Subsequent changes to Tenant's sign and/or any additional signs, to the extent permitted by Landlord herein, shall be made or installed by Landlord at Tenant's sole cost and expense. All aspects of any such signs shall be subject to the prior written consent of Landlord (which shall not be unreasonably withheld), and shall be per Landlord's standard specifications and materials, as revised by Landlord from time to time. Tenant shall have no right to install or maintain any other signs, banners, advertising, notices, displays, stickers, decals or any other logo or identification of any person, product or service whatsoever, in any location on or in the Property except as (i) shall have been expressly approved by Landlord in writing prior to the installation thereof (which approval may be granted or withheld in Landlord's sole and absolute discretion), (ii) shall not violate any signage restrictions or exclusive sign rights contained in any then existing leases with other tenants of the Property, if any, and (iii) are consistent and compatible with all applicable Laws, and the design, signage and graphics program from time to time implemented by Landlord with respect to the Property, if any. Landlord shall have the right to remove any signs or signage material installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as Additional Rent hereunder, payable within ten (10) days after written demand by Landlord. Any additional sign rights of Tenant, if any, shall be as provided in the Summary.

ARTICLE 13 - ALTERATIONS

13.1 Alterations. After installation of the initial Tenant Improvements for the Premises, Tenant may, at its sole cost and expense, make alterations, additions, improvements and decorations to the Premises ("Alteration(s)") subject to and upon the following terms and conditions:

a. Tenant shall not make any Alterations which: (i) affect any area outside the Premises including the outside appearance, character or use of any portions of the Building or other portions of the Property; (ii) affect the Building's roof, roof membrane, any structural component or any base Building equipment, services or systems (including fire and life/safety systems), or the proper functioning thereof, or Landlord's access thereto; (iii) in the reasonable opinion of Landlord, lessen the value of the Building or the Property; (iv) will violate or require a change in any occupancy certificate applicable to the Premises; or (v) would trigger a legal requirement which would require Landlord to make any alteration or improvement to the Premises, Building or other aspect of the Property.

b. Tenant shall not make any Alterations not prohibited by Section 13.1(a), unless Tenant first obtains Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, provided Landlord's prior approval shall not be required for any Alterations that is not prohibited by Section 13.1(a) above and is of a cosmetic nature that satisfies all of the following conditions (hereinafter a "Pre-Approved Alteration"): (i) the costs of such Alterations do not exceed Three Dollars (\$3.00 per rentable square foot of the Premises; (ii) to the extent reasonably required by Landlord or by law due to the nature of the work being performed, Tenant delivers to Landlord final plans, specifications, working drawings, permits and approvals for such Alterations at least ten (10) days prior to commencement of the work thereof; (iii) Tenant and such Alterations otherwise satisfy all other conditions set forth in this Section

13.1; and (iv) the making of such Alterations will not otherwise cause a default by Tenant under any provision of this Lease. Tenant shall provide Landlord with ten (10) days' prior written notice before commencing any Alterations. In addition, before proceeding with any Alteration, Tenant's contractors shall obtain, on behalf of Tenant and at Tenant's sole cost and expense: (A) all necessary governmental permits and approvals for the commencement and completion of such Alterations, and (B) if the cost of such Alterations exceeds \$25,000.00, a completion and lien indemnity bond, or other surety satisfactory to Landlord for such Alterations. The foregoing bonding requirement shall not apply to the originally-named Tenant hereunder, nor to any successor tenant if such successor is a governmental agency or entity. Landlord's approval of any plans, contractor(s) and subcontractor(s) of Tenant shall not release Tenant or any such contractor(s) and/or subcontractor(s) from any liability with respect to such Alterations and will create no liability or responsibility on Landlord's part concerning the completeness of such Alterations or their design sufficiency or compliance with Laws.

c. All Alterations shall be performed: (i) in accordance with the approved plans, specifications and working drawings, if any; (ii) lien-free and in a first-class workmanlike manner; (iii) in compliance with all Laws; (iv) in such a manner so as not to unreasonably interfere with the occupancy of any other tenant, nor impose any additional expense upon nor delay Landlord in the maintenance and operation of the Building; (v) by licensed and bondable contractors and subcontractors selected by Tenant and reasonably approved by Landlord, and (v) at such times, in such manner and subject to such rules and regulations as Landlord may from time to time reasonably designate. Tenant shall pay to Landlord, within ten (10) days after written demand, the costs of any increased insurance premiums incurred by Landlord to include such Alterations in the causes of loss - special form property insurance obtained by Landlord pursuant to this Lease, if Landlord elects in writing to insure such Alterations; provided, however, Landlord shall not be required to include the Alterations under such insurance. If the Alterations are not included in Landlord's insurance, Tenant shall insure the Alterations under its causes of loss-special form property insurance pursuant to this Lease.

d. Tenant shall pay to Landlord, as Additional Rent, the reasonable costs of Landlord's engineers and other consultants for review of all plans, specifications and working drawings for the Alterations, within ten (10) business days after Tenant's receipt of invoices either from Landlord or such consultants. In addition to such costs, Tenant shall pay to Landlord, within thirty (30) days after completion of any Alterations, a construction supervision fee equal to three percent (3%) of the total cost of the Alterations and the actual, reasonable costs incurred by Landlord for any services rendered by Landlord's management personnel and engineers to coordinate and/or supervise any of the Alterations to the extent such services are provided in excess of or after the normal on-site hours of such engineers and management personnel.

13.2 **Removal of Alterations.** All Alterations and the initial Tenant Improvements in the Premises (whether installed or paid for by Landlord or Tenant), shall become the property of Landlord and shall remain upon and be surrendered with the Premises at the end of the Term; provided, however, Landlord may, by written notice delivered to Tenant within thirty (30) days after Landlord's receipt of plans for any Alterations identify those Alterations which Landlord shall require Tenant to remove at the end of the Term. If Landlord requires Tenant to remove any such Alterations, Tenant shall, at its sole cost, remove the identified items on or before the expiration or sooner termination of this Lease and repair any damage to the Premises caused by such removal to its original condition (or, at Landlord's option, Tenant shall pay to Landlord all of Landlord's costs of such removal and repair).

13.3 **Liens.** Tenant shall not permit any mechanic's, materialmen's or other liens to be filed against all or any part of the Property or the Premises, nor against Tenant's leasehold interest in the Premises, by reason of or in connection with any repairs, alterations, improvements or other work contracted for or undertaken by Tenant or any of Tenant's Parties. If any such liens are filed, Tenant shall, at its sole cost, immediately cause such liens to be released of record or bonded so that such lien(s) no longer affect(s) title to the Property, the Building or the Premises. If Tenant fails to cause any such lien to be released or bonded within ten (10) days after filing thereof, Landlord may cause such lien to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such lien, and Tenant shall reimburse Landlord within five (5) business days after receipt of invoice from Landlord, any sum paid by Landlord to remove such liens, together with interest at the Interest Rate from the date of such payment by Landlord.

ARTICLE 14 - TENANT'S INSURANCE

14.1 **Tenant's Insurance** On or before the earlier of the Commencement Date or the date Tenant commences or causes to be commenced any work of any type in the Premises, and continuing during the entire Term, Tenant shall obtain and keep in full force and effect, the following insurance with such minimum limits of coverage as set forth in Section 1.14 of the Summary:

a. Special Perils property insurance, including fire and extended coverage, sprinkler leakage (including earthquake sprinkler leakage), , vandalism, and malicious mischief upon property of every description and kind owned by Tenant and located in the Premises or the Building, or for which Tenant is legally liable or installed by or on behalf of Tenant including, without limitation, furniture, equipment and any other personal property, and any Alterations (but excluding the initial Tenant Improvements previously existing or installed in the Premises prior to the Commencement Date), in an amount equal to the full replacement cost thereof.

b. Commercial general liability insurance or self-insurance coverage equivalent in scope to an ISO CG 00 01 10 93 form, including personal injury, bodily injury (including wrongful death), broad form property damage, operations hazard, contractual liability, and products and completed operations liability.

c. Commercial Automobile Liability insurance or self-insurance equivalent in coverage scope to an ISO CA 00 01 06 92 form covering Symbol 1 ("all autos").

d. Worker's compensation, in statutory amounts, and employers liability, covering all Tenant's employees. This may be provided by self-insurance or commercial insurance.

e. Excess liability insurance or self-insurance on an occurrence basis, in excess of and following the form of the underlying insurance or self-insurance described in Section 14.1.b. and 14.1.c. which is as broad as the underlying policies.

14.2 Requirements. Each policy required to be obtained by Tenant hereunder shall: (a) be issued by insurers which are approved by Landlord and/or Landlord's Mortgagees and are authorized to do business in the state in which the Building is located and rated not less than Financial Size VIII, and with a Financial Strength rating of A in the most recent version of Best's Key Rating Guide (provided that, in any event, the same insurance company shall provide the coverages described in Sections 14.1.a. and 14.1.e. above); (b) be in form reasonably satisfactory from time to time to Landlord; (c) name Tenant as named insured thereunder and shall name Landlord, Jupiter B-II LLC, a Delaware limited liability company, Jupiter Advisors LLC, a California limited liability company, and their officers, directors, shareholders, partners, members, employees, affiliates, successors and assigns (collectively, the "Landlord Parties") and at Landlord's request such other persons or entities of which Tenant has been informed in writing as additional insureds thereunder, all as their respective interests may appear with respect to the insurance or self-insurance described in Sections 14.1.b and c. (d) specifically provide that the insurance afforded by such policy for the benefit of Landlord and any other additional insureds shall be primary, and any insurance carried by Landlord or any other insureds shall be excess and non-contributory (e) require the insurer to notify Landlord and any other additional insureds in writing not less than thirty (30) days prior to any material change, reduction in coverage, cancellation or other termination thereof; and (f) contain a cross liability or severability of interest endorsement. Tenant agrees to deliver to Landlord, as soon as practicable after the placing of the required insurance, but in no event later than the date Tenant is required to obtain such insurance as set forth in Section 14.1 above, certificates from the insurance company or self-insurance certificates evidencing the existence of such insurance or self-insurance and Tenant's compliance with the foregoing provisions of this Article 14. Tenant shall cause replacement certificates to be delivered to Landlord not less than ten (10) days prior to the expiration of any such policy or policies. If any such initial or replacement certificates are not furnished within the time(s) specified herein, Landlord shall have the right, but not the obligation, to procure such policies and certificates at Tenant's expense.

14.3 Effect on Insurance. If any insurance coverage carried by Landlord pursuant to this Lease or otherwise with respect to the Building or the Property shall be cancelled or reduced, except for reduction in limits to due payment of claims, (or cancellation or reduction thereof shall be threatened) by reason of the use or occupancy of the Premises other than as allowed by the Permitted Use by Tenant or by anyone permitted by Tenant to be upon the Premises, and if Tenant fails to remedy such condition within five (5) business days after notice thereof, Tenant shall be deemed to be in default under this Lease and Landlord shall have all remedies provided in this Lease, at law or in equity, including, without limitation, the right (but not the obligation) to enter upon the Premises and attempt to remedy such condition at Tenant's cost.

14.4 If Tenant shall hire or bring a vendor and/or contractor onto the Premises to perform any alterations, work or Tenant Improvements, Tenant agrees to have a written agreement with such contractor and/or vendor whereby such contractor will be required to carry the same insurance coverages as required of Tenant herein, with regards to adding Landlord and the Landlord Parties as additional insured, maintaining primary and non-contributory coverage, waiving all rights of recovery and subrogation, and making certificates of insurance available as evidence of all policies during the term of their work and in advance of all applicable renewals. Tenant shall not allow any contractors and vendors to begin work or services prior to obtaining certificates of insurance evidencing all insurance requirements contained herein this Article 14.

ARTICLE 15 - LANDLORD'S INSURANCE

During the Term, Landlord or Tenant, at Tenant's sole option in which case the cost of said insurance would not be subject to inclusion in Section 7.4 "Insurance Costs", shall maintain property insurance written on a Special Form (formerly known as "all risk") basis covering the Property and the Building, including the initial Tenant Improvements (excluding, however, Tenant's furniture, equipment and other personal property and Alterations, unless Landlord otherwise elects to insure the Alterations pursuant to Section 13.1 above) against damage by fire and standard extended coverage perils (including earthquake) and with vandalism and malicious mischief endorsements, and rental loss coverage. Landlord shall also be named an additional insureds on Tenant's general liability insurance or self-insurance with respect to the Premises and this Lease, wherein the cost of said Tenant self-insurance would not be subject to inclusion in Section 7.4 "Insurance Costs". Landlord may, but shall not be obligated to, carry any other form or forms of insurance as Landlord or the Mortgagees or ground lessors of Landlord may reasonably determine is advisable. In all cases, the cost of said additional form or forms of insurance would not be subject to inclusion in Section 7.4 "Insurance Costs". As such, the cost of Landlord's Insurance due to Section 15 should effectively nullify the Insurance Costs as defined in Section 7.4.

ARTICLE 16 - INDEMNIFICATION AND EXCULPATION

16.1 Tenant's Assumption of Risk and Waiver. Except to the extent such matter is not covered by the insurance required to be maintained by Tenant under this Lease and/or except to the extent such matter is attributable to the gross negligence or willful misconduct of Landlord or Landlord's agents, contractors or employees, Landlord shall not be liable to Tenant, or any of Tenant's Parties for: (i) any damage to property of Tenant, or of others, located in, on or about the Premises, (ii) the loss of or damage to any property of Tenant or of others by theft or otherwise, (iii) any injury or damage to persons or property resulting from fire, explosion, falling ceiling tiles masonry, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance of plumbing works or from the roof, street or subsurface or from any other places or by dampness or by any other cause of whatsoever nature, (iv) any such damage caused by other tenants or persons in the Premises, occupants of any other portions of the Property, or the public, or caused by operations in construction of any private, public or quasi-public work, or (v) any interruption of utilities and services. Landlord shall in no event be liable to Tenant or any other person for any consequential damages, special or punitive damages, or for loss of business, revenue, income or profits and Tenant hereby waives any and all claims for any such damages. Notwithstanding anything to the contrary contained in this Section 16.1, all property of Tenant and Tenant's Parties kept or stored on the Premises, whether leased or owned by any such parties, shall be so kept or stored at the sole risk of Tenant and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers. Landlord or its agents shall not be liable for interference with light or other intangible rights.

16.2 Tenant's Indemnification. Except for the gross negligence or willful misconduct of Landlord or the Landlord's Parties, Tenant shall be liable for, and shall indemnify, defend, protect and hold Landlord and the Landlord Parties harmless from and against, any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including, without limitation, attorneys' fees and court costs (collectively, "Indemnified Claims"), arising or resulting from (a) any occurrence in the Premises following the date Landlord delivers possession of all or any portion of the Premises to Tenant, except to the extent caused by the gross negligence or willful misconduct of Landlord or Landlord's agents, contractors or employees, (b) any act or omission of Tenant or any of Tenant's Parties; (c) the use of the Premises, the Building and the Property and conduct of Tenant's business by Tenant or any of Tenant's Parties, or any other activity or work by Tenant or any of Tenant's Parties, in the Premises, the Building or elsewhere on the Property; and/or (d) any default by Tenant as to any obligations on Tenant's part to be performed under the terms of this Lease or the terms of any contract or agreement to which Tenant is a party or by which it is bound, affecting this Lease or the Premises. The foregoing indemnification shall include, but not be limited to, any injury to, or death of, any person, or any loss of, or damage to, any property on the Premises, whether or not Landlord or any Landlord Parties has or should have knowledge or notice of the defect or conditions causing or contributing to such injury, death, loss or damage. In case any action or proceeding is brought against Landlord or any Landlord Parties by reason of any such Indemnified Claims, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel approved in writing by Landlord, which approval shall not be unreasonably withheld. Tenant's indemnification obligations under this Section 16.2 and elsewhere in this Lease shall survive the expiration or earlier termination of this Lease. Tenant's covenants, agreements and indemnification in Section 16.1 and this Section 16.2 are not intended to relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease.

ARTICLE 17 - CASUALTY DAMAGE/DESTRUCTION

17.1 **Landlord's Rights and Obligations.** If the Premises or the Building is damaged by fire or other casualty not caused by the negligence or willful misconduct of Tenant ("Casualty") to an extent not exceeding twenty-five percent (25%) of the full replacement cost thereof, and Landlord's contractor estimates in writing delivered to the parties that the damage thereto is such that the Building and/or Premises may be repaired, reconstructed or restored to substantially its condition immediately prior to such damage within one hundred twenty (120) days from the date of such Casualty, and Landlord will receive insurance proceeds sufficient to cover the costs of such repairs, reconstruction and restoration (including proceeds from Tenant and/or Tenant's insurance which Tenant is required to deliver to Landlord pursuant to this Lease), then Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Lease shall continue in full force and effect. If, however, the Premises or the Building is damaged to an extent exceeding twenty-five percent (25%) of the full replacement cost thereof, or Landlord's contractor estimates that such work of repair, reconstruction and restoration will require longer than one hundred twenty (120) days to complete from the date of Casualty, or Landlord will not receive insurance proceeds (and/or proceeds from Tenant, as applicable) sufficient to cover the costs of such repairs, reconstruction and restoration, then Landlord may elect to either: (a) repair, reconstruct and restore the portion of the Premises or Building damaged by such Casualty (including the Tenant Improvements, the Alterations that Landlord elects to insure pursuant to Section 13.1 and, to the extent of insurance proceeds received from Tenant, the Alterations that Tenant is required to insure pursuant to Section 13.1), in which case this Lease shall continue in full force and effect; or (b) terminate this Lease effective as of the date which is thirty (30) days after Tenant's receipt of Landlord's election to so terminate. Under any of the conditions of this Section 17.1, Landlord shall give written notice to Tenant of its intention to repair or terminate within the later of sixty (60) days after the occurrence of such Casualty, or fifteen (15) days after Landlord's receipt of the estimate from Landlord's contractor or, as applicable, thirty (30) days after Landlord receives approval from Landlord's Mortgagee to rebuild.

17.2 **Tenant's Costs and Insurance Proceeds.** In the event of any damage or destruction of all or any part of the Premises, Tenant shall immediately: (a) notify Landlord thereof; and (b) deliver to Landlord all insurance proceeds received by Tenant with respect to the Tenant Improvements and Alterations (to the extent such items are not covered by Landlord's casualty insurance obtained by Landlord pursuant to this Lease) and with respect to Alterations in the Premises that Tenant is required to insure pursuant to Section 13.1, excluding proceeds for Tenant's furniture and other personal property, whether or not this Lease is terminated as permitted in Section 17.1, and Tenant hereby assigns to Landlord all rights to receive such insurance proceeds. If, for any reason (including Tenant's failure to obtain insurance for the full replacement cost of any Alterations which Tenant is required to insure pursuant to Section 13.1 hereof), Tenant fails to receive insurance proceeds covering the full replacement cost of such Alterations which are damaged, Tenant shall be deemed to have self-insured the replacement cost of such Alterations, and upon any damage or destruction thereto, Tenant shall immediately pay to Landlord the full replacement cost of such items, less any insurance proceeds actually received by Landlord from Landlord's or Tenant's insurance with respect to such items.

17.3 **Abatement of Rent.** If as a result of any such damage, repair, reconstruction and/or restoration of the Premises or the Building, Tenant is prevented from using, and does not use, the Premises or any portion thereof, then Rent shall be abated or reduced, as the case may be, during the period that Tenant continues to be so prevented from using and does not use the Premises or portion thereof, in the proportion that the rentable square feet of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square feet of the Premises, but only to the extent of the proceeds that Landlord receives from the rental loss insurance maintained by Landlord, from the date of the damage until the Premises is restored. Notwithstanding the foregoing to the contrary, if the damage is due to the negligence or willful misconduct of Tenant or any of Tenant's Parties, there shall be no abatement of Rent. Except for abatement of Rent as provided hereinabove, Tenant shall not be entitled to any compensation or damages for loss of, or interference with, Tenant's business or use or access of all or any part of the Premises resulting from any such damage, repair, reconstruction or restoration.

17.4 **Inability to Complete.** Notwithstanding anything to the contrary contained in this Article 17, if Landlord is obligated or elects to repair, reconstruct and/or restore the damaged portion of the Building or Premises pursuant to Section 17.1 above, but is delayed from completing such repair, reconstruction and/or restoration beyond the date which is six (6) months after the date estimated by Landlord's contractor for completion thereof pursuant to Section 17.1, by reason of any causes beyond the reasonable control of Landlord (including, without limitation, delays due to Force Majeure, and delays caused by Tenant or any of Tenant's Parties), then Landlord may elect to terminate this Lease upon thirty (30) days' prior written notice to Tenant.

17.5 **Damage to the Property.** If there is a total destruction of the improvements on the Property or partial destruction of such improvements, the cost of restoration of which would exceed one-

third (1/3) of the then replacement value of all improvements on the Property, by any cause whatsoever, whether or not insured against and whether or not the Premises are partially or totally destroyed, Landlord may within a period of one hundred eighty (180) days after the occurrence of such destruction, notify Tenant in writing that it elects not to so reconstruct or restore such improvements, in which event this Lease shall cease and terminate as of the date of such destruction.

17.6 Damage Near End of Term. In addition to its termination rights in Sections 17.1, 17.4 and 17.5 above, Landlord shall have the right to terminate this Lease if any damage to the Building or Premises occurs during the last twelve (12) months of the Term and Landlord's contractor estimates in writing delivered to the parties that the repair, reconstruction or restoration of such damage cannot be completed within the earlier of (a) the scheduled expiration date of the Term, or (b) sixty (60) days after the date of such Casualty.

17.7 Tenant's Termination Right. In the event of any damage or destruction which affects Tenant's use and enjoyment of the Premises which is not caused by Tenant or any of Tenant's Parties, if Tenant's possession and use of the Premises cannot be restored by Landlord within two hundred seventy (270) days for reasons other than delays caused by Tenant or any of Tenant's Parties, Tenant shall have the right to terminate this Lease upon written notice to Landlord given within thirty (30) days after the expiration of said 270-day period, unless Landlord completes the restoration within said 30-day notice period, in which case this Lease shall continue in full force and effect.

17.8 Waiver of Termination Right. This Lease sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, except as expressly provided herein, Tenant hereby waives any and all provisions of applicable Law that provide alternative rights for the parties in the event of damage or destruction (including, without limitation, the provisions of California Civil Code Section 1932, Subsection 2, and Section 1933, Subsection 4 and any successor statute or laws of a similar nature).

ARTICLE 18 - CONDEMNATION

18.1 Substantial or Partial Taking. Subject to the provisions of Section 18.3 below, either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under law, by eminent domain or private purchase in lieu thereof (a "Taking"). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or the Property which would have a material adverse effect on Landlord's ability to profitably operate the remainder of the Building and/or the Property. The terminating party shall provide written notice of termination to the other party within thirty (30) days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Base Rent and all other elements of this Lease which are dependent upon the area of the Premises, the Building or the Property shall be appropriately adjusted to account for any reduction in the square footage of the Premises, Building or Property, as applicable. All compensation awarded for a Taking shall be the property of Landlord. The right to receive compensation or proceeds are expressly waived by Tenant, however, Tenant may file a separate claim for Tenant's furniture, fixtures, equipment and other personal property, loss of goodwill and Tenant's reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord's award.

18.2 Condemnation Award. Subject to the provisions of Section 18.3 below, in connection with any Taking of the Premises or the Building, Landlord shall be entitled to receive the entire amount of any award which may be made or given in such taking or condemnation, without deduction or apportionment for any estate or interest of Tenant, it being expressly understood and agreed by Tenant that no portion of any such award shall be allowed or paid to Tenant for any so-called bonus or excess value of this Lease, and such bonus or excess value shall be the sole property of Landlord. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking (including any claim for bonus or excess value of this Lease); provided, however, if any portion of the Premises is taken, Tenant shall be granted the right to recover from the condemning authority (but not from Landlord) any compensation as may be separately awarded or recoverable by Tenant for the taking of Tenant's furniture, fixtures, equipment and other personal property within the Premises, for Tenant's relocation expenses, and for any loss of goodwill or other damage to Tenant's business by reason of such taking.

18.3 Temporary Taking. In the event of a Taking of the Premises or any part thereof for temporary use, (a) this Lease shall be and remain unaffected thereby and Rent shall not abate, and (b) Tenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking which is within the Term, provided that if such taking shall remain in force at the expiration or earlier termination of this Lease, Tenant shall perform its obligations with respect to surrender of the Premises and shall pay to Landlord the portion of any award which is

attributable to any period of time beyond the Term expiration date. For purpose of this Section 18.3, a temporary taking shall be defined as a taking for a period of two hundred seventy (270) days or less.

18.4 **Waiver.** Tenant hereby waives any rights it may have pursuant to any applicable Laws (including, without limitation, any rights Tenant might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure) and agrees that the provisions hereof shall govern the parties' rights in the event of any Taking.

ARTICLE 19 - WAIVER OF CLAIMS; WAIVER OF SUBROGATION

19.1 **Tenant Waiver.** Tenant hereby waives its rights against Landlord and the Landlord Parties for any claims or damages or losses, including any deductibles and self-insured amounts, which are caused by or result from (a) any occurrence insured under any property insurance policy carried by Tenant, or (b) any occurrence which would have been covered under any property insurance required to be obtained and maintained by Tenant under this Lease had such insurance been obtained and maintained as required. The foregoing waiver shall be in addition to, and not a limitation of, any other waivers or releases contained in this Lease.

19.2 **Landlord hereby waives its rights against Tenant for any claims or damages or losses,** including any deductibles and self-insured amounts, which are caused by or result from (a) any occurrence insured under any property insurance policy carried by Landlord, or (b) any occurrence which would have been covered under any property insurance required to be obtained and maintained by Landlord under this Lease had such insurance been obtained and maintained as required. The foregoing waiver shall be in addition to, and not a limitation of, any other waivers or releases contained in this Lease.

19.3 **Waiver of Insurers.** Tenant shall cause each insurance policy required to be carried by Tenant pursuant to Article 14 herein, to provide that the insurer waives all rights of recovery by way of subrogation against Landlord and the Landlord Parties, in connection with any claims, losses and damages covered by such policy. If Tenant fails to maintain insurance for an insurable loss, such loss shall be deemed to be self-insured with a deemed full waiver of subrogation as set forth in the immediately preceding sentence.

19.4 **Landlord shall cause each property insurance policy carried by Landlord to provide that the insurer waives all rights of recovery by way of subrogation against Tenant, in connection with any claims, losses and damages covered by such policy.** If Landlord fails to maintain insurance for an insurable loss, such loss shall be deemed to be self-insured with a deemed full waiver of subrogation as set forth in the immediately preceding sentence.

ARTICLE 20 - ASSIGNMENT AND SUBLETTING

20.1 **Restriction on Transfer.** Except with respect to a Permitted Transfer pursuant to Section 20.6 below, Tenant shall not, without the prior written consent of Landlord, which consent Landlord will not unreasonably withhold, assign this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use or occupancy of the Premises by any party other than Tenant (any such assignment, encumbrance, sublease, license or the like being sometimes referred to as a "Transfer"). In no event may Tenant encumber or hypothecate this Lease or the Premises. This prohibition against Transfers shall be construed to include a prohibition against any assignment or subletting by operation of law. Any Transfer without Landlord's consent (except for a Permitted Transfer pursuant to Section 20.6 below) shall constitute a default by Tenant under this Lease, and in addition to all of Landlord's other remedies at law, in equity or under this Lease, such Transfer shall be voidable at Landlord's election. For purposes of this Article 20, other than with respect to a Permitted Transfer under Section 20.6 and transfers of stock of Tenant if Tenant is a publicly-held corporation and such stock is transferred publicly over a recognized security exchange or over-the-counter market, if Tenant is a corporation, partnership or other entity, any transfer, assignment, encumbrance or hypothecation of twenty-five percent (25%) or more (individually or in the aggregate) of any stock or other ownership interest in such entity, and/or any transfer, assignment, hypothecation or encumbrance of any controlling ownership or voting interest in such entity, shall be deemed an assignment of this Lease and shall be subject to all of the restrictions and provisions contained in this Article 20.

20.2 **Landlord's Options.** If Tenant desires to effect a Transfer, then at least thirty (30) days prior to the date when Tenant desires the Transfer to be effective (the "Transfer Date"), Tenant shall deliver to Landlord written notice ("Transfer Notice") setting forth the terms and conditions of the proposed Transfer and the identity of the proposed assignee, sublessee or other transferee (sometimes referred to hereinafter as a "Transferee"). Tenant shall also deliver to Landlord with the Transfer Notice, a current financial statement and such evidence of financial responsibility and standing as Landlord may reasonably require of the Transferee which have been certified or audited by a reputable

independent accounting firm acceptable to Landlord, and such other information concerning the business background and financial condition of the proposed Transferee as Landlord may reasonably request. Except with respect to a Permitted Transfer, within fifteen (15) business days after Landlord's receipt of any Transfer Notice, and any additional information requested by Landlord pursuant to this Section 20.2, Landlord will notify Tenant of its election to do one of the following: (a) consent to the proposed Transfer subject to such reasonable conditions as Landlord may impose in providing such consent; (b) refuse such consent, which refusal shall be on reasonable grounds; or (c) terminate this Lease as to all or such portion of the Premises which is proposed to be sublet or assigned and recapture all or such portion of the Premises for reletting by Landlord, which termination shall be effective as of the proposed Transfer Date. If Landlord exercises its option to terminate this Lease with respect to only a portion of the Premises following Tenant's request for Landlord's approval of the proposed sublease of such space, Landlord shall be responsible for the construction of any demising wall which Landlord reasonably deems necessary to separate such space from the remainder of the Premises.

20.3 Additional Conditions; Excess Rent. A condition to Landlord's consent to any Transfer will be the delivery to Landlord of a true copy of the fully executed instrument of assignment, sublease, transfer or hypothecation, in form and substance reasonably satisfactory to Landlord, an original of Landlord's standard consent form executed by both Tenant and the proposed Transferee, and an affirmation of guaranty in form satisfactory to Landlord executed by each guarantor of this Lease, if any. In addition, Tenant shall pay to Landlord as Additional Rent within thirty (30) days after receipt thereof, without affecting or reducing any other obligations of Tenant hereunder, fifty percent (50%) of any rent or other economic consideration received by Tenant as a result of any Transfer which exceeds, in the aggregate, (i) the total Rent which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased) for the applicable period, plus (ii) any reasonable brokerage commissions and attorneys' fees actually paid by Tenant in connection with such Transfer, which commissions and fees shall, for purposes of the aforesaid calculation, be amortized on a straight-line basis over the term of such assignment or sublease. If Tenant effects a Transfer or requests the consent of Landlord to any Transfer (whether or not such Transfer is consummated), then, upon demand, and as a condition precedent to Landlord's consideration of the proposed assignment or sublease, Tenant agrees to pay Landlord a non-refundable administrative fee of Five Hundred Dollars (\$500.00), plus Landlord's reasonable attorneys' and paralegal fees and other costs incurred by Landlord in reviewing such proposed assignment or sublease (whether attributable to Landlord's in-house attorneys or paralegals or otherwise). Acceptance of the Five Hundred Dollar (\$500.00) administrative fee and/or reimbursement of Landlord's attorneys' and/or paralegal fees shall in no event obligate Landlord to consent to any proposed Transfer.

20.4 Reasonable Disapproval. Without limiting in any way Landlord's right to withhold its consent on any reasonable grounds, it is agreed that Landlord will not be acting unreasonably in refusing to consent to a Transfer if, in Landlord's reasonable opinion: (a) the proposed Transfer would result in more than two subleases of portions of the Premises being in effect at any one time during the Term; (b) the net worth or financial capabilities of a proposed assignee is less than that of Tenant and each guarantor of this Lease, if any, or the proposed assignee or subtenant does not have the financial capability to fulfill the obligations imposed by the Transfer; (c) the proposed Transferee is an existing tenant of the Building or Property or is negotiating with Landlord (or has negotiated with Landlord in the last six (6) months) for space in the Building or the Property; (d) the proposed Transferee is a governmental entity; (e) the portion of the Premises to be sublet or assigned is irregular in shape with inadequate means of ingress and egress; (f) the proposed Transfer involves a change of use of the Premises or would violate any exclusive use covenant to which Landlord is bound; (g) the Transfer would likely result in significant increase in the use of the parking areas by the Transferee's employees or visitors, and/or significantly increase the demand upon utilities and services to be provided by Landlord to the Premises; or (h) the Transferee is not in Landlord's reasonable opinion of reputable or good character or consistent with Landlord's desired tenant mix for the Building.

20.5 No Release. No Transfer, occupancy or collection of rent from any proposed Transferee shall be deemed a waiver on the part of Landlord, or the acceptance of the Transferee as Tenant and no Transfer shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay Rent and to perform all other obligations to be performed by Tenant hereunder. Landlord may require that any Transferee remit directly to Landlord on a monthly basis, all monies due Tenant by said Transferee, and each sublease shall provide that if Landlord gives said sublessee written notice that Tenant is in default under this Lease, said sublessee will thereafter make all payments due under the sublease directly to or as directed by Landlord, which payments will be credited against any payments due under this Lease. Tenant hereby irrevocably and unconditionally assigns to Landlord all rents and other sums payable under any sublease of the Premises; provided, however, that Landlord hereby grants Tenant a license to collect all such rents and other sums so long as Tenant is not in default under this Lease. Consent by Landlord to one Transfer shall not be deemed consent to any subsequent Transfer. In the event of default by any Transferee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Transferee or successor. Landlord may consent to subsequent assignments of this

Lease or sublettings or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease. Tenant hereby waives (for itself and all persons claiming under Tenant) the provisions of Civil Code Section 1995.310.

20.6 Permitted Transfers. Notwithstanding the provisions of Section 20.1 above to the contrary, provided that Tenant is not then in default, Tenant may assign this Lease or sublet the Premises or any portion thereof (herein, a "Permitted Transfer"), without Landlord's consent to any entity that controls, is controlled by or is under common control with Tenant, or to any entity resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant's business as a going concern (each, a "Permitted Transferee"), provided that: (a) at least thirty (30) days prior to such assignment or sublease, Tenant delivers to Landlord a reasonably detailed description of the proposed Transfer and the financial statements and other financial and background information of the assignee or sublessee described in Section 20.2 above; (b) in the case of an assignment, the assignee assumes, in full, the obligations of Tenant under this Lease (or in the case of a sublease, the sublessee of a portion of the Premises or Term assumes, in full, the obligations of Tenant with respect to such portion) pursuant to an assignment and assumption agreement (or a sublease, as applicable) reasonably acceptable to Landlord, a fully executed copy of which is delivered to Landlord within thirty (30) days following the effective date of such assignment or subletting; (c) each guarantor of this Lease executes a reaffirmation of its guaranty in form satisfactory to Landlord; (d) the tangible net worth of the assignee or sublessee equals or exceeds that of Tenant as of (i) the date of execution of this Lease, or (ii) the date immediately preceding the proposed Transfer, whichever is greater; (e) Tenant remains fully liable under this Lease; (f) the use of the Premises is pursuant to Section 1.10 of this Lease; (g) such transaction is not entered into as a subterfuge to avoid the restrictions and provisions of this Article 20 and will not violate any exclusive use covenant to which Landlord is bound; and (h) with respect to a subletting only, Tenant and such Permitted Transferee execute Landlord's standard consent to sublease form; and (i) Tenant is not in default under this Lease.

20.7 Pre-Approved Transfers. Tenant will have the right to assign this Lease or sublease all or any portion of Tenant's Premises during the Lease Term to any governmental entity or agency administering programs in partnership with the Pacific Gateway Workforce Investment Network without Landlord's consent. Landlord acknowledges that the State of California and the County of Los Angeles - Department of Public Social Services GAIN Program are partners with the City of Long Beach in this program and will be subtenants in a portion of the Premises. Landlord hereby approves of the foregoing Transfers, and acknowledges that the requirements of Subsections 20.1 through 20.6 of this Lease shall not apply to such Transfers.

ARTICLE 21 - SURRENDER AND HOLDING OVER

21.1 Surrender of Premises. Upon the expiration or sooner termination of this Lease, Tenant shall surrender all keys for the Premises and exclusive possession of the Premises to Landlord broom clean and in good condition and repair, reasonable wear and tear excepted (and casualty damage excepted), with all of Tenant's personal property, electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant (to be removed in accordance with the National Electric Code and other applicable Laws) and those items, if any, of Alterations identified by Landlord pursuant to Section 13.2, removed therefrom and all damage caused by such removal repaired. If Tenant fails to remove by the expiration or sooner termination of this Lease all of its personal property and Alterations identified by Landlord for removal pursuant to Section 13.2, Landlord may, (without liability to Tenant for loss thereof), at Tenant's sole cost and in addition to Landlord's other rights and remedies under this Lease, at law or in equity: (a) remove and store such items in accordance with applicable Law; and/or (b) upon ten (10) days' prior notice to Tenant, sell all or any such items at private or public sale for such price as Landlord may obtain as permitted under applicable Law. Landlord shall apply the proceeds of any such sale to any amounts due to Landlord under this Lease from Tenant (including Landlord's attorneys' fees and other costs incurred in the removal, storage and/or sale of such items), with any remainder to be paid to Tenant.

21.2 Holding Over. Tenant will not be permitted to hold over possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. If Tenant holds over after the expiration or earlier termination of the Term without the express written consent of Landlord, then, in addition to all other remedies available to Landlord, Tenant shall become a tenant at sufferance only, upon the terms and conditions set forth in this Lease so far as applicable (including Tenant's obligation to pay all Additional Rent under this Lease), but at a Monthly Base Rent equal to one hundred fifty percent (150%) of the Monthly Base Rent applicable to the Premises immediately prior to the date of such expiration or earlier termination. Any such holdover Rent shall be paid on a per month basis without reduction for partial months during the holdover. Acceptance by Landlord of Rent after such expiration or earlier termination shall not constitute consent to a hold over hereunder or result in an extension of this Lease. This Section 21.2 shall not be construed to create any express or implied right to holdover

beyond the expiration of the Term or any extension thereof. Tenant shall be liable, and shall pay to Landlord within ten (10) days after demand, for all losses incurred by Landlord as a result of such holdover, and shall indemnify, defend and hold Landlord and the Landlord Parties harmless from and against all liabilities, damages, losses, claims, suits, costs and expenses (including reasonable attorneys' fees and costs) arising from or relating to any such holdover tenancy, including without limitation, any claim for damages made by a succeeding tenant. Tenant's indemnification obligation hereunder shall survive the expiration or earlier termination of this Lease. The foregoing provisions of this Section 21.2 are in addition to, and do not affect, Landlord's right of re-entry or any other rights of Landlord hereunder or otherwise at law or in equity.

ARTICLE 22 - DEFAULTS

22.1 Tenant's Default. The occurrence of any one or more of the following events shall constitute a "Default" under this Lease by Tenant:

- a. the vacation or abandonment of the Premises by Tenant. "Abandonment" is herein defined to include, but is not limited to, any absence by Tenant from the Premises for five (5) business days or longer and not paying rent while in default of any other provision of this Lease;
- b. the failure by Tenant to make any payment of Rent, Additional Rent or any other payment required to be made by Tenant hereunder, where such failure continues for three (3) days after written notice thereof from Landlord that such payment was not received when due; provided that if Landlord provides two (2) or more notices of late payment within any twelve (12) month period, then the third failure of Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder when due in the twelve (12) month period following the second (2nd) such notice shall be an automatic Default without notice from Landlord;
- c. the failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in Sections 22.1(a) or (b) above, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that it may be cured but more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said ten (10) day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than sixty (60) days from the date of such notice from Landlord; or
- d. A general assignment by Tenant or any guarantor or surety of Tenant's obligations hereunder ("Guarantor") for the benefit of creditors;
- e. The filing of a voluntary petition in bankruptcy by Tenant or any Guarantor, the filing by Tenant or any Guarantor of a voluntary petition for an arrangement, the filing by or against Tenant or any Guarantor of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by the creditors of Tenant or any Guarantor, said involuntary petition remaining undischarged for a period of one hundred twenty (120) days;
- f. Receivership, attachment, or other judicial seizure of substantially all of Tenant's assets on the Premises, such attachment or other seizure remaining undismissed or undischarged for a period of thirty (30) days after the levy thereof;
- g. Death or disability of Tenant or any Guarantor, if Tenant or such Guarantor is a natural person, or the failure by Tenant or any Guarantor to maintain its legal existence, if Tenant or such Guarantor is a corporation, partnership, limited liability company, trust or other legal entity.

Any notice sent by Landlord to Tenant pursuant to this Section 22.1 shall be in lieu of, and not in addition to, any notice required under any applicable Law.

ARTICLE 23 - REMEDIES OF LANDLORD

23.1 Landlord's Remedies; Termination. In the event of any such Default by Tenant, in addition to any other remedies available to Landlord under this Lease, at law or in equity (including, without limitation, the remedies of Civil Code Section 1951.4 and any successor statute or similar Law, which provides that Landlord may continue this Lease in effect following Tenant's breach and abandonment and collect rent as it falls due, if Tenant has the right to sublet or assign, subject to reasonable limitations), Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder and to re-enter the Premises and remove all persons and property from the Premises;

such property may be removed, stored and/or disposed of as permitted by applicable Law. If Landlord shall elect to so terminate this Lease, then Landlord may recover from Tenant: (a) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (b) the worth at the time of the 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 (c) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus (d) 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 including, but not limited to: the total unamortized sum of any Abated Amount and Moving Allowance (amortized on a straight line basis over the initial Term of this Lease), tenant improvement costs; attorneys' fees; brokers' commissions; any costs required to return the Premises to the condition required at the end of the Term; the costs of refurbishment, alterations, renovation and repair of the Premises; and removal (including the repair of any damage caused by such removal) and storage (or disposal) of Tenant's personal property, equipment, fixtures, Alterations, Tenant Improvements and any other items which Tenant is required under this Lease to remove but does not remove; plus (e) all other monetary damages allowed under applicable Law.

As used in Sections 23.1(a) and 23.1(b) above, the "worth at the time of award" is computed by allowing interest at the Interest Rate set forth in the Summary. As used in Section 23.1(c) above, the "worth at the time of award" is 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%). Tenant hereby waives for Tenant and all those claiming under Tenant all right now or hereafter existing including, without limitation, any rights under California Code of Civil Procedure Sections 1174 and 1179 and Civil Code Section 1950.7 to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

23.2 Landlord's Remedies; Continuation of Lease; Re-Entry Rights. In the event of any such Default by Tenant, in addition to any other remedies available to Landlord under this Lease, at law or in equity, Landlord shall also have the right to (a) continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, and (b) with or without terminating this Lease, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed, stored and/or disposed of as permitted by applicable Law. No re-entry or taking possession of the Premises by Landlord pursuant to this Section 23.2, and no acceptance of surrender of the Premises or other action on Landlord's part, shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. No notice from Landlord or notice given under a forcible entry and detainer statute or similar Laws will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Notwithstanding any reletting without termination by Landlord because of any Default, Landlord may at any time after such reletting elect to terminate this Lease for any such Default.

23.3 Landlord's Right to Perform. Except as specifically provided otherwise in this Lease, all covenants and agreements by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement or offset of Rent. In the event of any Default by Tenant, Landlord may, without waiving or releasing Tenant from any of Tenant's obligations, make such payment or perform such other act as required to cure such Default on behalf of Tenant. All sums so paid by Landlord and all necessary incidental costs incurred by Landlord in performing such other acts shall be payable by Tenant to Landlord within five (5) days after demand therefor as Additional Rent.

23.4 Rights and Remedies Cumulative. All rights, options and remedies of Landlord contained in this Article 23 and elsewhere in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease. Nothing in this Article 23 shall be deemed to limit or otherwise affect Tenant's indemnification of Landlord pursuant to any provision of this Lease.

23.5 Costs Upon Default and Litigation. Tenant shall pay to Landlord and its Mortgagees as Additional Rent all the expenses incurred by Landlord or its Mortgagees in connection with any default by Tenant hereunder or the exercise of any remedy by reason of any default by Tenant hereunder, including reasonable attorneys' fees and expenses. If Landlord or its Mortgagees shall be made a party to any litigation commenced against Tenant or any litigation pertaining to this Lease or the Premises, at the option of Landlord and/or its Mortgagees, Tenant, at its expense, shall provide Landlord and/or its Mortgagees with counsel approved by Landlord and/or its Mortgagees and shall pay all costs incurred or paid by Landlord and/or its Mortgagees in connection with such litigation.

ARTICLE 24 - ENTRY BY LANDLORD

Landlord and its employees and agents shall at all reasonable times have the right to enter the Premises to inspect the same, to supply any service required to be provided by Landlord to Tenant under this Lease, to exhibit the Premises to prospective lenders or purchasers (or during the last year of the Term or during any default by Tenant, to prospective tenants), to post notices of non-responsibility, and/or to alter, improve or repair the Premises or any other portion of the Building or Property, all without being deemed guilty of or liable for any breach of Landlord's covenant of quiet enjoyment or any eviction of Tenant, and without abatement of Rent. In exercising such entry rights, Landlord shall endeavor to minimize, to the extent reasonably practicable, the interference with Tenant's business, and shall provide Tenant with reasonable advance notice (oral or written) of such entry (except in emergency situations and for scheduled services). For each of the foregoing purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Premises. Any entry to the Premises obtained by Landlord by any of said means or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof, or grounds for any abatement or reduction of Rent and Landlord shall not have any liability to Tenant for any damages or losses on account of any such entry by Landlord.

ARTICLE 25 - LIMITATION ON LANDLORD'S LIABILITY

Notwithstanding anything contained in this Lease to the contrary, the obligations of Landlord under this Lease (including as to any actual or alleged breach or default by Landlord) do not constitute personal obligations of the individual members, managers, investors, partners, directors, officers, or shareholders of Landlord or Landlord's members or partners, and Tenant shall not seek recourse against the individual members, managers, investors, partners, directors, officers, or shareholders of Landlord or Landlord's members or partners or any other persons or entities having any interest in Landlord, or any of their personal assets for satisfaction of any liability with respect to this Lease. In addition, in consideration of the benefits accruing hereunder to Tenant and notwithstanding anything contained in this Lease to the contrary, Tenant hereby covenants and agrees for itself and all of its successors and assigns that the liability of Landlord for its obligations under this Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Landlord), shall be limited solely to, and Tenant's and its successors' and assigns' sole and exclusive remedy shall be against, Landlord's interest in the Building, and no other assets of Landlord. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the fee title to, or a lessee's interest in a ground lease of, the Property. In the event of any transfer or conveyance of any such title or interest (other than a transfer for security purposes only), the transferor shall be automatically relieved of all covenants and obligations on the part of Landlord contained in this Lease. Landlord and Landlord's transferees and assignees shall have the absolute right to transfer all or any portion of their respective title and interest in the Premises, the Building, the Property and/or this Lease without the consent of Tenant, and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

ARTICLE 26 - SUBORDINATION

Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Property, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "Mortgage"). This clause shall be self-operative, but no later than fifteen (15) business days after written request from Landlord or any holder of a Mortgage (each, a "Mortgagee" and collectively, "Mortgagees"), Tenant shall execute a commercially reasonable subordination agreement. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. No later than fifteen (15) business days after written request by Landlord or any Mortgagee, Tenant shall, without charge, attorn to any successor to Landlord's interest in this Lease, provided that, so long as Tenant is not in default under any of the provisions, covenants or conditions of this Lease, that neither this Lease nor any of the rights of Tenant hereunder shall be terminated or modified, nor shall Tenant's possession of the Premises be disturbed or interfered with, by an action or proceeding to foreclose or terminate said Mortgage or this Lease. Tenant hereby waives its rights under any current or future Law which gives or purports to give Tenant any right to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event of any such foreclosure proceeding or sale. Should Tenant fail to sign and return any such documents within said fifteen (15) business day period, Tenant shall be in default hereunder.

ARTICLE 27 - ESTOPPEL CERTIFICATE

Within fifteen (15) business days following Landlord's written request, Tenant shall execute and deliver to Landlord an estoppel certificate, in a form substantially similar to the form of Exhibit F attached hereto. Any such estoppel certificate delivered pursuant to this Article 27 may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of any portion of the Property, as well as their assignees. Tenant's failure to deliver such estoppel certificate following an additional two (2) business day cure period after notice shall constitute a default hereunder. Tenant's failure to deliver such certificate within such time shall be conclusive upon Tenant that this Lease is in full force and effect, without modification except as may be represented by Landlord, that there are no uncured defaults in Landlord's performance, and that not more than one (1) month's Rent has been paid in advance.

ARTICLE 28 - RELOCATION OF PREMISES (Intentionally Deleted)

ARTICLE 29 - MORTGAGEE PROTECTION

If, in connection with Landlord's obtaining or entering into any financing or ground lease for any portion of the Building or Property, the lender or ground lessor shall request modifications to this Lease, Tenant shall, within forty-five (45) days after request therefor, execute an amendment to this Lease (which shall be subject to the approval of the Long Beach City Council) including such modifications, provided such modifications are reasonable, do not increase the obligations of Tenant hereunder, or adversely affect the leasehold estate created hereby or Tenant's rights hereunder. In the event of any default on the part of Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or mortgage covering the Premises or ground lessor of Landlord whose address shall have been furnished to Tenant, and shall offer such beneficiary, mortgagee or ground lessor a reasonable opportunity to cure the default (including with respect to any such beneficiary or mortgagee, time to obtain possession of the Premises, subject to this Lease and Tenant's rights hereunder, by power of sale or judicial foreclosure, if such should prove necessary to effect a cure).

ARTICLE 30 - QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that, upon Tenant performing all of the covenants and provisions on Tenant's part to be observed and performed under this Lease (including payment of Rent hereunder), Tenant shall have the right to use and occupy the Premises in accordance with and subject to the terms and conditions of this Lease as against all persons claiming by, through or under Landlord. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building.

ARTICLE 31 - MISCELLANEOUS PROVISIONS

31.1 Broker. Tenant represents that it has not had any dealings with any real estate broker, finder or intermediary with respect to this Lease, other than the Brokers specified in the Summary. Tenant shall indemnify, protect, defend (by counsel reasonably approved in writing by Landlord) and hold Landlord harmless from and against any and all claims, judgments, suits, causes of action, damages, losses, liabilities and expenses (including attorneys' fees and court costs) resulting from any breach by Tenant of the foregoing representation, including, without limitation, any claims that may be asserted against Landlord by any broker, agent or finder undisclosed by Tenant herein. Landlord shall indemnify, protect, and hold Tenant harmless from and against any and all claims, judgments, suits, causes of action, damages, losses, liabilities and expenses (including attorneys' fees and court costs) resulting from any other brokers claiming to have represented Landlord in connection with this Lease. The foregoing indemnities shall survive the expiration or earlier termination of this Lease. Landlord shall pay to the Brokers the brokerage fee, if any, pursuant to a separate written agreement between Landlord and Brokers.

31.2 Governing Law. This Lease shall be governed by, and construed pursuant to, the laws of the state in which the Building is located. Venue for any litigation between the parties hereto concerning this Lease or the occupancy of the Premises shall be initiated in the county in which the Premises are located. Tenant shall comply with all governmental and quasi-governmental laws, ordinances and regulations applicable to the Building, Property and/or the Premises, and all rules and regulations adopted pursuant thereto and all covenants, conditions and restrictions applicable to and/or of record against the Building, Property and/or the Site (individually, a "Law" and collectively, the "Laws").

31.3 Successors and Assigns. Subject to the provisions of Article 25 above, and except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal

representatives and permitted successors and assigns; provided, however, no rights shall inure to the benefit of any Transferee of Tenant unless the Transfer to such Transferee is made in compliance with the provisions of Article 20, and no options or other rights which are expressly made personal to the original Tenant hereunder or in any rider attached hereto shall be assignable to or exercisable by anyone other than the original Tenant under this Lease.

31.4 No Merger. The voluntary or other surrender of this Lease by Tenant or a mutual termination thereof shall not work as a merger and shall, at the option of Landlord, either (a) terminate all or any existing subleases, or (b) operate as an assignment to Landlord of Tenant's interest under any or all such subleases.

31.5 Professional Fees. If either Landlord or Tenant should bring suit (or alternate dispute resolution proceedings) against the other with respect to this Lease, including for unlawful detainer, forcible entry and detainer, or any other relief against the other hereunder, then all costs and expenses incurred by the prevailing party therein (including, without limitation, its actual appraisers', accountants', attorneys' and other professional fees, expenses and court costs), shall be paid by the other party, including any and all costs incurred in enforcing, perfecting and executing such judgment and all reasonable costs and attorneys' fees associated with any appeal. Further, if for any reason Landlord consults legal counsel or otherwise incurs any costs or expenses as a result of its proper attempt to enforce the provisions of this Lease against Tenant, even though no litigation is commenced, or if commenced is not pursued to final judgment, Tenant shall be obligated to pay to Landlord, in addition to all other amounts for which Tenant is obligated hereunder, all of Landlord's reasonable costs and expenses incurred in connection with any such acts, including attorneys' fees incurred associated with any appeal.

31.6 Waiver. The waiver by either party of any breach by the other party of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant and condition herein contained, nor shall any custom or practice which may become established between the parties in the administration of the terms hereof be deemed a waiver of, or in any way affect, the right of any party to insist upon the performance by the other in strict accordance with said terms. No waiver of any default of either party hereunder shall be implied from any acceptance by Landlord or delivery by Tenant (as the case may be) of any Rent or other payments due hereunder or any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver.

31.7 Terms and Headings. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in any gender include other genders. The Article and Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. Any deletion of language from this Lease prior to its execution by Landlord and Tenant shall not be construed to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse of the deleted language. The parties hereto acknowledge and agree that each has participated in the negotiation and drafting of this Lease; therefore, in the event of an ambiguity in, or dispute regarding the interpretation of, this Lease, the interpretation of this Lease shall not be resolved by any rule of interpretation providing for interpretation against the party who caused the uncertainty to exist or against the draftsman.

31.8 Time. Time is of the essence with respect to performance of every provision of this Lease in which time or performance is a factor.

31.9 Business Day. A "business day" is Monday through Friday, excluding holidays observed by the United States Postal Service and reference to 5:00 p.m. is to the time zone of the recipient. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Lease during a certain period of time (or by a particular date) that ends (or occurs) on a non-business day, then such period (or date) shall be extended until the immediately following business day.

31.10 Payments and Notices. All Rent and other sums payable by Tenant to Landlord hereunder shall be paid to Landlord at the address designated in the Summary, or to such other persons and/or at such other places as Landlord may hereafter designate in writing. Any notice required or permitted to be given hereunder must be in writing and may be given by personal delivery (including delivery by nationally recognized overnight courier or express mailing service), or by registered or certified mail, postage prepaid, return receipt requested, addressed to Tenant at the address(es) designated in the Summary, or to Landlord at the address(es) designated in the Summary. Either party may, by written notice to the other, specify a different address for notice purposes. Notice given in the foregoing manner shall be deemed given (i) upon confirmed transmission if sent by facsimile transmission, provided such transmission is prior to 5:00 p.m. on a business day (if such transmission is after 5:00 p.m. on a business day or is on a non-business day, such notice will be deemed given on the

following business day), (ii) when actually received or refused by the party to whom sent if delivered by a carrier or personally served or (iii) if mailed, on the day of actual delivery or refusal as shown by the certified mail return receipt or the expiration of three (3) business days after the day of mailing, whichever first occurs.

31.11 Prior Agreements; Amendments. This Lease, including the Summary and all Exhibits attached hereto, contains all of the covenants, provisions, agreements, conditions and understandings between Landlord and Tenant concerning the Premises and any other matter covered or mentioned in this Lease, and no prior agreement or understanding, oral or written, express or implied, pertaining to the Premises or any such other matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The parties acknowledge that all prior agreements, representations and negotiations are deemed superseded by the execution of this Lease to the extent they are not expressly incorporated herein.

31.12 Separability. The invalidity or unenforceability of any provision of this Lease shall in no way affect, impair or invalidate any other provision hereof, and such other provisions shall remain valid and in full force and effect to the fullest extent permitted by law.

31.13 Recording. Neither Landlord nor Tenant shall record this Lease or a short form memorandum of this Lease.

31.14 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. Tenant agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or at common law.

31.15 Financial Statements. Upon ten (10) days prior written request from Landlord (which Landlord may make at any time during the Term including in connection with Tenant's exercise of any Option in this Lease, but no more often than two (2) times in any calendar year, other than in the event of a default by Tenant during such calendar year or the exercise of any Option in such calendar year, when such limitation shall not apply), Tenant shall deliver to Landlord (a) a current financial statement of Tenant and any guarantor of this Lease, and (b) financial statements of Tenant and such guarantor for the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally acceptable accounting principles and certified as true in all material respects by Tenant (if Tenant is an individual) or by an authorized officer, member/manager or general partner of Tenant (if Tenant is a corporation, limited liability company or partnership, respectively). This Section 31.15 shall not apply to the originally-named Tenant hereunder, nor to any successor tenant if such successor is a governmental agency or entity.

31.16 No Partnership. Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Tenant by reason of this Lease.

31.17 Force Majeure. If either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including, without limitation, failure, refusal or delay in issuing permits, approvals and/or authorizations), injunction or court order, riots, insurrection, war, terrorism, bioterrorism, fire, earthquakes, inclement weather including rain, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability) (herein collectively, "Force Majeure Delay(s)"), then performance of such act shall be excused for the period of such Force Majeure Delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this Section 31.17 shall not apply to nor operate to excuse Tenant from the payment of Monthly Base Rent, or any Additional Rent or any other payments strictly in accordance with the terms of this Lease.

31.18 Counterparts; Electronic Delivery. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement. An executed counterpart of this Lease transmitted and received by facsimile, e-mail or other electronic delivery shall be deemed for all purposes to be an original, executed counterpart hereof.

31.19 Nondisclosure of Lease Terms. Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms could adversely affect the ability of Landlord to negotiate other leases and impair Landlord's relationship with other tenants. Accordingly, Tenant agrees that it, and its partners, officers, directors, shareholders, members, managers, employees, agents and attorneys, shall not intentionally and voluntarily disclose the terms and conditions of this Lease to any newspaper or other publication or any other tenant or apparent prospective tenant of the Building or other portion of the Property, or real estate agent, either directly or indirectly, without the prior written consent of Landlord, provided, however, that Tenant may disclose the terms to prospective subtenants or assignees under this Lease. This Section 31.19 shall not apply to the originally-named Tenant hereunder, nor to any successor tenant if such successor is a governmental agency or entity.

31.20 Tenant's Authority. If Tenant executes this Lease as a partnership, corporation or limited liability company, then Tenant and the persons and/or entities executing this Lease on behalf of Tenant represent and warrant that: (a) Tenant is a duly organized and existing partnership, corporation or limited liability company, as the case may be, and is qualified to do business in the state in which the Building is located; (b) such persons and/or entities executing this Lease are duly authorized to execute and deliver this Lease on Tenant's behalf; and (c) this Lease is binding upon Tenant in accordance with its terms. Tenant shall provide to Landlord a copy of any documents reasonably requested by Landlord evidencing such qualification, organization, existence and authorization within ten (10) days after Landlord's request. Tenant represents and warrants to Landlord that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, (i) in violation of any Laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/tlfdn.pdf> or any replacement website or other replacement official publication of such list.

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

31.22 No Option. The submission of this Lease for examination or execution by Tenant does not constitute a reservation of or option for the Premises and this Lease shall not become effective as a Lease until the final lease has been approved by any and all Mortgagee(s) and it has been executed by Landlord and delivered to Tenant.

31.23 Options and Rights in General. Any option (each an "Option" and collectively, the "Options"), including without limitation, any option to extend, option to terminate, option to expand, right to lease, right of first offer, and/or right of first refusal, granted to Tenant is personal to the original Tenant executing this Lease or a Permitted Transferee and may be exercised only by the original Tenant executing this Lease while occupying the entire Premises and without the intent of thereafter assigning this Lease or subletting the Premises or a Permitted Transferee and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than the original Tenant executing this Lease or a Permitted Transferee. The Options, if any, granted to Tenant under this Lease are not assignable separate and apart from this Lease, nor may any Option be separated from this Lease in any manner, either by reservation or otherwise. Tenant will have no right to exercise any Option, notwithstanding any provision of the grant of option to the contrary, and Tenant's exercise of any Option may be nullified by Landlord and deemed of no further force or effect, if (i) Tenant is in default under the terms of this Lease (or if Tenant would be in such default under this Lease but for the passage of time or the giving of notice, or both) as of Tenant's exercise of the Option in question or at any time after the exercise of any such Option and prior to the commencement of the Option event, (ii) Tenant has sublet all or more than fifty percent (50%) of the Premises except pursuant to a Permitted Transfer, or (iii) Landlord has given Tenant two (2) or more notices of default, whether or not such defaults are subsequently cured, during any twelve (12) consecutive month period of this Lease. Each Option granted to Tenant, if any, is hereby deemed an economic term which Landlord, in its sole and absolute discretion, may or may not offer in conjunction with any future extensions of the Term.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURES ON FOLLOWING PAGE]

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

Tenant:

CITY OF LONG BEACH,

a

Assistant City Manager

By: 

Name: Patrick H. West

Title: City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

APPROVED AS TO FORM

12-8-2016
CHARLES PARKIN, City Attorney

By: 

RICHARD ANTHONY
DEPUTY CITY ATTORNEY

Landlord:

PACIFIC PLACE OFFICE LLC,
a Delaware limited liability company

By **JUPITER B-II LLC**, a Delaware limited liability company
Its Member

By **JUPITER ADVISORS LLC**, a California limited liability company
Its Manager

By 
Edmond F. St. Geme
Its Managing Member

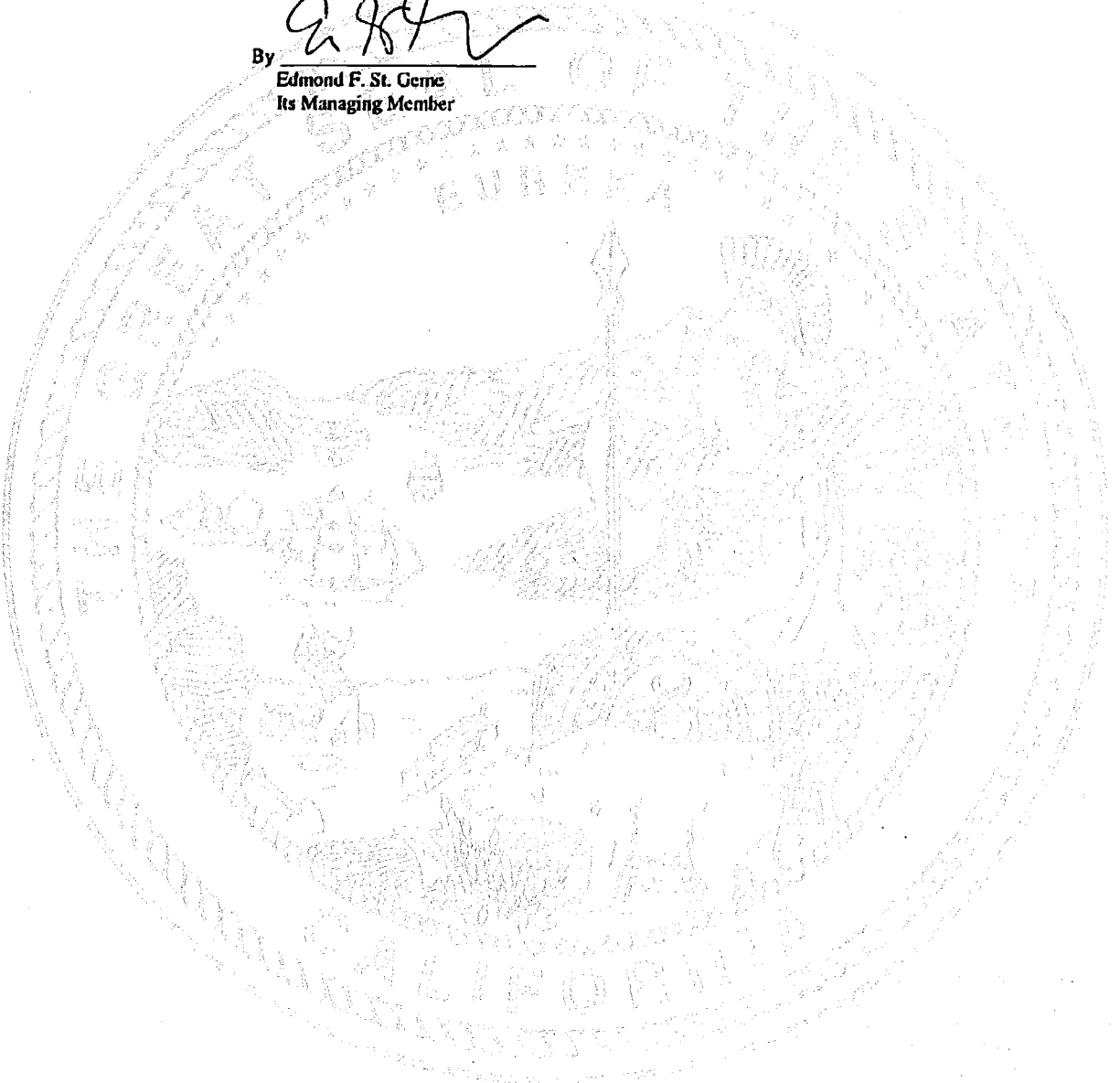


EXHIBIT A

PREMISES FLOOR PLAN

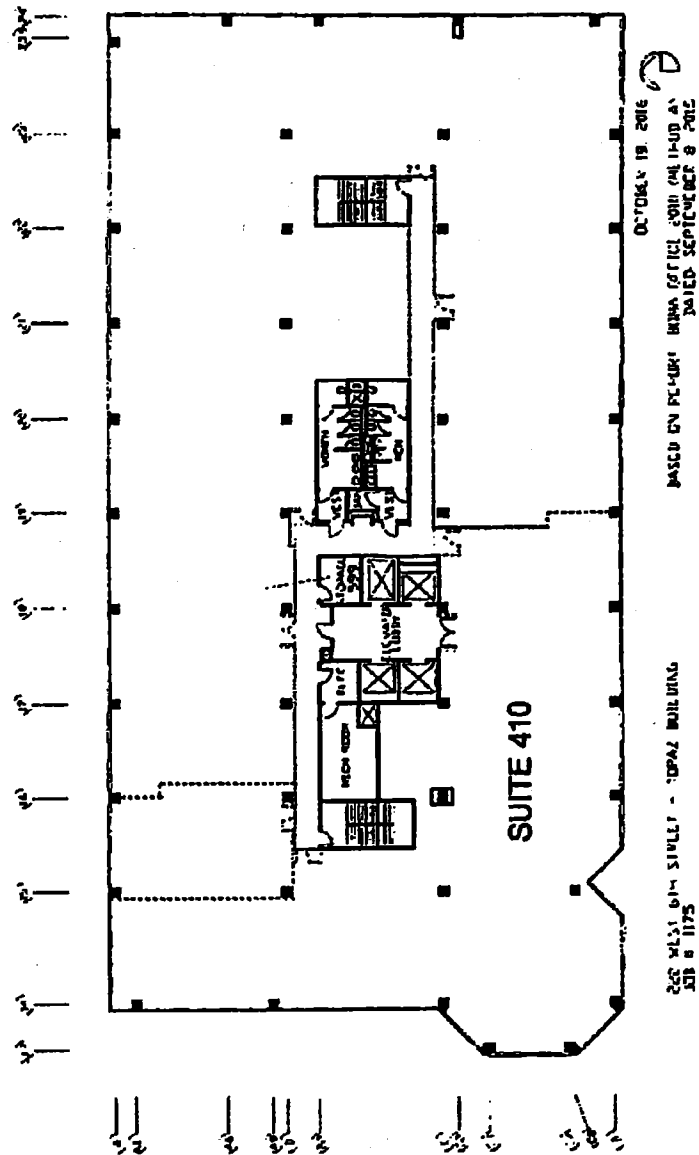


EXHIBIT B

SITE PLAN

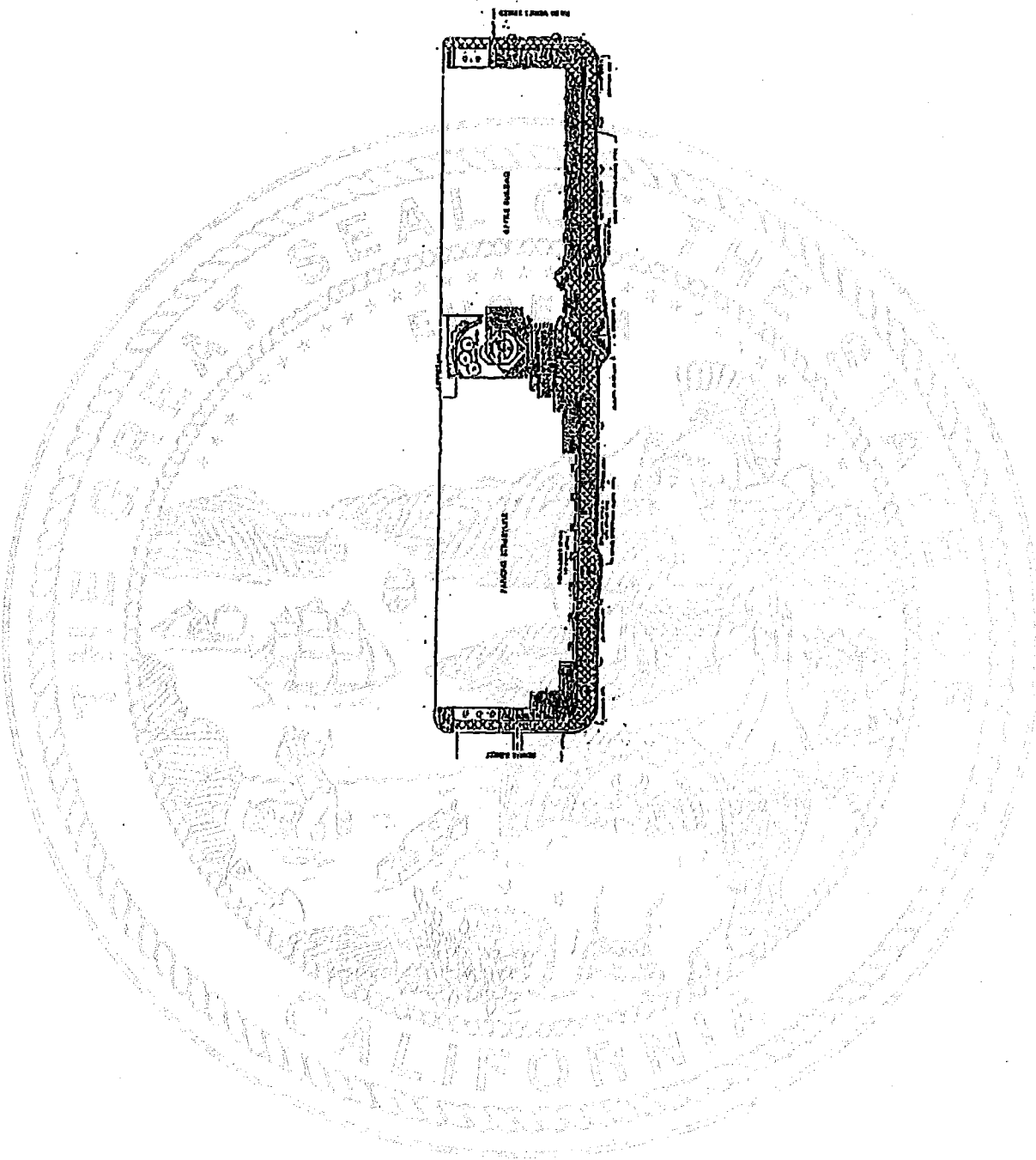


EXHIBIT C

WORK LETTER

1. **TENANT IMPROVEMENTS.** As used in the Lease and this Work Letter, the term "Tenant Improvements" or "Tenant Improvement Work" means those items of general tenant improvement construction shown on the Final Plans (described in Section 4 below).

2. **WORK SCHEDULE.** Within ten (10) days after the execution of this Lease, Landlord will deliver to Tenant, for Tenant's review and approval, a schedule ("Work Schedule") which will set forth the timetable for the planning and completion of the installation of the Tenant Improvements and the Commencement Date of the Lease. The Work Schedule will set forth each of the various items of work to be done or approval to be given by Landlord and Tenant in connection with the completion of the Tenant Improvements. The Work Schedule will be submitted to Tenant for its approval, which approval Tenant agrees not to unreasonably withhold, and, once approved by both Landlord and Tenant, the Work Schedule will become the basis for completing the Tenant Improvements. All plans and drawings required by this Work Letter and all work performed pursuant thereto are to be prepared and performed in accordance with the Work Schedule. Landlord may, from time to time during construction of the Tenant Improvements, modify the Work Schedule as Landlord reasonably deems appropriate. If Tenant fails to approve the Work Schedule, as it may be modified after discussions between Landlord and Tenant within five (5) business days after the date the Work Schedule is first received by Tenant, the Work Schedule shall be deemed to be approved by Tenant as submitted or Landlord may, at its option, terminate the Lease upon written notice to Tenant.

3. **CONSTRUCTION REPRESENTATIVES.** Landlord hereby appoints the following person(s) as Landlord's representative ("Landlord's Representative") to act for Landlord in all matters covered by this Work Letter: Tender Baldwin.

Tenant hereby appoints the following person(s) as Tenant's representative ("Tenant's Representative") to act for Tenant in all matters covered by this Work Letter:

All communications with respect to the matters covered by this Work Letter are to be made to Landlord's Representative or Tenant's Representative, as the case may be, in writing in compliance with the notice provisions of the Lease. Either party may change its representative under this Work Letter at any time by written notice to the other party in compliance with the notice provisions of the Lease.

4. TENANT IMPROVEMENT PLANS.

(a) **Preparation of Space Plans.** Landlord shall reimburse Tenant up to \$0.12 per rentable square foot of the Premises for the cost incurred by Tenant for Tenant's architect to prepare preliminary space plans for the layout of the Premises ("Space Plans"), which Space Plans are attached to this Lease as Exhibit G. The Space Plans detail the architectural design of the Premises and layout of the Tenant Improvements therein and have been pre-approved by both Landlord and Tenant.

(b) **Preparation of Final Plans.** Based on the approved Space Plans, and in accordance with the Work Schedule, Tenant's architect will prepare complete architectural plans, drawings and specifications and complete engineered mechanical, structural and electrical working drawings for all of the Tenant Improvements for the Premises (collectively, the "Final Plans") pursuant to a contract executed by Landlord with such architect. The Final Plans will be submitted to Tenant for signature to confirm that they are consistent with the Space Plans. If Tenant reasonably disapproves any aspect of the Final Plans based on any inconsistency with the Space Plans, Tenant agrees to advise Landlord in writing of such disapproval and the reasons therefor within the time frame set forth in the Work Schedule. In accordance with the Work Schedule, Landlord will, subject to Section 4(c) below, then cause Tenant's architect to redesign the Final Plans incorporating the revisions reasonably requested by Tenant so as to make the Final Plans consistent with the Space Plans.

(c) **Requirements of Tenant's Final Plans.** Landlord will not unreasonably withhold its consent to changes in the Final Plans proposed by Tenant provided the Final Plans, as revised, will: (i) be compatible with the Building shell and with the design, construction and equipment of the Building; (ii) be consistent with the Building standards set forth in writing by Landlord (the "Standards") or of at least equal quality as the Standards and approved by Landlord; (iii) comply with all applicable Laws, ordinances, rules and regulations of all governmental authorities having jurisdiction, and all applicable insurance regulations; (iv) not require Building service beyond the level normally provided to other tenants in the Building and will not overload the Building floors; and (v) be of a nature and quality consistent with the overall objectives of Landlord for the Building, as determined by Landlord in its

reasonable but subjective discretion. Tenant Improvements shall be constructed pursuant to all applicable governmental codes in effect at Lease Commencement, including, but not limited to Americans with Disability Act regulations and fire/life safety codes.

(d) **Submittal of Final Plans.** Once approved by Landlord and Tenant, Tenant's architect will submit the Final Plans to the appropriate governmental agencies for plan checking and the issuance of a building permit. Tenant's architect, with Tenant's cooperation, will make any changes to the Final Plans which are requested by the applicable governmental authorities to obtain the building permit. After approval of the Final Plans no further changes may be made without the prior written approval of both Landlord and Tenant, and then only after agreement by Tenant to pay any excess costs resulting from the design and/or construction of such changes. Tenant hereby acknowledges that any such changes will be subject to the terms of Sections 7 and 8 below. Landlord's approval of the Final Plans shall create no liability or responsibility on the part of Landlord for the completeness of such plans or their design sufficiency or compliance with Laws.

(e) **Contractor Bidding and Contractor Selection.** The Final Plans shall be bid for by three (3) licensed general contractors. Landlord and Tenant shall mutually select the winning bid and Landlord shall enter into the contract to secure the general contractor.

5. **PAYMENT FOR THE TENANT IMPROVEMENTS.** Landlord shall pay for the cost of all Tenant Improvement Work, including but not limited to all architectural services, construction drawings, engineering and structural drawings and construction management services, covered by the version of the Final Plans initially approved by applicable governmental authorities to obtain the building permit, except that Landlord shall not pay for any of Tenant's furniture, fixtures or equipment specified in such Final Plans, the cost of which shall be paid by Tenant to Landlord's contractor promptly upon receipt of invoices therefor. If, after the Final Plans have been so approved, Tenant requires any changes or substitutions to the Final Plans, any additional costs related thereto including the fee for Landlord's contractor and Landlord's standard five percent (5%) fee for the construction manager associated with the supervision of such changes or substitutions are to be paid by Tenant to Landlord within five (5) business days after invoice therefor. Any changes to the Final Plans will be approved by Landlord and Tenant in the manner set forth in Section 4 above. Landlord will have the right to decline Tenant's request for a change to the Final Plans if such changes are inconsistent with the provisions of Section 4 above, or if the change would unreasonably delay construction of the Tenant Improvements and the Commencement Date of the Lease.

6. **CONSTRUCTION OF TENANT IMPROVEMENTS.** Until Tenant approves the Final Plans, Landlord will be under no obligation to cause the construction of any of the Tenant Improvements. Following Tenant's approval of the Final Plans and upon Tenant's payment of any amounts required under Section 5 above, Landlord's contractor will commence and diligently proceed with the construction of the Tenant Improvements, subject to Tenant Delays (as described in Section 8 below) and Force Majeure Delays (as described in Section 9 below).

Landlord shall comply with the California Labor Code Section 1720 regarding the payment of prevailing wages for the Tenant Improvements described herein and Landlord shall indemnify Tenant against all claims, losses, liabilities suffered by Tenant in connection with Landlord's failure to comply.

7. **COMMENCEMENT DATE AND SUBSTANTIAL COMPLETION.**

(a) **Commencement Date.** The Term of the Lease will commence on the date (the "Commencement Date") which is the earlier of: (i) the date Tenant moves into the Premises to commence operation of its business in all or any portion of the Premises; or (ii) the date the Tenant Improvements have been "substantially completed" (as defined below); provided, however, that if substantial completion of the Tenant Improvements is delayed as a result of any Tenant Delays described in Section 8 below, then the Commencement Date as would otherwise have been established pursuant to this Section 7(a)(ii) will be accelerated by the number of days of such Tenant Delays.

(b) **Substantial Completion; Punch-List.** For purposes of Section 7(a)(ii) above, the Tenant Improvements will be deemed to be "substantially completed" when Landlord: (a) is able to provide Tenant with reasonable access to the Premises and (b) has substantially performed all of the Tenant Improvement Work required to be performed by Landlord under this Work Letter, other than minor "punch-list" type items and adjustments which do not materially interfere with Tenant's access to or use of the Premises. Within ten (10) days after delivery of the Premises to Tenant, Tenant and Landlord will conduct a walk-through inspection of the Premises and prepare a written punch-list specifying those punch-list items which require completion, which items Landlord will thereafter diligently complete.

(c) **Delivery of Possession.** Landlord agrees to deliver possession of the Premises to Tenant when the Tenant Improvements have been substantially completed in accordance with Section (b) above. The parties estimate that Landlord will deliver possession of the Premises to Tenant and the Term will

commence on or before the Estimated Commencement Date set forth in Section 1.6 of the Summary. Landlord agrees to use its commercially reasonable efforts to cause the Premises to be substantially completed on or before the Estimated Commencement Date. Tenant agrees that if Landlord is unable to deliver possession of the Premises to Tenant on or prior to the Estimated Commencement Date specified in Section 1.6 of the Summary, the Lease will not be void or voidable, nor will Landlord be liable to Tenant for any loss or damage resulting therefrom.

8. **TENANT DELAYS.** For purposes of this Work Letter, "Tenant Delays" means any delay in the completion of the Tenant Improvements resulting from any or all of the following: (a) Tenant's failure to timely perform any of its obligations pursuant to this Work Letter, including any failure to complete, on or before the due date therefor, any action item which is Tenant's responsibility pursuant to the Work Schedule delivered by Landlord to Tenant pursuant to this Work Letter; (b) Tenant's changes to Space Plans or Final Plans after Landlord's approval thereof; (c) Tenant's request for materials, finishes, or installations which are not readily available or which are incompatible with the Standards; (d) any delay of Tenant in making payment to Landlord for Tenant's share of the work cost, if any; or (e) any other act or failure to act by Tenant, Tenant's employees, agents, architects, independent contractors, consultants and/or any other person performing or required to perform services on behalf of Tenant.

9. **FORCE MAJEURE DELAYS.** For purposes of this Work Letter, "Force Majeure Delays" means any actual delay in the construction of the Tenant Improvements, which is beyond the reasonable control of Landlord or Tenant, as the case may be, as described in Section 31.17 of the Standard Lease Provisions.

10. **FREIGHT/CONSTRUCTION ELEVATOR.** Landlord will, consistent with its obligation to other tenants in the Building, if appropriate and necessary, make the freight/construction elevator reasonably available to Tenant in connection with initial decorating, furnishing and moving into the Premises. Tenant agrees to pay for any after-hours staffing of the freight/construction elevator, if needed.

EXHIBIT D

NOTICE OF LEASE TERM DATES

Date:

To:

Re: _____ dated _____ ("Lease") by and between _____, a
_____, ("Landlord"), and _____, a _____
_____, ("Tenant") for the premises commonly known as,
_____, ("Premises").

Dear :

In accordance with the above-referenced Lease, we wish to advise and/or confirm as follows:

- That Tenant has accepted and is in possession of the Premises and acknowledges the following:

- Term of the Lease:
- Commencement Date:
- Expiration Date:
- Rentable Square Feet:
- Tenant's Percentage of Building: %

- That in accordance with the Lease, rental payments will/has commence(d) on _____
and rent is payable in accordance with the following schedule:

Months	Monthly Base Rent
00/00/0000 - 00/00/0000	\$00,000.00
00/00/0000 - 00/00/0000	\$00,000.00
00/00/0000 - 00/00/0000	\$00,000.00

- Rent is due and payable in advance on the first day of each and every month during the Term of the Lease.
- Your rent checks should be made payable to:

ACCEPTED AND AGREED

TENANT:

LANDLORD:

a, _____

a, _____

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

By: _____
Print Name: _____
Its: _____

EXHIBIT E

RULES AND REGULATIONS

1. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises. 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, other than Building standard materials, without the prior written consent of Landlord.
2. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Building. The halls, passages, exits, entrances, elevators, escalators and stairways are not for the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the reasonable judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building; provided, that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. Tenant and no employee, invitee, agent, licensee or contractor of Tenant shall go upon or be entitled to use any portion of the roof of the Building without the prior written consent of Landlord.
3. Tenant shall not cause any unnecessary janitorial labor by carelessness or indifference to the good order and cleanliness of the Premises. Landlord shall not in any way be responsible to Tenant for loss of property on the Premises, however occurring, or for any damage to Tenant's property by any janitors or any other employee or any other person.
4. Landlord will furnish Tenant, free of charge, with two keys to each door lock in the Premises. Landlord may impose a reasonable charge for any additional keys. Tenant may not make or have made additional keys, and Tenant shall not alter any lock or install a new additional lock or bolt on any door or window of its Premises. Tenant, upon termination of its tenancy, shall deliver to Landlord the keys of all doors which have been furnished to, or otherwise procured by Tenant, and, in the event of loss of any keys, shall pay Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change.
5. No machines other than standard office machines, such as typewriters and calculators, photo copiers, personal computers and word processors, and vending machines permitted by the Lease, shall be used in the Premises without the approval of Landlord.
6. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry and which is allowed by Law. Landlord shall have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building. Heavy objects, if such objects are considered necessary by Tenant, as determined by Landlord, shall stand on such platforms as determined by Landlord to be necessary to properly distribute the weight. Business machines and mechanical equipment which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
7. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for the operation or maintenance of office equipment. Tenant shall not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any birds or animals.
8. Tenant shall not use any method of heating or air-conditioning other than that supplied to the Premises by Landlord.
9. Landlord reserves the right from time to time, in Landlord's sole and absolute discretion, exercisable without prior notice and without liability to Tenant, to: (a) name or change the name of the Building or Property; (b) change the address of the Building, and/or (c) install, replace or change any signs in, on or about the Property (except for Tenant's signs, if any, which are expressly permitted by the Lease).

10. Landlord reserves the right to exclude from the Building between the hours of 6:00 p.m. and 7:00 a.m., or such other hours as may be reasonably established from time to time by Landlord, and on legal holidays, any person unless that person is known to the person or employee in charge of the Building and has a pass or is properly identified. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
11. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substances of any kind whatsoever shall be thrown therein.
12. Tenant shall not install any radio or television antenna, loudspeaker or other device on the roof or exterior walls of the Building without the prior written consent of Landlord. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.
13. Except as expressly permitted in the Lease, Tenant shall not mark, drive nails, screw or drill into the partitions, window mullions, woodwork or drywall, or in any way deface the Premises or any part thereof, except to install normal wall hangings. Tenant shall repair any damage resulting from noncompliance under this rule.
14. Tenant shall store all its trash and garbage within the trash receptacles for the Building or Property. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions reasonably issued from time to time by Landlord.
15. Other than as permitted elsewhere in the Lease, the Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging of any kind. No cooking shall be done or permitted by Tenant on the Premises, except that use by Tenant of Underwriters' Laboratory-approved equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted and the use of a microwave shall be permitted, provided that such equipment and use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.
16. Tenant shall not use in any space, elevators or stairwells of the Building, any hand trucks except those equipped with rubber tires and side guards, or such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Building.
17. Tenant shall not use the name of the Building in connection with, or in promoting or advertising, the business of Tenant, except for Tenant's address.
18. Tenant agrees that it shall comply with all fire and security regulations that may be issued from time to time by Landlord, and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire or security regulations. Tenant shall cooperate fully with Landlord in all matters concerning fire and other emergency procedures.
19. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage. Such responsibility shall include keeping doors locked and other means of entry to the Premises closed.
20. Landlord reserves the right to make such other and reasonable non-discriminatory Rules and Regulations as, in its judgment, may from time to time be needed for safety, security, care and cleanliness of the Building or Property and for the preservation of good order therein. Tenant agrees to abide by all such Rules and Regulations hereinabove stated and any additional rules and regulations which are adopted.
21. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's Parties.
22. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except by a paste, or other material which may easily be removed with water, the use of cement or other similar adhesive materials being expressly prohibited. The method of affixing any such linoleum, tile, carpet or other similar floor covering shall be subject to the approval of Landlord. The expense of repairing any damage resulting from a violation of this rule shall be borne by Tenant.
23. Tenant shall not without Landlord's consent, which may be given or withheld in Landlord's sole and absolute discretion, receive, store, discharge, or transport firearms, ammunition, or weapons or explosives of any kind or nature at, on or from the Premises.

PARKING RULES AND REGULATIONS

In addition to any parking provisions contained in the Lease, the following rules and regulations shall apply with respect to the use of the Property's parking facilities.

1. Every parker is required to park and lock his/her own vehicle. All responsibility for damage to or loss of vehicles is assumed by the parker and Landlord shall not be responsible for any such damage or loss by water, fire, defective brakes, the act or omissions of others, theft, or for any other cause.
2. Tenant shall not park or permit its employees to park in any parking areas designated by Landlord as areas for parking by visitors to the Property, except that Tenant shall be allowed to park its handicapped transport vehicles in spaces designated for handicapped visitors, subject to availability. Tenant shall not leave vehicles in the parking areas overnight nor park any vehicles in the parking areas other than automobiles, motorcycles, motor driven or non-motor driven bicycles or four wheeled trucks.
3. Parking stickers or any other device or form of identification supplied by Landlord as a condition of use of the parking facilities shall remain the property of Landlord. Such parking identification 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. Devices are not transferable and any device in the possession of an unauthorized holder will be void.
4. No extended term storage of vehicles shall be permitted.
5. Vehicles must be parked entirely within painted stall lines of a single parking stall.
6. All directional signs and arrows must be observed.
7. The speed limit within all parking areas shall be five (5) miles per hour.
8. Parking is prohibited: (a) in areas not striped for parking; (b) in aisles; (c) where "no parking" signs are posted; (d) on ramps; (e) in cross-hatched areas; and (f) in reserved spaces and in such other areas as may be designated by Landlord or Landlord's parking operator.
9. Loss or theft of parking identification devices, if any, must be reported to Landlord's property manager immediately, and a lost or stolen report must be filed by the Tenant or user of such parking identification device at the time. Landlord has the right to exclude any vehicle from the parking facilities that does not have an identification device.
10. Any parking identification devices reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution.
11. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited.
12. The parking operators, managers or attendants, if any, are not authorized to make or allow any exceptions to these rules and regulations.
13. If the Lease terminates for any reason whatsoever or if Tenant's right of possession of the Premises is terminated after a Default, Tenant's right to park in the parking facilities shall terminate concurrently therewith.
14. Landlord reserves the right to modify and/or adopt such other reasonable and non-discriminatory rules and regulations for the parking facilities as it deems necessary for the operation of the parking facilities. Landlord may refuse to permit any person who violates these rules to park in the parking facilities, and any violation of the rules shall subject the vehicle to removal, at such vehicle owner's expense.
15. Tenant shall not permit any parking by its employees, agents, subtenants, customers, invitees, concessionaires or visitors on the streets surrounding the Premises in violation of any ordinances or postings by any public authorities having jurisdiction.
16. Tenant's parking spaces shall be used only for parking by vehicles no larger than normally sized passenger automobiles, vans and sport utility vehicles. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described herein, then Landlord shall have the right, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost thereof to Tenant, which cost shall be payable by Tenant upon demand by Landlord.

EXHIBIT F

ESTOPPEL CERTIFICATE

The undersigned ("Tenant") hereby certifies to _____ ("Landlord"),
and _____, as follows:

1. Attached hereto is a true, correct and complete copy of that certain Lease dated _____, between Landlord and Tenant (the "Lease"), for the premises commonly known as _____ (the "Premises"). The Lease is now in full force and effect and has not been amended, modified or supplemented, except as set forth in Section 6 below.
2. The term of the Lease commenced on _____.
3. The term of the Lease is currently scheduled to expire on _____.
4. Tenant has no option to renew or extend the Term of the Lease except: _____.
5. Tenant has no preferential right to purchase the Premises or any portion of the Building/Premises except: _____.
6. The Lease has: (Initial One)
() not been amended, modified, supplemented, extended, renewed or assigned.
() been amended, modified, supplemented, extended, renewed or assigned by the following described agreements, copies of which are attached hereto: _____.
7. Tenant has accepted and is now in possession of the Premises and has not sublet, assigned or encumbered the Lease, the Premises or any portion thereof except as follows: _____.
8. The current Base Rent is \$ _____; and current monthly parking charges are \$ _____.
9. The amount of security deposit (if any) is \$ _____. No other security deposits have been made.
10. All rental payments payable by Tenant have been paid in full as of the date hereof. No rent under the Lease has been paid for more than thirty (30) days in advance of its due date.
11. All work required to be performed by Landlord under the Lease has been completed and has been accepted by Tenant, and all tenant improvement allowances have been paid in full except _____.
12. As of the date hereof, Tenant is not aware of any defaults on the part of Landlord under the Lease except _____.
13. As of the date hereof, there are no defaults on the part of Tenant under the Lease.
14. Tenant has no defense as to its obligations under the Lease and claims no set-off or counterclaim against Landlord.
15. Tenant has no right to any concession (rental or otherwise) or similar compensation in connection with renting the space it occupies, except as expressly provided in the Lease.
16. All insurance required of Tenant under the Lease has been provided by Tenant and all premiums have been paid.
17. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought pursuant to such bankruptcy laws with respect to Tenant.
18. Tenant pays rent due Landlord under the Lease to Landlord and does not have any knowledge of any other person who has any right to such rents by collateral assignment or otherwise.

The foregoing certification is made with the knowledge that _____
is about to [fund a loan to Landlord or purchase the Building from Landlord], and that
_____ is relying upon the representations herein made in [funding such loan
or purchasing the Building].

Dated: _____.

TENANT

By: _____
Print Name: _____
Its: _____

EXHIBIT G

SPACE PLANS

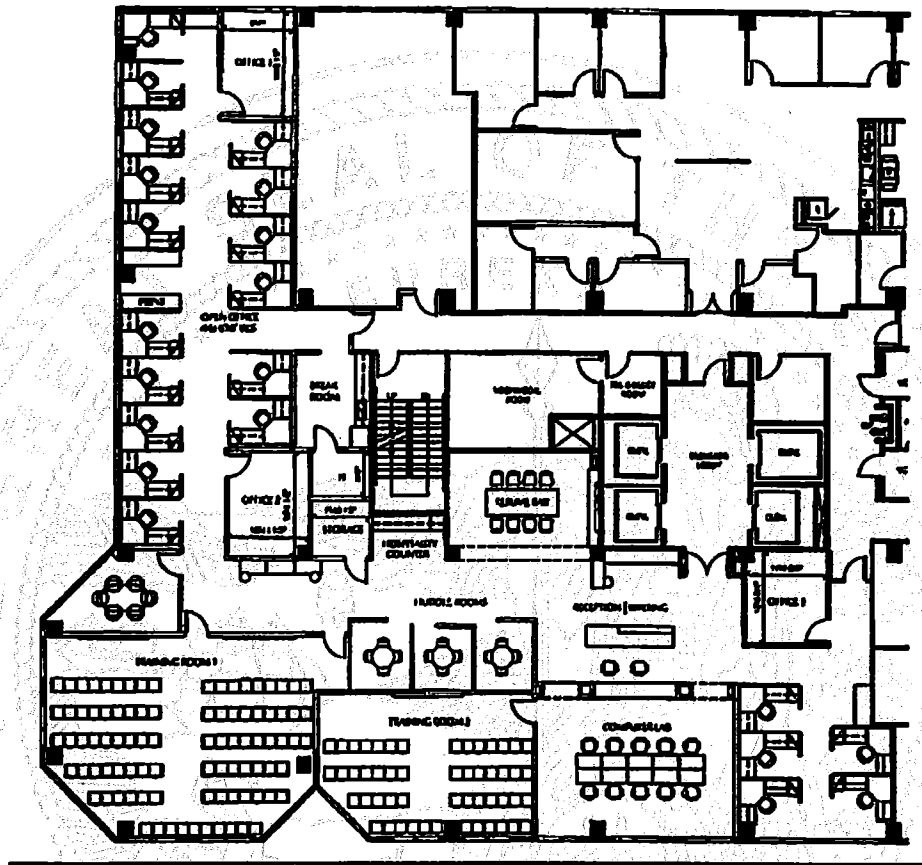


EXHIBIT H

TENANT'S SEISMIC AND ADA REQUIREMENTS



June 8, 2018

Pacific Place Office LLC
c/o Mr. Kelly Claussen
222 W. 8th St., Suite 310
San Pedro, CA 90731

RE: Seismic Review, 222 W. 6th St., San Pedro, CA 90731
AllWest Project 16T025.87

Building Description

The building is an 11-story steel structure designed in 1988 in accordance with 1985 UBC requirements. For lateral strength the building relies on steel welded moment resisting frames. The building is founded on deep, reinforced concrete piles. As shown on the 1988 original structural drawings, the welded beam-to-column connections are the field full penetration type welds commonly referred to as pre-1994 Northridge earthquake connections. Prior to 1997, these connections were standard engineering practice. The 1988 drawings detail them designed with column reinforced panel zones and continuity plates across the column webs.

Past Exposure to Earthquakes

Since its construction in 1988 the building has been exposed only to minor, low Modified Mercalli Intensity scale (MMI) earthquakes. According to USGS information the most recent earthquake the building experienced occurred on December 2014. The earthquake epicenter was offshore, approximately 15 miles (24 km) south of San Pedro, CA. The earthquake's 3.9 magnitude converts to a MMI III. The 6.7 magnitude 1994 Northridge earthquake occurred approximately 70 km northwest of San Pedro and created a similar MMI III value at the building site.


Per Section 3.2 of FEMA 352 for Post Earthquake Assessment, an evaluation of potential structural damage was not recommended after these two earthquakes. The building was exposed only to a low MMI III, significantly lower than the MMI VIII indicated by Table 3-1 of Section 3.2 which would have prompted an inspection.

Future Exposure to Earthquakes

AllWest assessed the seismic risk of potential structural damage in 2012 after reviewing the 1988 structural drawings and performing a building site reconnaissance. Based on information obtained from the USGS, magnitude and expected return period of the primary faults and their distances from the site, AllWest opined the subject building will perform during a major MMI VIII earthquake with minimal or no structural damage. AllWest predicted no life safety risk to the occupancy.

For inquiries regarding this document, please contact the author at 714/541-5303 or by email at chris@allwest1.com.

Sincerely,


Chris Marinescu, P.E.
Vice President



Seismic Certificate of Applicable Code

I am a State of California licensed structural engineer, civil engineer or architect and certify that the building located at: 222 W. 6th Street, San Pedro, CA 90731, was reviewed by me. This certification was either prepared by me or the bulk of work was performed under my direct supervision. I have no ownership interest in the subject property.

A Certificate of Applicable Code may be provided if the entire building was constructed under a permit approved by the local jurisdiction and was designed to meet one of the following requirements:

☐ 1998 or subsequent editions of the California Building Code; or,

☒ 1978 or subsequent editions of the Uniform Building Code and the building does not have any one of the enumerated characteristics or conditions listed below:

- Unreinforced masonry elements, whether load-bearing or not; not including brick veneer;
- Precast, prestressed, or post-tensioned structural or architectural elements, except piles;
- Flexible diaphragm (e.g., plywood)-shear wall (masonry or concrete) structural system constructed pursuant to editions of the Uniform Building Code prior to the 1997 edition;
- Apparent additions, alterations, or repairs to the structural system made without a building permit;
- Constructed on a site with a slope with one or more stories partially below grade (taken as 50% or less) for a portion of their exterior;
- Soft or weak story, including wood frame structures with cripple walls, or is construction over first-story parking;
- Seismic retrofit of the building, whether voluntary or mandated, whether partial or complete;
- Repairs following an earthquake;
- Welded steel moment frames (WSMF) that constitute the primary seismic force-resisting system for the building, and the structure was designed to code requirements preceding those of the 1997 edition of the Uniform Building Code, and the building site has experienced an earthquake of sufficient magnitude and site peak ground motions that inspection is required when any of the conditions of Section 3.2 of FEMA 352 indicate an investigation of beam-column connections is warranted;
- Visible signs of distress or deterioration of structural or non-structural systems, e.g., excessively cracked and/or spalling concrete walls or foundations, wood dry rot, etc.

Documentation of the selected performance level evaluation will be retained by the preparer and shall be available to the State upon request.

Name: Cristian Marinescu
Firm: AirWest Environmental
Telephone No: 714-541-5303
License No: C34207
License Expiration Date: 6-30-2017

Affix Stamp Below.



Cristian Marinescu Date 6/8/16

Comment: Although the subject building is a welded steel moment resisting frame structure, the building site has not experienced an earthquake of sufficient MMI to warrant a post earthquake inspection and assessment of potential structural damage recommended by Section 3.2 of FEMA 352. For additional information refer to the attached Seismic Review document.

Cost Analysis Report

Topaz San Pedro Waterfront

Parking

COST

1.2 Number - Accessible Parking Spaces

- Report listed 10 times that the required number of handicap accessible parking space for employees or visitors is not provided in the Basement and on Level 1-6. Landlord will correct. (5 Additional Stalls)

\$1,000.00

1.12 Car & Van Access Parking

- Report listed 1 time that wheel stop is located in access aisle on Level 2 Center. Landlord will correct.
- Report listed 3 times that Car and Van Handicap Parking is 17.3" long, needs to be 18' long on Level 3, 5, and 6. Landlord will correct.
- Report listed 1 time that access aisle shared by car and van is 17.1" long, must be minimum of 18" on Level 4. Landlord will correct.

\$0

Included
Above

Included
Above

1.14 Level Surface

- Report listed 1 time that Handicap parking spaces and aisles slope to 3.2% on Level 1 East. Landlord will correct.
- Report listed 1 time that Accessible parking spaces and access aisles slopes to 3.6% on Level 2 Center. Landlord will correct.
- Report listed 1 time that Handicap parking spaces and access aisles slopes to 3% on level 4. Landlord will correct.
- Report listed 1 time that Handicap parking spaces and access aisles slope to 2.5 %, need to be less than 1:48 in all directions on level 5. Landlord will correct.
- All slope issues are correctable.

\$5,000.00

\$5,000.00

\$5,000.00

\$5,000.00

1.15 Surface

- Report listed 1 time that Access aisles slope to 4.3% on Level 1 South. Landlord will correct.

\$5,000.00

1.17 Handicap Parking Signs

- Report listed 1 time that handicap parking sign on Level 2 Center is 23.75" to the bottom of the sign. Landlord will correct.
- Report listed 1 time that handicap parking sign on Level 3 is 54.75" to bottom of the sign. Landlord will correct.

\$1,500.00

Included
Above

- Report listed 2 times that handicap parking sign on Level 4 and 6 are 54.25" to the bottom of the sign. Landlord will correct.
- Report listed 1 time that handicap parking sign on level 5 is 53.5" to the bottom of the sign. Landlord will correct.

Included Above
Included Above

1.18 Car & Van Accessible Parking Signs

- Report listed 1 time that sign on Level 2 center stating "Van Accessible" is missing and additional sign stating "Minimum fine \$250" is missing and minimum 60" APF or ground isn't specified. Landlord will correct.

\$800.00

1.20 Marking

- Report listed 10 times that Blue border is missing on Level 1-6. Landlord will correct.
- Report listed 3 times that "NO Parking" sign is missing in the Basement, Level 1 North, and Level 2 East. Landlord will correct.
- Report listed once that striping is 39" on center on Level 4. Landlord will correct.

\$3,500.00

Included Signage

Included

1.21 Tow-away Sign

- Report listed 10 times that Tow-away sign is missing in the basement and level 1-6. Landlord will correct.

\$80.00

1.22 Van Accessible Spaces - Vertical Clearance

- Vertical clearance at East parking entrance is 98". Landlord has agreed to move any duct work and anything else necessary to create a van accessible stall near the front entrance with a 98" vertical clearance to comply with the State's requirements.

TBD

1.23 Van Accessible Spaces - Vertical Clearance

- Vertical clearance at East parking entrance is 98". Landlord has agreed to put a van accessible stall in an area of the parking structure with a route to and from the entrance that has a vertical clearance of 98" to comply with the State's requirements.

TBD

Total Cost

\$31,880.00

Stairs

8.1 Stairs

- Report listed 2 times that public and common use interior and exterior stairs don't comply with accessibility requirements in parking structure and building. Landlord will correct. Handrails too low in parking structure

\$0

8.9 Handrail Extensions

- Report listed 1 time that Handrails are 32.5" high, must between 34" and 38" in parking structure. Landlord will correct.

\$500.00

8.14 Floor Identification

- Report listed 1 time that Floor Identification signs are missing in Building. Landlord will correct.

Included
Signage

Total Cost

\$500.00

Elevators

13.2 Elevators

- Report listed 2 times that elevators in building and parking structure don't comply with requirements. Correctable - Signage Issue

\$0

13.10 Door Jamb Signs - Raised Characters

- Report listed 2 times that doorjamb signs are not white on black background & Main Level sign is non-compliant in building and parking structure. Landlord will correct.

\$3,344.00

13.36 Other

- Report listed "Other" elevator problems 2 times in Building and Parking Structure. Correctable - Signage Issue

Included
Signage

Total Cost

\$3,344.00

Doors and Gates

11.1 Handicap Accessible Spaces

- Report listed 1 time that all doors, doorways, or gate serving rooms and spaces don't comply with requirements in the parking structure. Landlord will correct – Door Pressure

TBD

11.2 Accessible routes

- Report listed 1 time that each door that is an element of an accessible route does not comply with requirements in parking structure. Landlord will correct – Door Pressure

TBD

11.13 Door Operating Effort

- Report listed 1 time that 4 entrance doors pressure from 14-16lbs., needs to be less than 5lbs in the parking structure. Landlord will correct.

\$3,858.60

1.21 Exit Door Signs

- Report listed 1 time that "Exit Stairs" signs are missing in parking structure. Landlord will correct – Signage Issue

Included
Signage

Total Cost

\$3,858.60

Exterior Routes of Travel

3.7B Protruding Objects

- Report listed 1 time that a fire extinguisher protrudes 6.5" into the circulation path on Level 2 of the parking structure. Landlord will correct.

\$0

3.9B Cross Slope

- Report listed 1 time that PK1, Level 1 North Parking space has a cross slope of 3% on Level 1 North of the parking structure. Landlord will correct.

\$5,000.00

3.12B Changes in Level

- Report listed 1 time that accessible route between parking structure and building entrance is 1.25" change of level in parking structure. Landlord will correct.

\$5,000.00

3.21B Hazardous Vehicular Areas- Detectable Warnings

- Report listed 1 time that the detectable warning is missing in the basement, elevator lobbies level 2-7, and parking structure. Landlord will correct.

Included
Signage

Total Cost

\$10,000.00

Lobbies and Corridors

12.8A Door Operating Effort

- Report listed Lobby Doors (8) - Door pressure is 12-22 lbs. Landlord will correct.

12.24A Counter Height

- Report listed 1 time that lowered section of front counter is 33" wide in building. Landlord will correct.

\$1,500.00

Total Cost

\$1,500.00

Toilet Facilities

16.2 Gender Separate Toilet Room

- Report listed 2 times that separate facilities are not accessible for persons of each sex in the women's and men's facilities. Landlord will correct.

\$5,000.00

16.6 Entry Doors

- Report listed 2 times that entry doors do not comply with requirements in the women's and men's facilities. Landlord will correct.

Included
Above

16.12 Other Door Requirements

- Report listed 1 time that door closing speed in the women's restroom was 4 seconds. Landlord will correct.
- Report listed 1 time that door closing speed in the men's restroom was 3 seconds. Landlord will correct.

Included
Above

Included
Above

16.14 Identification Symbols

- Report listed 1 time that 60.5" to the centerline of the sign, must have max of 60" in the women's facility. Landlord will correct.

Included
Above

16.15 Room/Space Identification Signs

- Report listed 2 times that no tactile room identification sign complying with the requirements below in the women's and men's facility. Landlord will correct.

Included
Above

16.20 Approach

- Report listed 1 time that centerline of visual and tactile sign is 7.75" from the door in the women's facility. Landlord will correct.
- Report listed 1 time that centerline of visual and tactile sign is 7.25" from the door in the Men's facility. Landlord will correct.

Included
Above

Included
Above

16.36 Stall Maneuvering Space

- Report listed 1 time that there is 47.25" in front of the toilet in the women's facility. Landlord will correct.

Included Above

16.37 Stall Maneuvering Space

- Report listed 1 time that there was no space for 60" min wide and 56" deep wall mounted WC in the women's facility. Landlord will correct.

Included Above

16.45 Toilet Paper Dispenser

- Report listed 1 time that centerline is 9.75" in front of the front of the toilet in the women's facility. Landlord will correct.
- Report listed 1 time that centerline is 18" in front of the front of the toilet in the men's facility. Landlord will correct.

Included Above

Included Above

16.58 Urinals

- Report listed 1 time that at least one of the urinals doesn't comply with the requirements in the men's facility. Landlord will correct.

Included Above

16.63 Lavatories

- Report listed 2 times that At least one lavatory doesn't meet the requirement in the women's and men's restroom. Landlord will correct.

Included Above

16.66 Lavatory Knee Clearance

- Report listed 2 times that Apron is 27" high and toe clearance is 8.5" in the women's and men's restroom. Landlord will correct.

Included Above

16.74 Mirrors

- Report listed 1 time that mirror is mounted 40.75 to the reflective surface, must be no higher than 40" in the women's facility. Landlord will correct.
- Report listed 1 time that mirror is mounted at 41.25 to the reflective surface, must be no higher than 40" in the men's facility. Landlord will correct.

Included Above

Included Above

16.76 Dispenser Operating Height

- Report listed 2 time that paper towel dispenser is 43.5" to the sensor, must be no higher than 40" AFF in the women's and men's facility. Landlord will correct.

Included Above

Total

\$5,000.00

Grand Total

\$56,082.60



EXTENSION OPTION

RIDER NO. 1 TO LEASE

This Rider No. 1 is made and entered into by and between PACIFIC PLACE OFFICE LLC, a Delaware limited liability company ("Landlord"), and CITY OF LONG BEACH, a municipal corporation ("Tenant"), as of the day and year of the Lease between Landlord and Tenant to which this Rider is attached. Landlord and Tenant hereby agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth below shall be deemed to be part of the Lease and shall supersede any inconsistent provisions of the Lease. All references in the Lease and in this Rider to the "Lease" shall be construed to mean the Lease (and all Exhibits and Riders attached thereto), as amended and supplemented by this Rider. All capitalized terms not defined in this Rider shall have the same meaning as set forth in the Lease.

1. Landlord hereby grants to Tenant one option (the "Extension Option") to extend the Term of the Lease for three additional years (the "Option Term"), on the same terms, covenants and conditions as provided for in the Lease during the initial Term, except for the Monthly Base Rent, which shall initially be equal to the "fair market rental rate" for the Premises for the Option Term as defined and determined in accordance with the provisions of the Fair Market Rental Rate Rider attached to the Lease as Rider No. 2, subject to fair market annual rent adjustments during the Option Term.

2. The Extension Option must be exercised, if at all, by written notice ("Extension Notice") delivered by Tenant to Landlord no sooner than that date which is fifteen (15) months and no later than that date which is nine (9) months prior to the expiration of the then current Term of the Lease. Provided Tenant has properly and timely exercised the Extension Option, the then current Term of the Lease shall be extended by the Option Term, and all terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect, except that the Monthly Base Rent shall be as set forth above, and except that there shall be no remaining Extension Option. Tenant's right to exercise the Extension Option shall be subject to the condition that at the time of the exercise of said option and at the commencement of the corresponding Option Term, (i) Tenant is not then in default in the performance of any of Tenant's obligations contained in this Lease, and (ii) this Lease is then in full force and effect.

FAIR MARKET RENTAL RATE

RIDER NO. 2 TO LEASE

This Rider No. 2 is made and entered into by and between PACIFIC PLACE OFFICE LLC, a Delaware limited liability company ("Landlord"), and CITY OF LONG BEACH, a municipal corporation ("Tenant"), as of the day and year of the Lease between Landlord and Tenant to which this Rider is attached. Landlord and Tenant hereby agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth below shall be deemed to be part of the Lease and shall supersede any inconsistent provisions of the Lease. All references in the Lease and in this Rider to the "Lease" shall be construed to mean the Lease (and all Exhibits and Riders attached thereto), as amended and supplemented by this Rider. All capitalized terms not defined in this Rider shall have the same meaning as set forth in the Lease.

1. The term "fair market rental rate" as used in this Rider and any Rider attached to the Lease means the annual amount per square foot, projected for each year of the Option Term (including annual adjustments), that a willing, non-equity tenant (excluding sublease and assignment transactions) would pay, and a willing landlord of a comparable quality building located in the San Pedro, California area would accept, in an arm's length transaction (what Landlord is accepting in then current transactions for the Building may be used for purposes of projecting rent for the Option Term), for space of comparable size, quality and floor height as the Premises, taking into account the age, quality and layout of the existing improvements in the Premises, and taking into account items that professional real estate brokers or professional real estate appraisers customarily consider, including, but not limited to, rental rates, space availability, tenant size, tenant improvement allowances, parking charges and any other lease considerations, if any, then being charged or granted by Landlord or the lessors of such similar buildings. All economic terms other than Monthly Base Rent, such as tenant improvement allowance amounts, if any, operating expense allowances, parking charges, etc., will be established by Landlord and will be factored into the determination of the fair market rental rate for the Option Term. Accordingly, the fair market rental rate will be an effective rate, not specifically including, but accounting for, the appropriate economic considerations described above.

2. The Landlord shall provide written notice of Landlord's determination of the fair market rental rate not later than sixty (60) days after receipt by Landlord of the Extension Notice. Tenant shall have thirty (30) days ("Tenant's Review Period") after receipt of Landlord's notice of the fair market rental rate within which to accept such fair market rental rate or to reasonably object thereto in writing. Failure of Tenant to so accept the fair market rental rate submitted by Landlord in writing within Tenant's Review Period shall conclusively be deemed Tenant's rejection thereof. If within Tenant's Review Period Tenant reasonably objects to or is deemed to have disapproved the fair market rental rate submitted by Landlord, Landlord and Tenant will meet together with their respective legal counsel to present and discuss their individual determinations of the fair market rental rate for the Premises under the parameters set forth in Paragraph 1 above and shall diligently and in good faith attempt to negotiate a rental rate on the basis of such individual determinations. Such meeting shall occur no later than ten (10) days after the expiration of Tenant's Review Period. The parties shall each provide the other with such supporting information and documentation as they deem appropriate. At such meeting if Landlord and Tenant are unable to agree upon the fair market rental rate, they shall each submit to the other their respective best and final offer as to the fair market rental rate. If Landlord and Tenant fail to reach agreement on such fair market rental rate within five (5) business days following such a meeting (the "Outside Agreement Date"), then Tenant may withdraw its Extension Notice within ten (10) business days after such meeting, or if no such withdrawal is made, then determination of the fair market rental rate shall be submitted to appraisal in accordance with the provisions of Section 3 below.

3. Appraisal of the fair market rental rate shall be accomplished as follows:

(a) Landlord and Tenant shall each appoint one (1) independent appraiser who shall by profession be an M.A.I. certified real estate appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of commercial (including office) properties in the San Pedro, California area. The determination of the appraisers shall be limited solely to the issue of whether Landlord's or Tenant's last proposed (as of the Outside Agreement Date) best and final fair market rental rate for the Premises is the closest to the actual fair market rental rate for the Premises as determined by the appraisers, taking into account the requirements specified in Section 1 above. Each such appraiser shall be appointed within ten (10) business days after the Outside Agreement Date.

(b) The two (2) appraisers so appointed shall within ten (10) business days after the date of the appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) appraisers.

(c) The three (3) appraisers shall within ten (10) business days after the appointment of the third appraiser reach a decision as to whether the parties shall use Landlord's or Tenant's submitted best and final fair market rental rate, and shall notify Landlord and Tenant thereof. During such ten (10) business day period, Landlord and Tenant may submit to the appraisers such information and documentation to support their respective positions as they shall deem reasonably relevant and Landlord and Tenant may each appear before the appraisers jointly to question and respond to questions from the appraisers.

(d) The decision of the majority of the three (3) appraisers shall be binding upon Landlord and Tenant and neither party shall have the right to reject the decision or to undo the exercise of the applicable Option. If either Landlord or Tenant fails to appoint an appraiser within the time period specified in Section 3(a) hereinabove, the appraiser appointed by one of them shall within ten (10) business days following the date on which the party failing to appoint an appraiser could have last appointed such appraiser reach a decision based upon the same procedures as set forth above (i.e., by selecting either Landlord's or Tenant's submitted best and final fair market rental rate), and shall notify Landlord and Tenant thereof, and such appraiser's decision shall be binding upon Landlord and Tenant and neither party shall have the right to reject the decision or to undo the exercise of the applicable Option.

(e) If the two (2) appraisers fail to agree upon and appoint a third appraiser, either party, upon ten (10) days written notice to the other party, can apply to the Presiding Judge of the Superior Court of Los Angeles County to appoint a third appraiser meeting the qualifications set forth herein. The third appraiser, however, selected shall be a person who has not previously acted in any capacity for either party.

(f) The cost of each party's appraiser shall be the responsibility of the party selecting such appraiser, and the cost of the third appraiser (or arbitration, if necessary) shall be shared equally by Landlord and Tenant.

(g) If the process described hereinabove has not resulted in a selection of either Landlord's or Tenant's submitted best and final fair market rental rate by the commencement of the Option Term, then the fair market rental rate estimated by Landlord will be used until the appraiser(s) reach a decision, with an appropriate rental credit and other adjustments for any overpayments of Monthly Base Rent or other amounts if the appraisers select Tenant's submitted best and final estimate of the fair market rental rate. The parties shall enter into an amendment to this Lease confirming the terms of the decision.