

Harbor Department  
Agreement  
City of Los Angeles

**OFFICE LEASE**

between

**PACIFIC PLACE OFFICE LLC,**  
a Delaware limited liability company,  
as Landlord

and

**CITY OF LOS ANGELES,** a Municipal Corporation,  
Acting By and Through Its  
Board of Harbor Commissioners,  
as Tenant

Concerning That Certain Premises Commonly Known As:  
Suite 900  
In The City Of Los Angeles  
Town of San Pedro  
County Of Los Angeles  
State Of California

Dated For Reference Purposes Only  
As Of \_\_\_\_\_, 2016

TRANSMITTAL 1

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**EXHIBITS:**

- A- Outline of Floor Plan of Premises
- B- Site Plan
- C- [Intentionally Omitted]
- D- [Intentionally Omitted]
- E- Sample Form of Tenant Estoppel Certificate
- F- Rules and Regulations
- G- Maintenance and Services Provided by Landlord

**RIDERS:**

- No. 1 – Required Provisions for City Leases
- No. 2 – Americans with Disabilities Act
- No. 3 – Los Angeles City Ordinance Mandated Provisions

## OFFICE LEASE

THIS LEASE is dated for reference purposes only as of \_\_\_\_\_, 2016, by and between Landlord and Tenant.

### WITNESSETH:

**1. Terms and Definitions.** For the purposes of this Lease, the following terms shall have the following definitions and meanings:

(a) Landlord: Pacific Place Office LLC, a Delaware limited liability company.

(b) Landlord's Address:

For notices:

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

(c) Tenant: City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners.

(d) Tenant's Address:

City of Los Angeles Harbor Dept.  
Real Estate Division  
425 South Palos Verdes Street  
San Pedro, CA 90731

(e) Building Address: 222 West 6<sup>th</sup> Street, San Pedro, CA 90731

(f) Suite Number: 900

(g) Floor(s) upon which the Premises are located: 9th Floor

- (h) Premises: Those certain premises defined in Paragraph 2(a) herein below.
- (i) Project: Those developments and improvements from time to time constructed on the site ("Site") bounded by Palos Verdes Street, Sixth Street, Centre Street and a northerly alley in the San Pedro area of Los Angeles, California, 90731.
- (j) Approximate Rentable Square Feet Within Premises: 14,819 Rentable Sq. Ft.
- (k) Term: Approximately sixty-four and one half (64 1/2) months commencing December 14, 2016 and expiring April 30, 2022.
- (l) [Intentionally Omitted]
- (m) [Intentionally Omitted]
- (n) [Intentionally Omitted]
- (o) [Intentionally Omitted]
- (p) Lease Commencement Date: December 14, 2016.
- (q) Base Rent: \$2.30 Per Rentable Square Ft.
  - (i) Annual Base Rent: \$409,008
  - (ii) Monthly Base Rent: \$34,084
- (r) Base Year: 2016 Calendar Year
- (s) Tenant's Percentage Share: 5.382%
- (t) Security Deposit: None
- (u) Permitted Use: General office use consistent with the character of a first-class office building.
- (v) Brokers: CBRE, Inc. (South Bay Office Advisory Group) representing Landlord and Jones Lang LaSalle representing Tenant.
- (w) Landlord's Construction Representative: Tender Baldwin  
Telephone: (951) 452-8504

- (x) Tenant's Construction Representative: Shaun Shahrestani  
Telephone: (310) 732-3670
- (y) Parking: Tenant shall rent forty (40) unreserved parking stalls and five (5) reserved parking stalls in the Building parking facility. The rate for such parking shall be Fifty Dollars (\$50.00) per unreserved stall and Sixty Dollars (\$60.00) per reserved stall. These parking rates may be increased based upon the percentage increase in parking rates quoted for other building tenants.
- (z) Riders: 1 through 3, inclusive, which Riders are attached to this Lease and are incorporated herein by this reference.
- (aa) Lease Year: A period of twelve (12) consecutive months, the first such period commencing on the Lease Commencement Date and consecutive periods beginning on each consecutive 12-month anniversary thereof.
- (bb) Exhibits: "A" through "G" inclusive, which Exhibits are attached to this Lease and are incorporated herein by this reference.
- (cc) Building: The eleven (11) story office tower and seven (7) level parking structure currently known as Topaz located on the Site and forming part of the Project, excluding those portions of the Project leased or designated for lease by Landlord to tenants for retail or service stores but including those portions of the Project designated for retail parking, and further including those portions of the Project leased or designated for lease by Landlord to tenants of the Project for office parking, office storage and support facilities.
- (dd) Retail Area: The ground floor of the parking structure located on the Site and forming part of the Project, including those portions of the Building leased or designated for lease by Landlord to tenants for retail or service stores, and including common areas in and adjacent to the parking structure used for retail parking, retail storage and support facilities.
- (ee) Rentable Components: The Building and the Retail Area.
- (ff) Rent Commencement Date: April 15, 2017.
- (gg) Option: One (1) Option of Two (2) Years.

## **2. Premises and Common Areas Leased.**

(a) Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises contained within the suite designated in Paragraph 1(f), outlined on the Floor Plan



attached hereto and marked Exhibit “A” and incorporated herein by this reference in the building known as “Topaz” at the address designated in Paragraph 1(e) above (the “Building”), located in the Project, as outlined on the site plan attached hereto as Exhibit “B” and incorporated herein by this reference. The Premises are situated on the floor(s) designated in Paragraph 1(g) above and are agreed by Landlord and Tenant, for the purposes of this Lease, to have approximately the number of rentable square feet designated in Paragraph 1(j), determined generally in accordance with the method of measurement for rentable area, usable area and related terms contained in the American National Standard Method for Measuring Floor Area in Office Buildings, approved on June 7, 1996 and published by the Building Owners and Managers Association International (ANSI/BOMA Z65.1-1996) (“BOMA Standard”). Prior to the Lease Commencement Date and from time to time during the term of this Lease, Landlord shall be entitled to commission its architect and, in cooperation with Tenant’s architect, measure the Premises to determine the area thereof in accordance with the BOMA Standard, and such determination shall be used in calculating and adjusting, as applicable, the rentable and useable areas of the Premises, the Tenant’s Percentage Share, the Annual and Monthly Base Rent, and related calculations and determinations under this Lease. In the absence of any such determination by Landlord’s and Tenant’s architects, the amounts, percentages, and related information specified in Paragraph 1 and other provisions of this Lease shall be conclusive. The parties hereto agree that said letting and hiring is upon and subject to the terms, covenants and conditions herein set forth and Tenant and Landlord covenant as a material part of the consideration for this Lease to keep and perform each and all of said terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance.

(b) Tenant shall have the nonexclusive right to use in common with other tenants in the Building and subject to the Rules and Regulations referred to in Paragraph 31 below, those portions of the Project (the “Project Common Areas”) not leased or designated for lease to tenants that are provided for use in common by (or by the sublessees, agents, employees, customers or licensees of) Landlord, Tenant and any other tenants of the Project, whether or not those areas are open to the general public, including any fixtures, chattels, systems, decor, signs, facilities or landscaping contained, maintained or used in connection with those areas, and deemed to include any city sidewalks adjacent to the Project and any pedestrian walkway system, whether above or below grade, park, or other facilities open to the general public. The common areas appurtenant to the Building shall be referred to herein as the. “Building Common Areas” and shall include the following areas: (i) The common entrances, lobbies, restrooms, elevators, stairways and accessways, loading docks, ramps, drives and platforms and any passageways and serviceways thereto, and the common pipes, conduits, wires and appurtenant equipment serving the Premises; and (ii) loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, plaza areas, driveways and landscaped areas appurtenant to the Building.

(c) Landlord reserves the right from time to time, without unreasonable interference with Tenant’s use, to operate, maintain, repair, replace, and refurbish the Building and the Project and all systems, improvements, parking areas, and other portions thereof, as deemed necessary or desirable by Landlord or as may otherwise be required of Landlord in connection with its obligations under this Lease, other tenant leases, or otherwise, including without limitation all of the following: (i) to install, use, maintain, repair and replace pipes,

ducts, conduits, wires and appurtenant meters and equipment for service to other parts of the Building above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas, and to relocate any pipes, ducts, conduits, wires and appurtenant meters and equipment included in the Premises which are located in the Premises or located elsewhere outside the Premises, and to expand the Building; (ii) to make changes to the Building and Project Common Areas (which Building and Project Common Areas shall together be referred to herein as the "Common Areas"), including, without limitation, changes in the location, size, shape and number of driveways, entrances; loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways and, subject to Paragraph 41, parking spaces and parking areas; (iii) to close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available; (iv) to use the Common Areas while engaged in making additional improvements, repairs or alterations to the Building, or any portion thereof; and (v) to do and perform such other acts and make such other changes in, to or with respect to the Site, Common Areas and Building as Landlord may, in the exercise of sound business judgment, deem to be appropriate, all of the foregoing to be without obligation or liability to Tenant.

(d) Upon providing written notice to the Landlord, Tenant shall have the nonexclusive right to access and use a portion of the Building roof for the placement, use and maintenance of a satellite receiver antenna. The roof location shall be mutually agreed upon by Landlord and Tenant. Such access, use and maintenance shall be allowed by Landlord without payment of additional rent or other consideration during the term of the Lease. Tenant shall be responsible for repairing any damage to the Building roof caused by the placement, use and/or removal of any equipment.

### **3. Term, Option to Extend the Term and Cancellation.**

(a) The term of this Lease shall be for the period designated in Paragraph 1(k) commencing on the Lease Commencement Date, and expiring at Five o'clock post meridian (5:00 p.m.) Pacific Time on the last business day occurring within such period, unless the term hereby demised shall be sooner terminated as hereinafter provided. The Lease Commencement Date and the date upon which the term of this Lease shall expire shall be determined in accordance with the provisions of Paragraph 1(p) and said dates will be specified in Landlord's Notice of Lease Term Dates ("Notice"), in the form of Exhibit "D" which is attached hereto and is incorporated herein by this reference, and shall be served upon Tenant as provided in Paragraph 9, after Landlord delivers or tenders possession of the Premises to Tenant. The Notice shall be binding upon Tenant unless Tenant objects to the Notice in writing, delivered to Landlord as provided in Paragraph 9 hereof, within seven (7) business days of Tenant's receipt of the Notice.

(b) Landlord hereby grants Tenant one (1) option to extend the term of this Lease for an additional two (2) year term ("Option Term"). The option must be exercised by written notice ("Renewal Notice") to Landlord at least nine (9) months prior to the expiration of the original Term. Provided that Tenant has properly and timely exercised the option, the Term of this Lease shall be extended for such space by an Option Term and all terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect except that the Annual Base Rent for such space shall be the base rent then being negotiated by Landlord for

comparable space in the Building as of the date of the commencement of such Option Term, subject to the following:

Landlord shall provide Tenant with written notice of Landlord's base rent quote for the Option Term ("Landlord's Quote") within fifteen (15) business days after Tenant provides the Renewal Notice. Tenant will have forty-five (45) business days following receipt of Landlord's Quote to provide Landlord with written notice of Tenant's acceptance of Landlord's Quote or objection to same. If Tenant fails to provide Landlord with an acceptance notice within the 45 business-day period, then Tenant will be deemed to have rejected Landlord's Quote as the base rent for the Option Term, and the Lease will be terminated in accordance with the terms of this Lease. If Tenant timely objects to Landlord's Quote, then the parties will use good faith efforts to negotiate a mutually acceptable Option Term base rent within thirty (30) days after Landlord's receipt of Tenant's objection notice ("Mutual Negotiation Period"). If the parties fail to mutually agree upon the base rent during the Mutual Negotiation Period, then Tenant will have the right to terminate the Lease effective as of the expiration date of the initial Lease Term upon written notice sent to Landlord no later than thirty (30) business days following the expiration of the Mutual Negotiation Period.

(c) Landlord and Tenant agree that Tenant shall have the option to cancel this Lease at the completion of thirty-six (36) months of the Lease (the "Termination Date"), as calculated from the Lease Commencement Date. In order to exercise this option, the Executive Director of the Port of Los Angeles, on behalf of Tenant, shall provide written notice to Landlord of its intent to cancel this Lease no later than nine (9) months prior to the Termination Date and shall pay to Landlord, no later than thirty (30) days prior to the Termination Date, an amount equal to the unamortized portion of the actual Allowance funds paid by Landlord pursuant to Paragraph 4, the initial 4-month free rent period provided by Landlord pursuant to Paragraph 5(c)) and the brokerage commissions paid by Landlord, amortized at an eight percent (8%) annual interest rate. If the option to cancel is properly exercised, then upon completion of the thirty-sixth (36<sup>th</sup>) month of the Lease, Tenant shall surrender the Premises to Landlord pursuant to the terms of this Lease. A failure to timely deliver the required notice or to timely make the required payment shall be deemed an irrevocable waiver by Tenant of said option to cancel.

**4. Allowance.** Landlord shall provide Tenant with an allowance in the amount of fifteen dollars (\$15.00) per square foot, for a total of Two Hundred Twenty-Two Thousand Two Hundred and Eighty-Five Dollars (\$222,285)(the "Allowance"), for purposes of defraying rental costs and refurbishment costs for the Premises. The Allowance shall be credited against all rental and other charges accruing under the Lease following the Rental Commencement Date as such charges accrue, until such Allowance is exhausted, subject, however, to the following. If, prior to such Allowance being exhausted, the Tenant elects to use any of such Allowance for refurbishment of the Premises, then such costs shall be paid by Landlord to Tenant, or at Tenant's option, to any third party, upon receipt of invoices for the costs of Tenant's refurbishment expenditures. All invoices shall be approved by the Tenant Representative prior to payment by Landlord. In the event that the cost of refurbishment exceeds the Allowance, Tenant shall pay such excess from its own funds.

**5. Annual Base Rent.**

(a) **Payment of Rent.** Tenant agrees to pay Landlord as Annual Base Rent for the Premises the Annual Base Rent designated in Paragraph 1(q) (subject to adjustment as hereinafter provided) in twelve (12) equal monthly installments (“Monthly Base Rent”), each in advance on the first day of each and every calendar month during said term. In the event the term of this Lease commences or expires or is otherwise terminated effective on a day other than the first day of a calendar month, then the rental for such periods shall be prorated in the proportion that the number of days this Lease is in effect during such periods bears to thirty (30), and such rental shall be paid at the commencement of such periods. In addition to said Annual Base Rent, Tenant agrees to pay the amount of the rental adjustments as and when hereinafter provided in this Lease. Said Annual Base Rent, additional rent, and rental adjustments shall be paid to Landlord or its designee, without any prior demand therefor and without any deduction or offset whatsoever in lawful money of the United States of America, which shall be legal tender at the time of payment, at the address of Landlord designated in Paragraph 1(b) or to such other person or at such other place as Landlord may from time to time designate in writing. Further, all charges to be paid by Tenant hereunder, including, without limitation, payments for real property taxes, insurance, repairs, other Operating Expenses and parking shall be considered additional rent for the purposes of this Lease, and the word “rent” in this Lease shall include such additional rent unless the context specifically or clearly implies that only the Annual Base Rent is referenced.

(b) **Annual Rent Escalation.** The Annual Base Rental rate as set forth in Paragraph 1(q) above shall be increased by three percent (3%) per year at the commencement of each new Lease Year as defined in Paragraph 1(aa) above, on an accumulative basis for each year of the term of this Lease following the first year as follows:

Year	Rentable Sq. Ft. (RSF)	Rent Per RSF/mo	Annual Increases	Monthly Base Rent	Annual Base Rent
1	14,819	\$2.30	---	\$34,084	\$409,008
2	14,819	\$2.37	3.00%.	\$35,121	\$421,452
3	14,819	\$2.44	3.00%	\$36,058	\$432,696
4	14,819	\$2.51	3.00%	\$37,196	\$446,352
5	14,819	\$2.59	3.00%	\$38,381	\$460,572
6	14,819	\$2.67	3.00%	\$39,647	\$475,764

(c) **Free Rent Period.** Tenant shall have the right to occupy the Premises upon the Commencement Date set forth in Paragraph 1(p) above, but shall not be required to pay Monthly Base Rent until the Rent Commencement Date set forth in Paragraph 1(ff) above.

**6. Rental Adjustment.**

(a) For the purposes of this Paragraph 6(a), the following terms are defined as follows:

**Tenant's Percentage Share.** Tenant's Percentage Share shall mean that portion of the total rentable area of the Building occupied by Tenant as set forth as a percentage in Paragraph 1(s) above.

**Operating Expenses.** Operating Expenses shall be calculated on a grossed-up basis reflecting variable operating expenses as if the Building was 95% occupied, and shall consist of the sum of:

(i) all direct costs and expenses paid or incurred by Landlord in connection with the use, operation and maintenance of the Building, the Building Common Areas, and the portion of the site upon which the Building is situated, as determined by reasonable accounting practices, consistently applied, calculated assuming the Building is fully leased, including the following costs by way of illustration; but not limitation: real property taxes, special taxes, and general, regular and special assessments and any taxes, special taxes, or assessments hereafter imposed in lieu thereof; rent taxes, gross receipt taxes (whether assessed against Landlord or assessed against Tenant and collected by Landlord, or both); water and sewer charges; the net cost and expense of insurance for which Landlord is responsible hereunder or which Landlord or any mortgagee with a lien affecting the Premises requires in connection with the operation of the Building; utilities; janitorial services; security; labor; utilities surcharges or any other costs levied, assessed or imposed by, or at the direction of, or resulting from statutes or regulations or interpretations thereof, promulgated by any federal, state, regional, municipal or local government authority in connection with the use or occupancy of the Building or the Premises or the parking facility serving the Building or the Premises; traffic mitigation measures, including ridesharing, imposed on the Building or the Project; the cost (amortized over the reasonable economic life as Landlord shall determine together with interest at the Wall Street Journal Prime Rate plus 300 basis points) of (i) any capital improvements made to the Building by the Landlord after first year of the term of the Lease that reduce other Operating Expenses, or made to the Building by Landlord after the date of the Lease that are required under any governmental law or regulation that was not applicable to the Building at the time it was constructed, or (ii) replacement of any building equipment needed to operate the Building at the same quality levels as prior to the replacement; costs incurred in the management of the Building, (including supplies, wages and salaries of employees used in the management, operation and maintenance of the Building, and payroll taxes and similar governmental charges with respect thereto); Building management office rental if said office is located in the Building; a management fee not to exceed 3% per month; air conditioning; waste disposal; heating, ventilating; elevator maintenance; supplies; materials; equipment; tools; repair and maintenance of the structural portions of the Building, including the plumbing, heating, ventilating, air conditioning and electrical systems installed or furnished by Landlord; and maintenance, costs and upkeep of all parking and common areas, rental of personal property used in maintenance; costs and expenses of gardening and landscaping, maintenance of signs (other than tenants' signs); personal property

taxes levied on or attributable to personal property used in connection with the entire Building, including the Building Common Areas; reasonable audit or verification fees; services provided or made available by Landlord generally to tenants of the Building; costs and expenses of repairs, resurfacing, repairing, maintenance, painting, lighting, cleaning, refuse removal, security and similar items, including appropriate reserves; except that Operating Expenses shall not include depreciation on the Building or equipment therein; Landlord's executive salaries; real estate brokers' commissions or leasing agents and other costs related to leasing the Building; principal reduction or interest expense on Building financing; amortization of the cost of tenant improvements in the Building; ground rent; income and franchise taxes; dividends; and attorneys' fees and expenses which are not related to the operation of the Building; and

(ii) all costs and expenses designated Project Operating Expenses shall be defined and allocated to the tenants of the Building in accordance with the procedure set forth in Schedule I to Exhibit "B" to this Lease.

As used herein, the Term "real property taxes" shall include any form of real property tax, special tax, general, regular or special assessment, license fee, license tax, business license fee, commercial rental tax, levy, charge, tax or similar imposition, imposed by any authority having the direct power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage or other improvement or special assessment or community facilities district thereof, as against any legal or equitable interest of Landlord in the Building, including, but not limited to, the following: (i) any tax on Landlord's "right" to rent or "right" to other income from the Building or as against Landlord's business of leasing the Building; (ii) any assessment, tax, fee, levy or charge allocable to or measured by the area of the Building or the rent payable hereunder, including, without limitation, any gross income tax or excise tax levied by the state, city or federal government, or any political subdivision thereof, with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Building, or any portion thereof; (iii) any assessment, tax, fee, levy or charge upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Building; (iv) any assessment, tax, fee, levy or charge by any governmental agency related to any transportation plan, fund or system instituted within the geographic area of which the Building is a part; or (v) reasonable legal and other professional fees, costs and disbursements incurred in connection with applications, hearings, actions, and other proceedings to contest, determine or reduce real property taxes. Notwithstanding any provision of this Paragraph 6(a) expressed or implied to the contrary, Tenant shall not be required to pay, and "real property taxes" shall not include (i) Landlord's federal or state income, franchise, inheritance or estate taxes, or (ii) any increased real property assessment, tax, fee, levy or charge as a result of Landlord's sale, transfer or assignment of Landlord's interest in the Building or the property on which the Building is located under

California law pursuant to California Constitution Article XIII A (commonly known as Proposition 13).

(b) By the first day of April of each succeeding calendar year after the Base Year designated in Paragraph 1(r) and during the term of this Lease, Landlord shall endeavor to deliver to Tenant a statement (“Estimate Statement”) wherein Landlord shall estimate the Operating Expenses for the current calendar year. Provided, however, if Landlord determines that Tenant’s Percentage Share of the Operating Expenses for such current calendar year is greater than that set forth in the Estimate Statement, then Landlord may deliver on the first day of June, September, or December, as appropriate, a revised Estimate Statement and Tenant shall pay to Landlord, within forty-five (45) days of the delivery of such revised Estimate Statement, the difference between such revised Estimate Statement and the original Estimate Statement for the portion of the current calendar year which has then expired, and Tenant shall pay, during the balance of such current calendar year through March of the succeeding calendar year, Tenant’s Percentage Share of the Operating Expenses estimated in the Estimate Statement shall be divided into twelve (12) equal monthly installments and Tenant shall pay to Landlord, concurrently with the regular monthly rent payment next due following the receipt of such statement, an amount equal to one (1) monthly installment multiplied by the number of months from January in the calendar year in which said statement is submitted to the month of such payment, both months inclusive. Subsequent installments shall be paid concurrently with the regular monthly rent payments for the balance of the calendar year and shall continue until the next calendar year’s Estimate Statement is rendered. Notwithstanding the foregoing, provided that Tenant is not then in default under this Lease, Landlord agrees to waive Tenant’s obligation to pay Tenant’s Percentage Share of the Operating Expenses during the first year of the Lease Term.

By the first day of April of each succeeding calendar year during the term of this Lease, Landlord shall endeavor to deliver to Tenant a statement (“Actual Statement”) wherein Landlord shall state the actual Operating Expenses for the preceding calendar year. If the Actual Statement reveals that Tenant’s Percentage Share of the actual Operating Expenses was greater than as estimated by Landlord in the Estimated Statement, then upon receipt of the Actual Statement from Landlord, Tenant shall pay a lump sum equal to such excess. If, in any calendar year, Tenant’s Percentage Share of the actual Operating Expenses is less than the preceding calendar year, then upon receipt of Landlord’s Actual Statement, any overpayment made by Tenant on the monthly installment basis provided above shall be credited toward the next monthly installment of Tenant’s Percentage Share of Operating Expenses falling due, and the monthly installment of Tenant’s Percentage Share of Operating Expenses to be paid pursuant to the then-current Estimate Statement shall be adjusted to reflect such lesser amount, or if this Lease has been terminated, such excess shall be credited against any amount which Tenant owes Landlord pursuant to this Lease and, to the extent all amounts which Tenant owes Landlord pursuant to this Lease have been paid, Landlord shall promptly pay such excess to Tenant. Any delay or failure by Landlord in delivering any estimate or statement pursuant to this Paragraph shall not constitute a waiver of any right of Landlord to require an increase in rent nor shall it relieve Tenant of its obligations pursuant to this Paragraph, except that Tenant shall not be obligated to make any payments based on such estimate or statement until ten (10) business days after receipt of such estimate or statement.

(c) In the event Tenant shall dispute the amount set forth in the Actual Statement described above in Paragraph 6(b) and after payment in full of all sums due pursuant to the provisions of Paragraph 6(b) above, Tenant shall have the right not later than ninety (90) days following receipt of such Actual Statement to cause Landlord's books and records with respect to the preceding calendar year to be audited during regular business hours of generally recognized business days at Landlord's address as set forth in Paragraph 1(b) by a certified public accountant selected by Tenant or Tenant's internal auditors. The amounts payable under Paragraph 6(b) by Landlord to Tenant or by Tenant to Landlord as the case may be, shall be appropriately adjusted on the basis of such audit. If such audit discloses a liability for further refund by Landlord to Tenant in excess of five percent (5%) of the payments previously made by Tenant for such calendar year, the cost of such audit shall be borne by Landlord; otherwise the cost of such audit shall be borne by Tenant. If Tenant shall not request an audit in accordance with the provisions of this Paragraph 6(c) within one-hundred eighty (180) days of receipt of Landlord's Actual Statement, such Actual Statement shall be conclusively binding upon Landlord and Tenant.

(d) Even though the term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Percentage Share of Operating Expenses for the year in which this Lease terminates; Tenant shall immediately pay any increase due over the estimated expenses paid and conversely any overpayment made in the event said expenses decrease shall be immediately rebated by Landlord to Tenant.

(e) Notwithstanding anything contained in this Paragraph 6, the rental payable by Tenant shall in no event be less than the rent specified in Paragraph 5 hereof.

**7. Security Deposit.** Under no circumstances shall Tenant, at any time, be obligated to pay to Landlord a security deposit.

**8. Use.** Tenant shall use the Premises for general office purposes and purposes incident thereto, and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord. Tenant shall not use or occupy the Premises in violation of any recorded covenants, conditions and restrictions affecting the Site or of any law or of the Certificate of Occupancy issued for the Building of which the Premises are a part, and shall, upon seven (7) business days' written notice from Landlord, discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of any recorded covenants, conditions and restrictions affecting the Site or of any law or of said Certificate of Occupancy. Tenant may not offer shared tenant services, such as, but not limited to, telecommunications, data processing or word processing, to any unaffiliated tenant in the Building without Landlord's prior written consent, which consent may be withheld by Landlord at its sole and absolute discretion. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere. Tenant shall comply with any direction of any governmental authority having jurisdiction which shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or any other insurance policy covering the Building and/or property located therein and shall comply



with all rules, orders, regulations and requirements of the Pacific Fire Rating Bureau or any other organization performing a similar function. Tenant shall promptly upon written demand reimburse Landlord as additional rent for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Paragraph 8. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises and shall keep the Premises in first-class condition, repair, and appearance. Tenant shall not place a load upon the Premises exceeding the average pounds of live load per square foot of floor area specified for the Building by Landlord's architect, with the partitions to be considered a part of the live load. Landlord reserves the right to prescribe the weight and position of all safes, files and heavy equipment which Tenant desires to place in the Premises so as to distribute properly the weight thereof Tenant's business machines and mechanical equipment which cause vibration or noise that may be transmitted to the Building structure or to any other space in the Building shall be so installed, maintained and used by Tenant as to eliminate such vibration or noise. Landlord, at Landlord's option and at Tenant's expense (payable promptly upon written demand as additional rent), shall be responsible for all structural engineering required to determine structural load. The following uses of the Premises or the Project shall be prohibited in all events under this Lease without Landlord's express prior written approval: (i) use of unreasonable (i.e. more than one employee per 200 square feet of space) numbers, substantially disproportionate to general office use, of computers, printers, copiers, facsimile, telex, and/or telecopy machines, and other electronic equipment constituting, in Landlord's reasonable judgment, a burden on the electrical, HVAC, structural, mechanical, or other Building or Project systems in excess of that usual and customary for Tenant's permitted use and (ii) any access, use; operations, installations, or other activities of Tenant on the roof or exterior walls and other areas of the Building or the Project, including, without limitation, satellite, microwave, telecommunications, data processing, television, short wave, weather, or other transmitting or receiving or related equipment.

## **9. Payments.**

(a) All rents and other sums payable by Tenant to Landlord hereunder shall be paid to Landlord or its designee at the address designated by Landlord in Paragraph 1(b) above or at such other places as Landlord may hereafter designate in writing pursuant to Paragraph 62 below.

(b) Payments for monthly rent for parking as provided under Paragraph 1(y) shall be paid directly to Landlord's on-site parking management company: Standard Parking, pursuant to the monthly invoice prepared by Standard Parking and sent to Tenant. All rents and other sums payable on account of parking shall be paid to the address set forth below, or to such other places as Landlord may hereafter designate in writing pursuant to Paragraph 62 below:

Pacific Place Office LLC  
c/o Standard Parking  
222 West 6<sup>th</sup> Street, Suite 125

**10. Brokers.** The parties represent and warrant to each other that, other than as disclosed in Paragraph 1(v) above, to their knowledge no broker, agent or finder negotiated or was instrumental in negotiating or consummating this Lease and that neither party knows of any real estate broker, agent or finder who is, or might be, entitled to a commission or compensation in connection with this Lease. Any broker, agent or finder of any party whom such party has failed to disclose herein shall be paid by such party. Each party shall indemnify, defend (with counsel approved by the indemnified party), and hold harmless the other party from any and all claims, damages, judgments, awards, costs, expenses, and liabilities paid or incurred by the other party resulting from any claims that may be asserted against the other party by any broker, agent or finder that was known but not disclosed.

**11. Holding Over.** If Tenant holds over after the expiration or earlier termination of the term hereof without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at a rental rate equal to One Hundred Twenty-Five Percent (125%) of the Annual Base Rent which would be applicable to the Premises upon the date of such expiration (subject to adjustment as provided in Paragraph 6 hereof and prorated on a daily basis) for the first two months of such holdover, and thereafter at a rental rate equal to One Hundred Fifty Percent (150%) of the Annual Base Rent which would be applicable to the Premises upon the date of such expiration (subject to adjustment as provided in Paragraph 6 hereof and prorated on a daily basis), and otherwise subject to the terms, covenants and conditions herein specified, so far as applicable. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute a holdover hereunder or result in a renewal. The foregoing provisions of this Paragraph 11 are in addition to and do not affect Landlord's right of re-entry or any rights of Landlord hereunder or as otherwise provided by law. If Tenant fails to surrender the Premises upon the expiration of this Lease despite demand to do so by Landlord, Tenant shall indemnify, defend (with counsel approved by Landlord), and hold harmless Landlord from any and all claims, damages, judgments, awards, costs, expenses, and liabilities resulting from such holdover, including without limitation, any claim made by any succeeding tenant.

**12. Taxes on Tenant's Property.**

(a) Tenant shall be liable for and shall pay, at least ten (10) days before delinquency, taxes levied against any personal property or trade fixtures placed by Tenant in or about the Premises. If any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property or if the assessed value of the Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant and if Landlord, after written notice to Tenant, pays the taxes based upon such increased assessments, which Landlord shall have the right to do regardless of the validity thereof, but only under proper protest if requested in writing by Tenant, Tenant shall upon demand repay to Landlord the taxes levied against Landlord, or the proportion of such taxes resulting from such increase in the assessment; provided that in any such event, at Tenant's sole cost and expense, Tenant shall have the right, in the name of Landlord and with Landlord's reasonable cooperation, to bring a tax appeal or other appropriate action or proceeding to recover the amount of any such taxes so paid under protest, any amount so recovered to belong to Tenant, so long as Tenant shall bear all cost and expenses of such appeal, action, or proceeding and provided no tax lien shall be

placed against the Building or the Project or any fine, penalty or other monetary amount shall become due to the applicable taxing authority from Landlord as a result.

(b) If the Changes (as defined in Section 14 below) to the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which Changes conforming to Landlord's "Building Standard" in other space in the Building are assessed, then the real property taxes and assessment levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Paragraph 12(a), above. If the records of the County Assessor are available and sufficiently detailed to serve as a basis for determining whether said Changes are assessed at a higher valuation than Landlord's "Building Standard", such records shall be binding on both Landlord and Tenant. If the records of the County Assessor are not available or sufficiently detailed to serve as a basis for making said determination, the actual cost of construction shall be used.

**13. Condition of Premises.** Landlord shall deliver the Premises to Tenant in "as is" condition and Landlord represents to Tenant that on the Lease Commencement Date the plumbing, lighting, air conditioning, and heating system in the Premises shall be in good operating condition. Tenant acknowledges that neither Landlord nor any employee, agent, consultant, contractor, or accountant of Landlord have made any representation or warranty with respect to the Premises, the Building, or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business and that Tenant takes the Premises, including Tenant's limited rights hereunder in and to the Building and the Project, in their "as-is" "with-all-faults" condition as reasonably known by Landlord. The taking of possession of the Premises by Tenant shall conclusively be deemed Tenant's acceptance of the Premises, and shall further establish that the Premises, the Building, and the Project were, at such time, in condition satisfactory to Tenant.

**14. Alterations.**

(a) Tenant may, at any time and from time to time during the term of this Lease, at its sole cost and expense, make alterations, additions, installations, substitutions, improvements and decorations (hereinafter collectively called "Changes") in and to the Premises, excluding structural changes, on the following conditions, and providing such Changes will not result in a violation of or require a change in the Certificate of Occupancy applicable to the Premises:

(i) The outside appearance, character or use of the Building shall not be affected, and no Changes shall weaken or impair the structural strength or, in the opinion of Landlord, lessen the value of the Building, increase the Operating Costs, or create the potential for unusual expenses to be incurred upon the removal of Changes and the restoration of the Premises upon the termination of this Lease.

(ii) No part of the Building outside of the Premises shall be physically

affected.

(iii) The proper functioning of any of the mechanical, electrical, sanitary and other service systems or installations of the Building (“Service Facilities”) shall not be adversely affected and there shall be no construction which might interfere with Landlord’s or other tenants’ free access to, or service from, the Service Facilities or interfere with the moving of Landlord’s or its tenants’ equipment to or from the enclosures containing the Service Facilities.

(iv) In performing the work involved in making such Changes, Tenant shall be bound by and observe all of the conditions and covenants contained in this Paragraph.

(v) All work will be done at such times and in such manner as Landlord from time to time may designate.

(vi) Tenant shall not be permitted to install and make part of the Premises any materials, fixtures or articles which are subject to liens, conditional sales contracts or chattel mortgages.

(vii) At the date upon which the term of this Lease shall end, or the date of any earlier termination of this Lease, Tenant shall remove all Changes from the Premises, unless Landlord shall otherwise authorize or permit in writing at any time, and Tenant shall restore the Premises to their condition existing prior to the making of any Changes permitted by this Paragraph, reasonable wear and tear excepted, all at Tenant’s sole cost and expense.

(b) Before proceeding with any Change (exclusive of changes to items constituting Tenant’s personal property), Tenant shall submit to Landlord a Request for the proposed work to be done, which shall require Landlord’s written approval of concept before proceeding. If Landlord or such consultant(s) shall disapprove of any of Tenant’s plans, Tenant shall be advised of the reasons of such disapproval. Landlord shall then prepare or cause to be prepared, at Tenant’s expense, mechanical, electrical and plumbing drawings and may confer with consultants in connection with the preparation of such drawings and may also submit to such consultant(s) any of the plans prepared by Tenant. Upon approval, Tenant agrees to pay to Landlord, as additional rent, the cost of such consultation and review immediately upon receipt of invoices either from Landlord or such consultant(s). Any Change for which approval has been received shall be performed strictly in accordance with the approved plans and specifications, and no amendments or additions to such plans and specifications shall be made without the prior written consent of Landlord.

(c) If the proposed Change requires approval by or notice to the lessor of a superior lease or the holder of a mortgage, no Change shall be proceeded with until such approval has been received, or such notice has been given, as the case may be, and all applicable conditions and provisions of said superior lease or mortgage with respect to the proposed Change or alteration have been met or complied with at Tenant’s expense; and Landlord, if it approves

the Change, will request such approval or give such notice, as the case may be.

(d) After Landlord's written approval has been sent to Tenant and the approval by or notice to the lessor of a superior lease or the holder of a superior mortgage has been received or given, as the case may be, Landlord shall enter into an agreement on behalf of the Tenant for the performance of the work to be done pursuant to this Paragraph with Landlord's contractor. Tenant agrees to pay to Landlord, as additional rent, the cost of such construction immediately upon receipt from Landlord of invoices from time to time during the course of such construction. All costs and expenses incurred in Changes shall be paid by Tenant within thirty (30) days after each billing by Landlord or any such contractor or contractors. If Landlord approves the construction of specific interior improvements in the Premises by other contractors chosen by Tenant from a list prepared by Landlord at Tenant's request, then Tenant's contractors shall obtain on behalf of Tenant and at Tenant's sole cost and expense: (i) all necessary governmental permits and certificates for the commencement and prosecution of Tenant's Changes and for final approval thereof upon completion; and (ii) a completion and lien indemnity bond, or other surety, satisfactory to Landlord, for the Changes. In the event Tenant shall request any changes in the work to be performed after the submission of the plans referred to in this Paragraph 14, such additional changes shall be subject to the same approvals and notices as the changes initially submitted by Tenant.

(e) Tenant shall pay to Landlord for Landlord's services for overseeing the work performed pursuant to this Paragraph 14, a fee equal to five percent (5%) of the total cost of the Changes.

(f) All Changes and the performance thereof shall at all times comply with (i) all laws, rules, orders, ordinances, directions, regulations and requirements of all governmental authorities, agencies, offices, departments, bureaus and boards having jurisdiction thereof, (ii) all rules, orders, directions, regulations and requirements of the Pacific Fire Rating Bureau, or of any similar insurance body or bodies, and (iii) all rules and regulations of Landlord, and Tenant shall cause Changes to be performed in compliance therewith and in good and first-class workmanlike manner, using materials and equipment at least equal in quality and class to the original installations of the Building. Landlord is responsible for overseeing all changes, at Tenant's expense, and shall cause Changes to be performed in such manner as not to interfere with the occupancy of any other tenant in the Building nor delay or impose any additional expense upon Landlord in construction, maintenance or operation of the Building, and shall be performed by contractors or mechanics approved by Landlord and submitted to Tenant pursuant to this Paragraph, who shall coordinate their work in cooperation with any other work being performed with respect to the Building. Subject to Paragraph 21, throughout the performance of Changes, Landlord, at Tenant's expense, shall carry, or cause to be carried, workmen's compensation insurance in statutory limits, and general liability insurance for any occurrence in or about the Building, of which Landlord and its managing agent shall be named as parties insured, in such limits as Landlord may reasonably prescribe, with insurers reasonably satisfactory to Landlord all in compliance with Paragraph 21(b).

(g) All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by

Tenant at its expense in the Premises shall be and remain the property of Tenant and may be removed by Tenant at any time during the lease term provided Tenant is not in default hereunder, and provided further that Tenant shall repair any damage caused by such removal. If Tenant shall fail to remove all of its effects from said Premises upon termination of this Lease for any cause whatsoever, Landlord may, at its option, remove the same in any manner that Landlord shall choose, and store said effects without liability to Tenant for loss thereof, and Tenant agrees to pay Landlord upon demand any and all expenses incurred in such removal, including court costs and attorneys' fees and storage charges on such effects for any length of time that the same shall be in Landlord's possession or Landlord may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as Landlord may obtain and apply the proceeds of such sale upon any amounts due under this Lease from Tenant to Landlord and upon the expense incident to the removal and sale of said effects.

(h) Subject to Landlord's agreement to minimize any disturbance of Tenant's use of the Premises, Landlord reserves the right at any time and from time to time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor or otherwise affecting Tenant's obligations under this Lease, to make such changes, alterations, additions, improvements, repairs, or replacements in or to the Site or the Building (including the Premises if required to do so by any law or regulation) and the fixtures and equipment thereof, as well as in or to the street entrances, halls, passages and stairways thereof, to change the name by which the Building is commonly known, as Landlord may deem necessary or desirable. Nothing contained in this Paragraph 14 shall be deemed to relieve Tenant of any duty, obligation or liability of Tenant with respect to making any repair, replacement or improvement or complying with any law, order or requirement of any government or other authority and nothing contained in this Paragraph 14 shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, supervision or repair of the Building or any part thereof other than as otherwise provided in this Lease.

## **15. Repairs.**

(a) By taking (or being deemed to have taken) possession of the Premises, Tenant accepts the Premises as being in good and sanitary order, condition and repair. For repairs to the Premises required due to Tenant's negligence, Tenant shall, when and if needed or whenever requested by Landlord to do so, at Tenant's sole cost and expense, make repairs to the Premises as directed. Any such maintenance and repairs shall be performed by Landlord's contractor, or at Landlord's option, by such contractor or contractors as Tenant may choose from an approved list to be submitted by Landlord. All costs and expenses incurred in such maintenance and repair shall be paid by Tenant within thirty (30) days after billing by Landlord or such contractor or contractors. Tenant shall, upon the expiration or sooner termination of the term hereof, surrender the Premises to Landlord in the same condition as when received, reasonable wear and tear excepted. Landlord shall oversee but have no monetary obligation to alter, remodel, improve, repair, decorate, or paint the Premises or any part thereof. The parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises or the Building except as specifically herein set forth.

(b) Anything contained in Paragraph 15(a) above to the contrary

notwithstanding, Landlord shall repair and maintain the structural portions of the Building, the plumbing, heating, ventilating, air conditioning and electrical systems located within and outside the Premises and maintain and repair the Premises and every part thereof unless the necessity of such maintenance and repairs are caused in part or in whole by the act, neglect, fault, or omission of Tenant, its agents, servants, employees, or invitees, in which case Tenant shall pay to Landlord, as additional rent, the reasonable cost of such maintenance and repairs. Except for the gross negligence or willful misconduct of Landlord, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or in or to fixtures, appurtenances and equipment therein.

**16. Liens.** Tenant shall not permit any mechanics', materialmens' or other liens to be filed against the real property of which the Premises form a part nor against the Tenant's leasehold interest in the Premises. Landlord shall have the right at all reasonable times to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. If any such liens are filed, Landlord may, without waiving its rights and remedies based on such breach of Tenant and without releasing Tenant from any of its obligations, cause such liens to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such lien, all at Tenant's sole cost and expense, Tenant shall pay to Landlord at once, upon notice by Landlord, any sum paid by Landlord to remove such liens, together with interest at the maximum rate per annum permitted by law from the date of such payment by Landlord.

**17. Entry by Landlord.** Subject to Landlord's agreement not to disrupt unreasonably Tenant's use of the Premises by exercise of the following rights, Landlord reserves and shall at any and all times have the right to enter the Premises to inspect the same, to supply janitor service and any other service to be provided by Landlord to Tenant hereunder, to submit said Premises to prospective purchasers or to prospective tenants, to post notices of non-responsibility, to alter, improve or repair the Premises or any other portion of the Building, all without being deemed guilty of any eviction of Tenant or otherwise liable to Tenant, and without abatement of rent, and may, in order to carry out such purposes, erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, provided that Landlord shall give Tenant prior written notice of any construction or third-party entry into the Premises and the business of Tenant shall be interfered with as little as is reasonably practicable. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby, except those caused by Landlord's negligence or misconduct. For each of the aforesaid 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, and 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, and any damages caused on account thereof shall be paid by Tenant. Landlord shall attempt in the exercise of its rights under this Paragraph 17 not to disrupt unreasonably

Tenant's use and possession of the Premises and to provide as much notice to Tenant as may be reasonably possible prior to any such exercise of Landlord's rights under this Paragraph 17.

**18. Utilities and Services.** Provided that Tenant is not in default hereunder, Landlord agrees, during the Lease term, to furnish to the Premises during those hours set forth in the Rules and Regulations as defined in Paragraph 31 hereof, and as may be amended in writing by Landlord from time to time during the term of this Lease and delivered to Tenant, reasonable quantities of electric current for normal lighting and reasonable numbers of fractional horsepower office machines, water for lavatory and drinking purposes, heat and air conditioning required in Landlord's judgment for the comfortable use and occupation of the Premises, janitorial service (including washing of windows with reasonable frequency as determined by Landlord) and elevator service by non-attended automatic elevators. Landlord shall not be liable for, and Tenant shall not be entitled to any abatement or reduction of rent by reason of Landlord's failure to furnish any of the foregoing when such failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances or labor disputes of any character or interruption or cessation of utilities, including without limitation electrical power, attributable to the provider of such utility or the delivery system for such utility outside the Building and not under Landlord's control; or for any other causes. Tenant is expected to use water or electric power as considered reasonable or normal by industry standards for a full service gross office occupancy lease. Landlord may, at its option, request Tenant to pay, as additional rent, the cost, as fairly determined by Landlord (but in no event less than the cost to Landlord), incurred by usage that is proven to surpass reasonable industry standards. In addition, Landlord may install separate meter(s) for the Premises, at Tenant's sole expense, and Tenant thereafter shall pay all charges of the utility providing service. Landlord shall install and maintain at Landlord's expense any fire protection equipment including, without limitation, emergency lighting as required by any governmental authority or insurer and if so required, Tenant shall appoint one of Tenant's personnel to coordinate with the fire protection facilities and personnel of Landlord. Any Building Standard incandescent light bulbs used in the Premises shall be paid for by Landlord and as included as part of operating costs. Upon Tenant's request, Landlord's personnel shall install Building Nonstandard incandescent light bulbs or other Building Nonstandard bulbs in the Premises, at Tenant's expense. Tenant agrees to pay Landlord for the maintenance and cleaning of Building Nonstandard improvements including but not limited to metallic trim, wood floor covering, glass panels, windows, partitions, kitchens and executive washrooms in the Premises. Unless Tenant makes such requests, Landlord shall not be responsible in any manner for said maintenance, cleaning and repair. Landlord shall provide to Tenant the maintenance and services set forth on Exhibit "G," attached hereto and incorporated herein by reference.

**19. Indemnification.** To the fullest extent permitted by law, Tenant hereby agrees to defend, indemnify and hold Landlord harmless against and from any and all claims arising from Tenant's use of the Premises and the Common Areas or the conduct of its business or from any activity, work, or thing done, permitted or suffered by Tenant, its agents, contractors, employees or invitees in or about the Premises or elsewhere, other than such claims arising from Landlord's gross negligence and/or willful misconduct, and hereby agrees to further indemnify and hold harmless Landlord against and from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or



arising from any act, neglect, fault or omission of Tenant, or of its agents, employees or invitees, other than such claims arising from Landlord's gross negligence and/or willful misconduct, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any action or proceeding brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, hereby agrees to defend the same at Tenant's expense by counsel approved in writing by Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever except that which is caused by Landlord's gross negligence, willful misconduct, or the failure of Landlord to observe any of the terms and conditions of this Lease and such failure has persisted for an unreasonable period of time after written notice of such failure, and Tenant hereby waives all its claims in respect thereof against Landlord.

**20. Damage to Tenant's Property.** Notwithstanding the provisions of Paragraph 19 to the contrary, except for the gross negligence and/or willful misconduct of Landlord or its agents, Landlord or its agents shall not be liable for any damage to property entrusted to employees of the Building, nor for loss of or damage to any property by theft or otherwise, nor for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or sub-surface or from any other place or resulting from dampness or any other patent or latent cause whatsoever. Landlord or its agents shall not be liable for interference with the light or other incorporeal hereditaments. Tenant shall give prompt notice to Landlord in case of fire or accidents in the Premises or in the Building or of defects therein or in the fixtures or equipment located therein.

**21. Insurance.**

(a) During the term hereof, Tenant, at its sole expense, shall obtain and keep in force the following insurance:

(i) All-risk property insurance upon property of every description and kind owned by Tenant and located in the Building or for which Tenant is legally liable or installed by or on behalf of Tenant including, without limitation, furniture, fittings, installations, fixtures and any other personal property, and all Changes to the Premises in an amount not less than the full replacement value thereof. All such insurance policies shall name Landlord as an additional insured thereunder and, at Landlord's request, shall name Landlord's mortgagees (and if applicable, ground or primary lessors) as loss payees thereunder, all as their respective interests may appear. Without limiting the generality of Tenant's insurance obligations set forth above, Landlord will not be required to carry insurance of any kind on Tenant's furniture or furnishings, or on any of Tenant's fixtures, equipment, improvements, or appurtenances under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same.

(ii) Commercial general liability insurance coverage, including personal injury, bodily injury, broad form property damage, operations hazard, owner's protective coverage, contractual liability, products and completed operations liability, and

host liquor liability coverage, all in limits not less than Two Million Dollars (\$2,000,000) per person and Five Million Dollars (\$5,000,000) per occurrence as a per premises aggregate. All such insurance policies shall name Landlord as an additional insured thereunder and, at Landlord's request, shall name Landlord's mortgagees (and if applicable, ground or primary lessors) as loss payees thereunder, all as their respective interests may appear.

(iii) Workers' Compensation and Employer's Liability insurance, with a waiver of subrogation endorsement, in form and amount satisfactory to Landlord and complying fully with applicable law.

(iv) Loss of income and extra expense insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Building as a result of such perils.

(v) Such other Tenant insurance coverages and increased limits of Tenant's insurance coverage with reasonable deductibles as Landlord, Landlord's mortgagees or ground or primary lessors, or Tenant itself may reasonably require from time to time.

(b) All insurance policies required hereunder shall be issued by insurers acceptable, and in form(s) satisfactory, to Landlord and Landlord's mortgagees from time to time, but in no event shall any such insurer have a "General Policyholders Rating" of less than B+, V, as provided in the then-current issue of "Best's Insurance Guide." Tenant will deliver certificates of insurance on the Landlord's standard form or (if required by Landlord, the mortgagees of Landlord, or any ground or primary lessors) certified copies of each such insurance policy to Landlord as soon as practicable after the placing of the required insurance, but not later than ten (10) days prior to the date Tenant takes possession of all or any part of the Premises. All policies shall contain an undertaking by the insurers to notify Landlord and Landlord's mortgagees (and, if applicable, ground or primary lessors) in writing, by Registered or Certified U.S. Mail, return receipt requested, not less than thirty (30) days before any material change, reduction in coverage, cancellation, or other termination thereof.

(c) During the term of this Lease, Landlord shall insure its operations and the Building, excluding all property which Tenant is obligated to insure under Paragraph 2l(a) hereof, with commercial general liability insurance and all-risk property insurance in such amounts and with such deductions as Landlord deems appropriate. Landlord may be entitled, but shall not be obligated, to obtain and maintain any other form or forms of insurance it or Landlord's mortgagees may deem advisable. Notwithstanding any contribution by Tenant to the cost of insurance premiums, as provided herein, Tenant acknowledges that it has no right to receive any proceeds from any insurance policies carried by Landlord.

(d) Tenant will not keep, use, sell, or offer for sale in, or upon, the Premises any article which may be prohibited by any insurance policy periodically in force covering the Building. If Tenant's occupancy or business in, or on, the Premises, whether or not Landlord has

consented to the same, results in any increase in premiums for the insurance periodically carried by Landlord with respect to the Building, Tenant shall pay any such increase in premiums as additional rent within ten (10) days after being billed therefor by Landlord. In determining whether increased premiums are a result of Tenant's use of the Premises, a schedule issued by the organization computing the insurance rate on the Building or the Changes showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. Tenant shall promptly comply with all reasonable requirements of the insurance authority or any present or future insurer relating to the Premises.

(e) If any of Landlord's insurance policies shall be canceled or cancellation shall be threatened or the coverage thereunder reduced or threatened to be reduced in any way because of the use of the Premises or any part thereof by Tenant or any assignee or subtenant of Tenant or by anyone Tenant permits on the Premises and, if Tenant fails to remedy the condition giving rise to such cancellation, threatened cancellation, reduction of coverage, threatened reduction of coverage, increase in premiums, or threatened increase in premiums, within 48 hours after notice thereof, Landlord may, at its option; either terminate this Lease or enter upon the Premises and attempt to remedy such condition, and Tenant shall promptly pay the cost thereof to Landlord as additional rent. Landlord shall not be liable for any damage or injury caused to any property of Tenant or of others located on the Premises resulting from such entry. If Landlord is unable, or elects not, to remedy such condition, then Landlord shall have all of the remedies provided for in this Lease in the event of a default by Tenant. Notwithstanding the foregoing provisions of this Paragraph 21(e), if Tenant fails to remedy as aforesaid, Tenant shall be in default of its obligation hereunder and Landlord shall have no obligation to remedy such default.

(f) All policies of insurance which either party shall obtain relating to, or affecting, the Premises shall include a clause or endorsement waiving the insurer's rights of recovery by way of subrogation against either party in connection with any loss, injury, or damage covered under such insurance policy, provided such waiver(s) shall be obtainable on a commercially reasonable basis and at commercially reasonable cost. Landlord and Tenant waive any respective rights of recovery against the other for loss, injury or damage due to risk covered by policies of insurance obtained by them, respectively, containing such waiver(s) of subrogation, to the extent of the loss, injury or damage covered thereby.

(g) Tenant's Self-Insurance. At its sole option, Tenant may satisfy Tenant's obligations under the insurance requirements of this Article by a combination of commercial insurance, formal risk pooling under California statutory provisions, and/or a self-funded loss reserve in whatever proportions are deemed appropriate by the Tenant's professional risk management personnel. Tenant shall furnish Landlord with a certificate or other written evidence of Tenant's election to provide all or part of Tenant's coverage under a risk pooling, risk retention, or self-insurance program or any combination thereof.

## **22. Damage or Destruction.**

(a) In the event the Building and/or any insured alterations are damaged by fire or other perils covered by Landlord's extended coverage insurance to an extent not

exceeding twenty-five percent (25%) of the full insurable value thereof and if the damage thereto is such that the Building and/or any insured alterations may be repaired, reconstructed or restored within a period of ninety (90) days from the date of the initial occurrence of such casualty and Landlord will receive insurance proceeds sufficient to cover the cost of such repairs, Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration and the Lease shall continue in full force and effect. If such work or repair, reconstruction and restoration is such as to require a period longer than ninety (90) days or if the cost of the repair exceeds twenty-five percent (25%) of the full insurable value thereof, or if said insurance proceeds will not be sufficient to cover the cost of such repairs, Landlord either may elect to so repair, reconstruct or restore the Building and/or any insured alterations and the Lease shall continue in full force and effect or Landlord may elect not to repair, reconstruct or restore the Building and/or any insured alterations and the Lease shall in such event terminate. Under any of the conditions of this Paragraph 22(a), Landlord shall give written notice to Tenant of its intention within thirty (30) days from the date of such event of damage or destruction. In the event Landlord elects not to restore said Building and/or any insured alterations, this Lease shall be deemed to have terminated as of the date of such partial destruction.

(b) Upon any termination of this Lease under any of the provisions of this Paragraph 22, the parties shall be released thereby without further obligation to the other from the date possession of the Premises is surrendered to Landlord except for items which have theretofore accrued and are then unpaid and any indemnity obligation of Tenant.

(c) In the event of repair, reconstruction and restoration by Landlord as herein provided, the rent provided to be paid under this Lease shall be abated proportionately with the degree to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration commencing on the date of initial occurrence and concluding on the earlier to occur of: (i) the date of substantial completion, as reasonably determined by Landlord, of the repair, reconstruction and restoration or (ii) Tenant's re-use of the previously impaired portion of the Premises, except to the extent of any business interruption insurance proceeds to which Tenant may be entitled in connection with the Premises. Tenant shall not be entitled to any compensation or damages in excess of the rental abatement herein provided for loss in the use of the whole or any part of the Premises and/or any inconvenience or annoyance occasioned by such damage, repair, reconstruction or restoration.

(d) Tenant shall not be released from any of its obligations under this Lease except to the extent and upon the conditions expressly stated in this Paragraph 22. Notwithstanding anything to the contrary contained in this Paragraph 22, should Landlord be delayed or prevented from repairing or restoring the damaged Premises within six (6) months after the occurrence of such damage or destruction by reason of acts of God, war, governmental restrictions, inability to procure the necessary labor or materials, or other cause beyond the control of Landlord, Landlord shall be relieved of its obligation to make such repairs or restoration and Tenant shall be released from its obligations under this Lease as of the end of said six (6) month period.

(e) In the event that damage is due to any cause not covered under any insurance required to be maintained by Landlord hereunder, Landlord may elect to terminate this

Lease.

(f) It is hereby understood that if Landlord is obligated to or elects to repair or restore as herein provided, Landlord shall be obligated to make repairs or restoration only of those portions of the Building and the Premises which were originally provided at Landlord's expense or which were insured by either party and the proceeds of such insurance have been received by Landlord. The repair and restoration of items not provided at Landlord's expense shall be the obligation of Tenant.

(g) Notwithstanding anything to the contrary contained in this Paragraph 22, Landlord shall not have any obligations whatsoever to repair, reconstruct or restore the Premises when the damage resulting from any casualty covered under this Paragraph 22 occurs during the last twelve (12) months of the term of this Lease or any extension hereof.

(h) The provisions of California Civil Code Sections 1932 and 1933 are hereby waived by Tenant.

### **23. Eminent Domain.**

(a) In case the whole of the Premises, or such part thereof as shall substantially interfere with Tenant's use and occupancy thereof shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent such taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking, and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate or interest of Tenant. In the event the amount of property or the type of estate taken shall not substantially interfere with the conduct of Tenant's business but shall constitute at least twenty-five percent (25%) of either the total rentable square footage of the Building or the gross acreage of the land of the Project, Landlord shall be entitled to the entire amount of the award without deduction for any estate or interest of Tenant, and Landlord, at its option, may terminate this Lease. If Landlord does not so elect, Landlord shall promptly proceed to restore the Premises to substantially their same condition prior to such partial taking, and a proportionate allowance shall be made to Tenant for the rent corresponding to the time during which, and to the part of the Premises of which, Tenant shall be so deprived on account of such taking and restoration. Nothing contained in this Paragraph shall be deemed to give Landlord any interest in any award separately made to Tenant for the taking of personal property and trade fixtures belonging to Tenant or for moving costs incurred by Tenant in relocating Tenant's business.

(b) In the event of taking of the Premises or any part thereof for temporary use, this Lease shall be and remain unaffected thereby and rent shall not abate, and 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 then pay to Landlord a sum equal to the reasonable cost of performing Tenant's obligations under Paragraph

15 with respect to surrender of their Premises and upon such payment shall be excused from such obligations. For purpose of this Paragraph 23(b), a temporary taking shall be defined as a taking for a period of 270 days or less.

**24. Bankruptcy.** If Tenant shall file a petition in bankruptcy under any Chapter of federal bankruptcy law as then in effect, or if Tenant shall be adjudicated a bankrupt in involuntary bankruptcy proceedings and such adjudication shall not have been vacated within thirty (30) days from the date thereof, or if a receiver or trustee be appointed of Tenant's property and the order appointing such receiver or trustee not be set aside or vacated within thirty (30) days after the entry thereof, or if Tenant shall assign Tenant's estate or effects for the benefit of creditors, or if this Lease shall otherwise by operation of law pass to any person or persons other than Tenant, then and in any such event Landlord may, if Landlord so elects, with or without notice of such election and with or without entry or action by Landlord, forthwith terminate this Lease and, notwithstanding any other provisions of this Lease, Landlord, in addition to any and all rights and remedies allowed by law or equity, shall upon such termination be entitled to recover damages in the amount provided in Paragraph 25(b) below and neither Tenant nor any person claiming through or under Tenant or by virtue of any statute or order of any court shall be entitled to possession of the Premises but shall forthwith quit and surrender the Premises to Landlord. Nothing herein contained shall limit or prejudice the right of Landlord to prove and obtain as damages by reason of any such termination an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of damages recoverable under the provisions of this Paragraph 24.

**25. Defaults and Remedies.**

(a) The occurrence of any one or more of the following events shall constitute a default hereunder by Tenant:

(i) [reserved]

(ii) The failure by Tenant to make any payment of rent or additional rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of forty-five (45) days after written notice thereof from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Paragraph 1161.

(iii) 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 Paragraph 25(a)(i) or (ii) above, where such failure shall continue for a period of forty-five (45) days after written notice thereof from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Paragraph 1161; and provided further, that if the nature of Tenant's default is such that more than forty-five

(45) 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 forty-five 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.

(iv) (1) The making by Tenant of any general assignment for the benefit of creditors; (2) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days); (3) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (4) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within thirty (30) days.

(b) In the event of any default by Tenant, in addition to any other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder. In the event that Landlord shall elect to so terminate this Lease, Landlord may recover from Tenant:

(i) The worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

As used in Paragraphs 25(b)(i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the Wall Street Journal Prime Rate at the time of award plus 300 basis points. As used in Paragraph 25(b)(iii) 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%).

(c) In the event of any default by Tenant, Landlord shall also have the right, 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 and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant for such period of time as may be required

by applicable law after which time Landlord may dispose of such property in accordance with applicable law. No re-entry or taking possession of the Premises by Landlord pursuant to this Paragraph 25(c) 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.

(d) All rights, options and remedies of Landlord contained 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, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by Landlord of any rent or other payments due hereunder or any omission by Landlord 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. The consent or approval of Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar acts by Tenant.

(e) Landlord shall not be in default in the event of its failure to observe, satisfy or perform any of the obligations to be observed, satisfied, or performed by Landlord under this Lease until thirty (30) days after written notice by Tenant to Landlord of such failure, provided that if the nature of Landlord's default is such that more than 30 days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord shall commence such cure within said 30-day period and diligently prosecute such cure to completion within a reasonable time thereafter.

**26. Assignment and Subletting.** Tenant shall not voluntarily assign, transfer, or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or permit or suffer any other person or entity to occupy or use all or any part of the Premises, without first obtaining Landlord's prior written consent which shall not be unreasonably withheld. Any assignment, encumbrance or sublease without Landlord's prior written consent shall be voidable at Landlord's election, and shall constitute a default of Tenant under this Lease. For purposes hereof, in the event Tenant is a partnership, corporation, limited liability company, limited liability partnership or other entity, a withdrawal, change of partners, or change in the ownership or equity interest of partners, shareholders, or members owning more than fifty percent (50%) of the stock, partnership interest, or owner's equity in such entity, as applicable, shall constitute a voluntary assignment or transfer hereunder and shall be subject to the provisions of this Paragraph. No consent to an assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this Paragraph. Tenant shall notify Landlord in writing of Tenant's intent to assign, encumber, or sublease this Lease, the name of the proposed assignee or sublessee, information concerning the financial responsibility, creditworthiness, nature and character of business, business history, identification of principals, and requested permitted use of the proposed assignee or sublessee and the terms of the proposed assignment or subletting, and Landlord shall, within thirty (30) days of receipt of such written notice and any additional information requested by Landlord concerning the proposed assignee's or sublessee's financial responsibility, elect one of the following:



- (a) Consent to such proposed assignment, encumbrance or sublease;
- (b) Refuse such consent, which refusal shall be on reasonable grounds;
- (c) Elect to terminate this Lease, or in the case of a partial sublease, terminate this Lease as to the portion of the Premises proposed to be sublet.

Without limiting Landlord's grounds for disapproval, Landlord's disapproval shall be deemed reasonable if it is based on Landlord's analysis of (a) the proposed assignee's or sublessee's credit, character and business or professional standing, (b) whether the assignee's or sublessee's use and occupancy of the Premises will be consistent with Paragraph 1(u) and Paragraph 8 of this Lease and whether assignee's or sublessee's proposed intensity of use is consistent with that shown by Tenant, and (c) whether the proposed assignee or sublessee is a then-existing or prospective tenant of the Building as a condition for granting its consent to any assignment, encumbrance or sublease. Landlord may require that the rent payable by such assignee or sublessee is at Landlord's then-current rental rates for the Premises or comparable premises in the Building, but not less than the then-current Annual Base Rent under this Lease, and may require that the assignee or sublessee remit directly to Landlord, on a monthly basis, all monies due to Tenant by said assignee or sublessee. In the event that Landlord shall consent to an assignment or sublease under the provisions of this Paragraph, Tenant shall pay Landlord's processing costs and attorneys' fees incurred in giving such consent. If for any proposed assignment or sublease Tenant receives rent or other consideration, either initially or over the term of the assignment or sublease, in excess of the rent called for hereunder or, in case of the sublease of a portion of the Premises, in excess of such rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder are taken into account, Tenant shall pay to Landlord as additional rent hereunder all of the excess of each such payment of rent or other consideration received by Tenant promptly after its receipt. Landlord's waiver or consent to any assignment or subletting shall not relieve Tenant from any obligation under this Lease. Occupancy of all or part of the Premises by parent, subsidiary, or affiliated companies of Tenant shall not be deemed an assignment or subletting. If Tenant requests Landlord's consent to any assignment of this Lease or any subletting of all or a portion of the Premises, Landlord shall have the right, to be exercised by written notice to Tenant within thirty (30) days of receipt by Landlord of the financial responsibility information required by this Paragraph, to terminate this Lease (in the case of an assignment) or in the case of a partial sublease, to terminate this Lease as to the portion of the Premises proposed to be sublet, effective as of the date Tenant proposes to assign this Lease or sublet all or a portion of the Premises. Landlord's right to terminate this Lease as to all or a portion of the Premises on assignment or subletting shall not be affected by Landlord's consent to any prior assignment of this Lease or any prior subletting of all or a portion of the Premises, or Landlord's failure to exercise this right with respect to any prior assignment or subletting.

**27. Quiet Enjoyment.** Tenant shall be entitled, upon payment of the rent required under this Lease and paying all other charges and Tenant's performance of all of the covenants and provisions aforesaid on Tenant's part to be observed and performed under this Lease, peaceably and quietly to have, hold and enjoy the Premises in accordance with this Lease.

**28. Subordination.** Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, unless requested by Landlord or its mortgagee, and at the election of Landlord or any mortgagee with a lien on the Building or any ground lessor with respect to the Building, this Lease shall be subject and subordinate at all times to: (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Building or the land upon which the Building is situated or both, and (b) the lien of any mortgage or deed of trust which may now exist or hereafter be executed in any amount for which the Building, land, ground leases or underlying leases, or Landlord's interest or estate in any of said items is specified as security. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated any such ground leases or underlying leases or any such liens to this Lease. In the event that any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, if requested by the ground lessor, mortgagee or beneficiary, as applicable, attorn to and become the Tenant of the successor in interest to Landlord and, in such event, Tenant's right to possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent and all other amounts required to be paid to Landlord pursuant to the terms hereof and observe and perform all of the provisions of this Lease, unless the Lease is otherwise terminated pursuant to its terms. Tenant covenants and agrees to execute and deliver, upon demand by Landlord and in the form requested by Landlord, any additional documents evidencing the priority or subordination of this Lease with respect to any such ground leases or underlying leases or the lien of any such mortgage or deed of trust, and Tenant hereby appoints Landlord as its attorney-in-fact for purposes of execution, acknowledgement and delivery of such documents for Tenant and on its behalf should Tenant fail or refuse to provide same in accordance with its obligations hereunder. Should Tenant fail to execute, acknowledge and deliver any such documents within thirty (30) days of receipt, Tenant shall be in default, and Landlord may, at Landlord's option, terminate this Lease provided written notice of such termination is received by Tenant prior to Landlord's receipt of such documents. Without limiting the foregoing, Landlord shall also be entitled to impose a penalty on Tenant for Tenant's delay in providing such documents not to exceed One Hundred Dollars (\$100.00) per day for each day of such delay after expiration of the aforementioned 10-business day period and such per diem penalty shall be deemed a part of Tenant's rent under this Lease and shall be payable to Landlord with Tenant's next due installment of rent hereunder.

**29. Estoppel Certificate.**

(a) Within thirty (30) days following any written request which Landlord may make from time to time, the Harbor Dept. Executive Director shall execute and deliver to Landlord a statement, in a form substantially similar to the form of Exhibit "E" attached hereto or as required by Landlord's mortgagee or other party requiring such statement, certifying: (i) the Lease Commencement Date; (ii) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, as modified, and stating the date and nature of such modifications); (iii) the date to which the rental and other sums payable under this Lease have been paid; (iv) the fact that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant's statement; and (v) such other matters requested by Landlord, Landlord's mortgagee, or other party requiring

such statement, and, Tenant hereby appoints Landlord as its attorney-in-fact for purposes of execution, acknowledgement and delivery of such statement for Tenant and on its behalf should Tenant fail or refuse to provide same in accordance with its obligations hereunder. Landlord and Tenant intend that any statement delivered pursuant to this Paragraph 29 may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the Building or any interest therein.

(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) that there are no uncured defaults in either Landlord's or Tenant's respective performance, (iii) that not more than one (1) month's rent has been paid in advance, except as provided in Paragraph 36 hereof, and (iv) that all improvements to the Premises and other obligations required of Landlord to the date of the estoppel have been fully satisfied. Tenant's failure to deliver said statement to Landlord within thirty (30) days of receipt shall constitute a default under this Lease, and Landlord may, at Landlord's option, terminate the Lease, provided written notice of such termination is received by Tenant prior to Landlord's receipt of said statement.

**30. Building Planning.** Upon notifying Tenant in writing, Landlord shall have the right to move Tenant to comparable space in the Building improved with tenant improvements comparable to those contained in the Premises, at Landlord's sole cost and expense, including Tenant's reasonable moving and other reasonable expenses, telephone installation and stationery reprinting charges, and the terms and conditions of the original Lease shall remain in full force and effect, save and excepting that a revised Exhibit "A" shall become part of this Lease and shall reflect the location of the new space and Paragraph 1 of this Lease shall be amended to include and state all correct data as to the new space. Tenant's failure to move to such substitute premises upon substantial completion of said substitute premises shall constitute a default under this Lease. In the event that Landlord requests Tenant to relocate, the parties agree that Landlord shall use its best efforts to maintain at least one retail space for Tenant's continued use under the lease.

**31. Rules and Regulations.** Tenant shall faithfully observe and comply with the "Rules and Regulations," a copy of which is attached hereto and marked Exhibit "F", and all reasonable and nondiscriminatory modifications thereof and additions thereto from time to time put into effect by Landlord. Landlord shall not be responsible to Tenant for the violation or nonperformance by any other tenant or occupant of the Building of any of said Rules and Regulations.

**32. Conflict of Laws.** This Lease shall be governed by and construed pursuant to the laws of the State of California.

**33. Successors and Assigns.** 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, successors and assigns.

**34. Surrender of Premises.** The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord, operate as an assignment to it of any or all subleases or subtenancies. Upon the expiration or termination of this Lease, Tenant shall peaceably surrender the Premises broom-clean, in good order, repair and condition, reasonable wear and tear excepted, including removal of all of Tenant's equipment, trade fixtures, and personal property from the Premises, further removal of all tenant improvements of the Premises required under this Lease to be removed from the Premises by Tenant, including Tenant's repair of all damage to the Premises resulting from such removal, and Tenant shall also comply with the provisions of Paragraphs 14(g) and 14(h) and all other applicable provisions of this Lease. The delivery of keys to any employee of Landlord or to Landlord's agent or any employee thereof shall not be sufficient to constitute a termination of this Lease or a surrender of the Premises.

**35. Professional Fees.** In the event that Landlord should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provisions of this Lease, or for any other relief against Tenant hereunder, or should either party bring suit against the other with respect to matters arising from or growing out of this Lease, then all costs and expenses, including, without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees, incurred by the prevailing party therein, shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

**36. Performance by Tenant.** All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of rent. Tenant acknowledges that the late payment by Tenant to Landlord of any sums due under this Lease will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such cost being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises or the Building of which the Premises are a part. Therefore, if any monthly installment of Annual Base Rent is not received by Landlord by the date when due, or if Tenant fails to pay any other sum of money due hereunder and such failure continues for more than three (3) days after notice thereof by Landlord, Tenant shall pay to Landlord, as additional rent, the sum of five percent (5%) of the overdue amount as a late charge. Such overdue amount shall also bear interest, as additional rent, at the maximum rate permissible by law calculated, as appropriate, from the date the monthly installment of Annual Base Rent is due, until the date of payment to Landlord. Landlord's acceptance or waiver of any late charge or interest shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord under this Lease or any law now or hereafter in effect with respect to such default or any prior or subsequent default by Tenant. Further, in the event such late charge is imposed by Landlord for two (2) consecutive months for whatever reason, Landlord shall have the option to require that, beginning with the first payment of rent due following the imposition of the second consecutive late charge, rent shall no longer be paid in monthly installments but shall be payable three (3) months in advance.

**37. Mortgagee and Senior Lessor Protection.** No act or failure to act on the part of Landlord which would entitle Tenant under the terms of this Lease, or by law, to be relieved of Tenant's obligations hereunder or to terminate this Lease, shall result in a release of such obligations or a termination of this Lease unless (a) Tenant has given notice by registered or certified mail to any beneficiary of a deed of trust or mortgage covering the Premises and to the Lessor under any master or ground lease covering the Building, the Site or any interest therein whose identity and address shall have been furnished to Tenant, and (b) Tenant offers such beneficiary, mortgagee or Lessor a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or of judicial foreclosure, if such should prove necessary to effect a cure.

**38. Definition of Landlord.** The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of 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 Site or master lease of the Building. In the event of any transfer, assignment or other conveyance or transfers of any such title or interest, Landlord herein named (and in case of any subsequent transfers or conveyances, the then-grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment or conveyance of all liability with respect to the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed including, without limitation, with respect to Tenant's Security Deposit and, without further agreement, the transferee of such title or interest shall be deemed to have assumed and agreed to observe and perform any and all obligations of Landlord hereunder, during its ownership of the Premises. Landlord may transfer its interest in the Premises 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.

**39. Waiver.** The failure of Landlord to seek redress for violation of, or to insist upon strict performance of, any term, covenant or condition of this Lease or the Rules and Regulations attached hereto as Exhibit "F", shall not be deemed a waiver of such violation or prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation, nor shall the failure of Landlord to enforce any of said Rules and Regulations against any other tenant of the Building be deemed a waiver of any such Rule or Regulation, 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 Landlord to insist upon the performance by Tenant in strict accordance with said terms. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

**40. Identification of Tenant.** Unless the provisions of Paragraph 54 herein below are applicable to this Lease, then if more than one person executes this Lease as Tenant, (a) each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant, and (b) the term "Tenant" as used in this Lease shall mean and include

each of them jointly and severally and the act of or notice from, or notice or refund to, or the signature of, any one or more of them, with respect to the tenancy or this Lease, including, but not limited to, any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

#### **41. Parking and Transportation.**

(a) Provided Tenant is not in default of any of its obligations under this Lease, Landlord will provide for Tenant's use, subject to Tenant's compliance with the conditions and requirements set forth herein, the number of vehicle parking privileges designated in Paragraph 1(y) above, upon payment of a monthly parking fee for such privileges. Tenant shall be permitted to park in the areas designated by Landlord for parking and Landlord reserves the right to set and increase monthly fees for such privileges from time to time during the term of this Lease. Landlord may assign any unreserved and unassigned parking spaces and/or make all or a portion of such spaces reserved, if it determines in its sole discretion that it is necessary for orderly and efficient parking. In the event Landlord has not assigned specific spaces to Tenant, Tenant shall not use any spaces which have been so specifically assigned by Landlord to other tenants or for such other uses as visitor parking or which have been designated by governmental entities with competent jurisdiction as being restricted to certain uses.

(i) 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.

(ii) If Tenant permits or allows any of the prohibited activities described in this Paragraph 41, then Landlord shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Tenant, which cost shall be immediately payable upon demand by Landlord.

(iii) Landlord reserves the right at any time to relocate parking spaces and to substitute an equivalent number of parking spaces within the Building's parking structure.

(iv) Tenant shall submit a written notice in a form reasonably specified by Landlord, containing the names, home and office addresses and telephone numbers of those persons who are authorized by Tenant to use the parking privileges on a monthly basis (the "Authorized Users") and shall use its best efforts to identify each vehicle by make, model and license number. Such notice shall be served upon Landlord prior to the beginning of the term of this Lease. Such notice, as amended from time to time, is hereafter referred to as the "Parking Notice." No person whose name and address is not contained in the Parking Notice shall have any right to park a vehicle in the area of the Building parking facilities designated for monthly parking and no person whether or not

his name is included in the Parking Notice shall have any right to park a vehicle not identified in the Parking Notice without (in either case) paying the parking charge then applicable for daily parking in the Building parking facilities and parking in the area designated for daily parking.

(v) Tenant and Authorized Users shall comply with all rules and regulations as set forth in the Parking Rules and Regulations portion of Exhibit "F" hereto. Landlord reserves the right to modify, add to, or delete from time to time such Parking Rules and Regulations as it deems reasonably necessary for the operation of said parking. Landlord may refuse to permit any person who violates with unreasonable frequency the Parking Rules and Regulations to park in the Building parking facility, and any violation of the rules shall subject the vehicle to removal. Tenant agrees to use its best efforts to acquaint all Authorized Users and visitors with the Parking Rules and Regulations.

(vi) All responsibility for damage to cars and theft is assumed by Authorized Users. Tenant shall repair or cause to be repaired at its sole cost and expense any and all damage to the Building parking facility or any part thereof caused by Tenant or its Authorized Users or resulting from vehicles of Authorized Users.

(vii) Tenant agrees to promptly notify Landlord of any future security breaches of which Tenant becomes aware, and Landlord shall take commercially reasonable efforts to resolve any such issues.

(b) Tenant agrees that it will use its best efforts to cooperate in programs which may be undertaken by Landlord independently, or in cooperation with local municipalities or governmental agencies or other property owners in the vicinity of the Building, to reduce peak levels of commuter traffic. Such programs may include, but shall not be limited to, carpools, vanpools and other ride sharing programs, public and private transit, and flexible work hours.

**42. Terms and Headings.** The words "Landlord" and "Tenant" as used herein shall include the plural as Well as the singular. If there be more than one Tenant, i.e., if two or more persons or entities are jointly referred to in this Lease as "Tenant", the obligations hereunder imposed upon Tenant shall be joint and several. The Paragraph 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.

**43. Examination of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for Lease, and it is not effective as a Lease or otherwise until execution by and delivery to both Landlord and Tenant.

**44. Time.** Time is of the essence to each and every provision of this Lease.

**45. Prior Agreement; Amendments.** This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding, oral or written, express or implied, pertaining to any such 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 incorporated herein.

**46. Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal in no way affects, impairs or invalidates any other provision hereof, and such other provisions shall remain in full force and effect.

**47. Recording.** Neither Landlord nor Tenant shall record this Lease nor a short form memorandum thereof without the consent of the other and if such consent shall be obtained, such recording shall be at the sole cost and expense of the party requesting the recording, including any documentary transfer taxes or other expenses related to such recordation.

**48. Limitation on Liability.** The obligations of Landlord under this Lease shall not constitute obligations of the individual partners, directors, officers or shareholders of Landlord, and Tenant shall not seek recourse against the individual partners, directors, officers or shareholders of Landlord or any of their personal assets for satisfaction of any liability in respect to this Lease. Landlord's liability under this Lease shall be limited to Landlord's interest in the Building.

**49. Riders.** Clauses, plats and riders, if any, signed by Landlord and Tenant and affixed to this Lease are a part hereof.

**50. Signs.** Tenant shall not place any sign upon the Premises or the Building.

**51. Modification for Lender.** If in connection with obtaining construction, interim or permanent financing for the Building, a lender or any equity partner who is admitted after the date of execution of this Lease shall request reasonable modifications in this Lease as a condition to such financing, Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such modifications do not increase the obligations of Tenant hereunder or materially, adversely affect the leasehold interest hereby created or tenant's right hereunder.

**52. 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.

**53. Financial Statements.** At any time during the term of this Lease, Tenant shall, upon ten (10) days' prior written notice from Landlord, provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statement shall be prepared in accordance with generally accepted accounting



principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant.

**54. Tenant as Corporate Entity.** If Tenant executes this Lease as a corporation, partnership, limited liability company, limited liability partnership, or other entity, Tenant and the persons executing this Lease on behalf of Tenant represent and warrant that the individuals executing this Lease on Tenant's behalf are duly authorized to execute and deliver this Lease on its behalf in accordance with, and pursuant to, the governing documents, resolutions, minutes, certificates, and other appropriate written documentation evidencing such authority prepared by Tenant and delivered to Landlord upon Tenant's execution hereof, and that this Lease is binding upon Tenant in accordance with its terms. This Lease requires the approval of the Los Angeles Board of Harbor Commissioners and the Los Angeles City Council and shall not be effective until five (5) business days after the approval by the Los Angeles City Council.

**55. No Partnership or Joint Venture.** Nothing in this Lease shall be deemed to constitute Landlord and Tenant as partners or joint ventures. It is the express intent of the parties hereto that their relationship with regard to this Lease be and remain that of landlord and tenant.

**56. Nondiscrimination.** Tenant herein covenants by and for itself, its heirs, successors and assigns, and all persons claiming under or through it and this Lease is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, ancestry, national origin, sex, marital status, creed, physical handicap, sexual orientation, medical condition, age or religion in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the Premises, nor shall Tenant itself, nor any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants, or vendees in the Premises.

**57. Disclosure of Terms.** Neither party hereto shall disclose the terms of this Lease to any other parties or persons except as they may agree in writing; provided, however, that the parties hereto acknowledge that documents and information, including the terms of this Lease and the Lease itself, may be subject to disclosure pursuant to laws, rules and/or regulations applicable to either party, including those applicable to Tenant generally requiring it to disclose records upon request or to secure approval by a governmental agency or legislative body, which laws, rules and/or regulations include, but are not limited to, the California Public Records Act (Cal. Gov. Code Sections 6250 *et seq.*) and the Brown Act (Cal. Gov. Code Sections 54950 *et seq.*) (collectively, "Disclosure Laws"). In the event Tenant receives a request for release of any such information or documents, Tenant will first notify Landlord of the request before any disclosure is made to allow Landlord the opportunity to take any action it may deem necessary to protect the documents from disclosure. In the absence of an order from a court of competent jurisdiction excusing Tenant from its disclosure obligations, Tenant shall undertake whatever action is necessary to comply with the requirements imposed by the applicable Disclosure Laws.

**58. Waiver of Right of Redemption.** Tenant hereby waives any right of redemption, whether equitable, statutory, or otherwise, with respect to the Premises, the Building, and the Project and all portions thereof.

**59. Security.** Landlord and Tenant agree that the safeguarding and protection of Tenant, its employees, agents, contractors, subtenants, invitees, and guests, and Tenant's property in the Premises from and against the acts of third parties is the primary responsibility of Tenant. Tenant further agrees that it will formulate, adopt, and implement, at Tenant's sole cost and expense, such reasonable security measures and policies applicable to Tenant, its employees, agents, contractors, invitees, and guests, and to safeguard and protect Tenant's property in the Premises, consistent with the other provisions of this Lease, as Tenant may deem necessary or desirable in furtherance of Tenant's desired level of security. Tenant acknowledges that, notwithstanding Landlord's provision from time to time of general security services for the Building and/or the Project, if any, as Landlord shall elect and further notwithstanding Landlord's collection from Tenant or any other tenants of the Building or the Project of any portion of the cost or expense of such general security services, Landlord makes no representations or warranties and assumes no obligation or liability with respect to the security of Tenant, its employees, agents, contractors, invitees, and guests, or Tenant's property in the Premises from and against the acts of third parties, the responsibility for all of which is hereby assumed by Tenant.

**60. Hazardous Substances.**

(a) Tenant represents and warrants to Landlord that Tenant does not use, handle, store, generate, release, treat, or dispose of any Hazardous Substances (as defined below) in connection with its use of the Premises permitted under this Lease. Tenant agrees that it shall not cause, permit, or suffer any Hazardous Substances to be brought, used, handled, kept, stored, generated, released, treated, or disposed of in or about the Premises, the Building, or the Project by Tenant or its employees, agents, contractors, subtenants, invitees, guests, or others under Tenant's reasonable control and, in the event any of the foregoing shall occur as a result of any act or omission of Tenant or its employees, agents, contractors, subtenants, invitees, guests, or others under Tenant's reasonable control or otherwise be discovered by Tenant, Tenant shall immediately notify Landlord. Landlord and its employees, agents, representatives, and consultants shall be entitled to reasonable access to the Premises during reasonable hours and upon reasonable notice to Tenant in order to determine Tenant's and other tenants' compliance with its requirements under this Paragraph and such other tenants' leases, including, without limitation, conducting periodic and unscheduled environmental inspections and tests of Hazardous Substances contamination of the Premises, the Building, and the Project.

(b) Tenant agrees to indemnify, protect, defend (with counsel approved by Landlord), and hold harmless Landlord from and against any breach by Tenant of any of its representations, warranties, or obligations under this Paragraph and any claim, damage, loss, judgment, award, cost and/or expense (including, without limitation, attorneys' fees, cost of suit, and costs of appeal, diminution in value of the Building and the Project, damages for the loss or restriction on use of rentable or usable space or any amenity of the Building or the Project, damages arising from any adverse impact on marketing of the Building or the Project, and sums paid in settlement of claims, consultant fees, and expert fees) which arise during or after the term of this Lease as a result of any of the foregoing. This indemnification of Landlord by Tenant includes, without limitation, costs and expenses paid or incurred in connection with any

investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Substances present in the soil, air, or ground water in, on, under, or in the vicinity of the Premises, the Building, or the Project resulting from such a breach. Without limiting the generality of the foregoing, if the presence of any Hazardous Substances in the Premises, the Building, or the Project caused, permitted, or suffered by Tenant results in any contamination of any of the foregoing, Tenant shall promptly take all actions at its sole cost and expense as may be necessary to return the Premises, the Building, and/or the Project to the condition existing prior to the introduction of such Hazardous Substances thereto, provided Landlord's prior written approval of such actions and the contractors to be used by Tenant in connection therewith, shall first be obtained.

(c) Landlord shall be entitled to withhold its consent to any proposed transfer, assignment, or subletting of the Premises (and such withholding shall be deemed reasonable) if any of the following shall apply: (i) the proposed transferee's anticipated use of the Premises involves the use, handling, storage, generation, treatment, or disposal of any Hazardous Substances; (ii) the proposed transferee, assignee, or sublessee has been required by any prior landlord, lender, or governmental authority to take remedial action in connection with Hazardous Substances for which transferee, assignee, or sublessee was shown or deemed to be liable or responsible; or (iii) the proposed transferee, assignee, or sublessee is subject to an enforcement order issued by any governmental authority in connection with the use, storage, or disposal of any Hazardous Substances.

(d) As used herein, the term "Hazardous Substances" shall mean and refer to any hazardous or toxic substance, material, or waste which is or becomes:

(i) potentially injurious to the public health, safety or welfare, either by itself or in combination with other materials or substances;

(ii) regulated by any local governmental authority or the United States Government, including, without limitation, any material or substance defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" or similar term under the law of the jurisdiction where the Premises is located, designated as a "hazardous substance" pursuant to Paragraph 311 of the Federal Water Pollution Control Act (33 U.S.C. 1317), defined as a "hazardous waste" pursuant to Paragraph 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 *et seq.* (42 U.S.C. 6903), or defined as a "hazardous substance" pursuant to Paragraph 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 *et seq.* (42 U.S.C. 9601); or

(iii) a basis for potential liability of Landlord to any governmental or quasi-governmental authority or third party under any applicable statute or common law theory, including, without limitation, asbestos and asbestos-containing materials, oil, crude oil, petroleum, gasoline, and other hydrocarbon products, by-products, or fractions thereof.

**61. Shared Parking.** Landlord hereby discloses to Tenant that, pursuant to various agreements with the City of Los Angeles (San Pedro) and/or other applicable governmental authorities, Landlord is required to make the parking facilities of the Project available from time to time for the parking needs on a shared parking basis of other real properties and facilities in the vicinity of the Project. The term “shared parking” refers to the utilization of parking spaces by multiple users whose respective patterns of parking use at both peak and off-peak hours of the day and/or on business and non-business days of the week suggest that a given number of parking spaces will be able to accommodate a higher ration of users to parking spaces than would typically be the case. Accordingly, Landlord reserves the right to make reasonable changes and adjustments in the parking facilities of the Project to accommodate such shared parking, provided Tenant’s rights to parking provided in Paragraph 41 above are not materially and adversely affected thereby.

**62. Notices.**

(a) All notices, statements and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices, statements and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (facsimile) or electronic mail (upon mutual written agreement of participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice, statement or demand. All notices are effective upon receipt. For the purposes of such notices, statements and/or demands, the addresses for the parties are set forth in Paragraph 62(b) below. Either party may from time to time designate another person or place in a notice.

(b) All notices, statements and demands given under this Lease which are mailed, delivered or telecopied shall be addressed to the respective parties as follows (except where redesignated as provided above):

To Tenant:  
City of Los Angeles Harbor Department  
c/o Real Estate Division  
425 S. Palos Verdes St.  
San Pedro, California 90731  
Telecopier: (310) 547-4611

*with a copy of any notice to:*  
Office of the City Attorney  
PORT OF LOS ANGELES  
425 S. Palos Verdes St.  
San Pedro, California 90731  
Telecopier: (310) 831-9778

To Landlord:  
PACIFIC PLACE OFFICE LLC

c/o Jupiter Holdings LLC  
24 Corporate Plaza, Suite 100  
Newport Beach, California 92660  
Attn: Edmond F. St. Geme  
Telecopier: (949) 706-8051

(c) Any emergency or time-sensitive notices to the Tenant, including evacuation, safety or security notifications should be also immediately delivered to Tenant on the Premises at:

Port of Los Angeles  
222 W. 6th Street, Suite 1080  
San Pedro, California 90731

**63. Acceptance of Premises and Termination of Original Lease.**

(a) Acceptance of the Premises: Tenant previously accepted and currently occupies the Premises demised pursuant to that certain Office Lease dated “April \_\_\_2009” by and between Landlord’s predecessor-in-interest and Tenant (said Lease hereafter is called the “Original Lease”). Tenant hereby agrees and acknowledges that the Premises shall be accepted and deemed satisfactory for the conduct of Tenant’s business in “AS IS” “WHERE-IS” condition in accordance with Paragraph 13(a) above.

(b) Termination of the Original Lease: Landlord and Tenant agree that the Original Lease shall automatically terminate effective upon the Commencement Date of this Lease, notwithstanding any other notice requirement for the termination of the Original Lease as provided therein. Except for any obligations of Tenant which have accrued, but remain unsatisfied, and any rights reserved by Landlord under the Original Lease which shall survive the termination thereof, upon termination of the Original Lease, the Original Lease will be deemed null and void, and of no further force and effect, and Landlord and Tenant shall have no further obligations to the other under the Original Lease, and Tenant’s use and occupancy of the Premises shall be governed by this Lease.

IN WITNESS WHEREOF, the parties have executed this Lease the day and year first above written.

**TENANT:**

**City of Los Angeles,  
a municipal corporation  
acting by and through its  
Board of Harbor Commissioners**

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
Board Secretary

Date: \_\_\_\_\_

**APPROVED AS TO FORM**

\_\_\_\_\_, 2016  
MIKE N. FEUER, City Attorney  
JANNA B. SIDLEY, General Counsel

By: \_\_\_\_\_  
Heather M. McCloskey, Deputy City Attorney

**LANDLORD:**

**PACIFIC PLACE OFFICE LLC,**  
a Delaware limited liability company

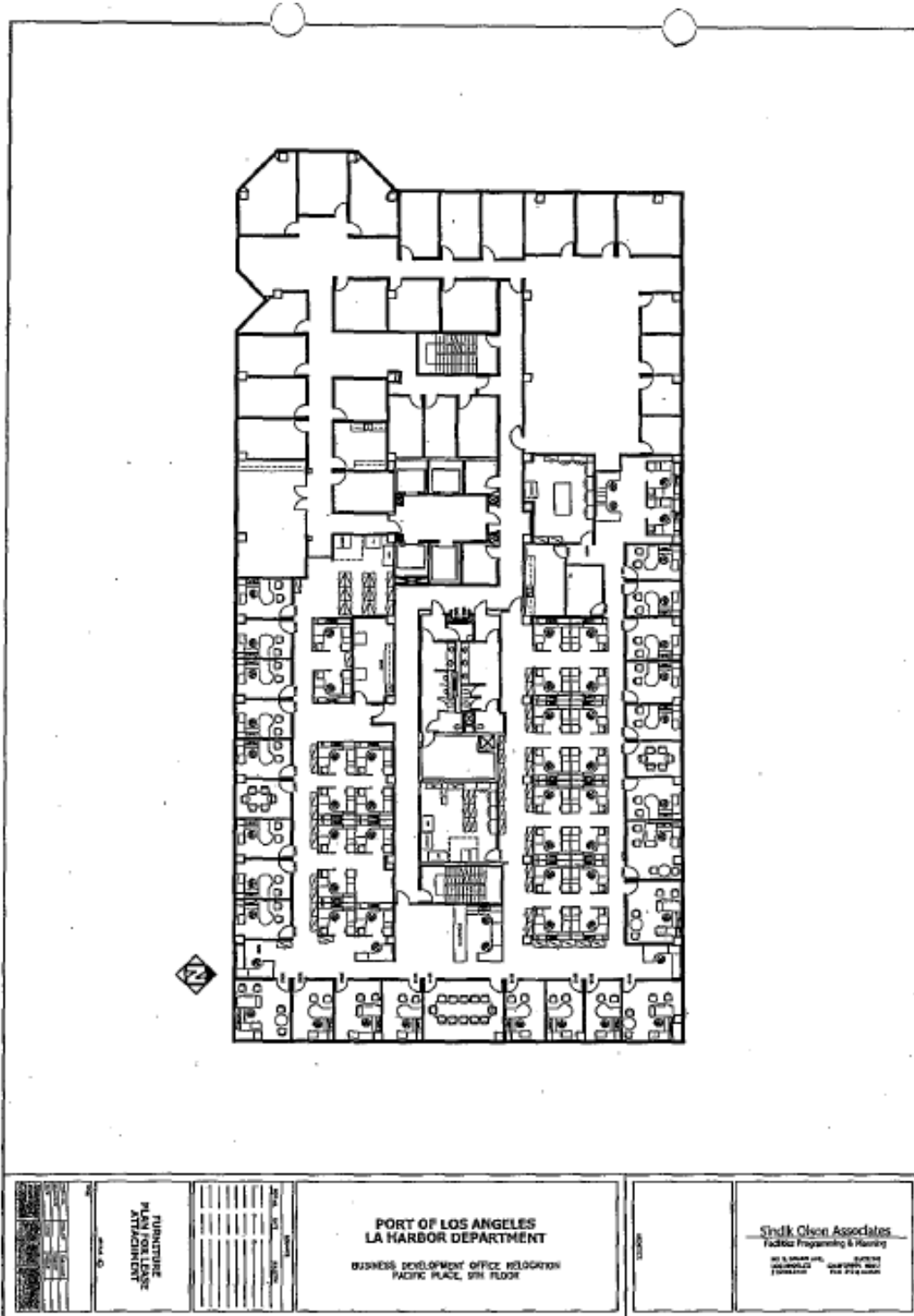
By JUPITER B-II LLC, a Delaware limited liability company  
Its Member

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

By \_\_\_\_\_  
Edmond F. St. Geme  
Its Managing Member

EXHIBIT A

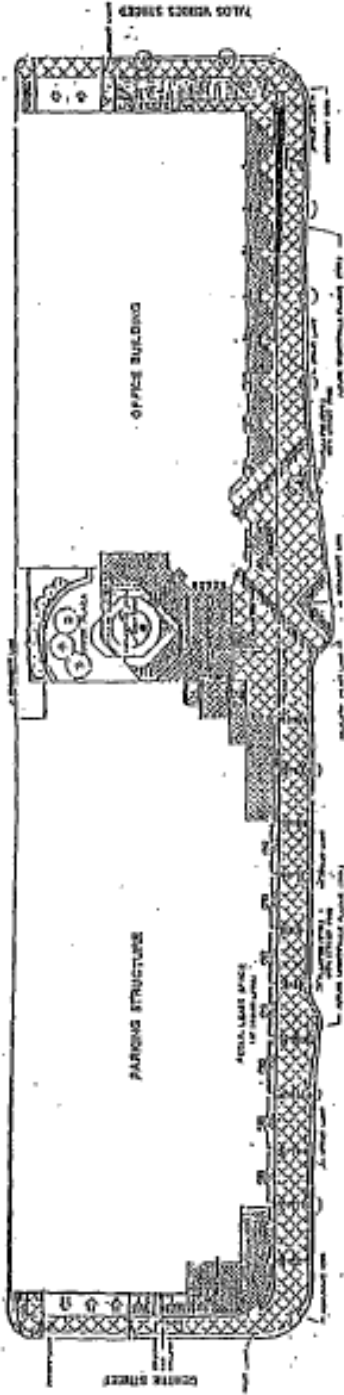
OUTLINE OF FLOOR PLAN OF PREMISES





**EXHIBIT B**

**SITE PLAN**



**SCHEDULE I  
TO  
EXHIBIT B**

**PROJECT OPERATING EXPENSES  
ALLOCABLE TO THE BUILDING**

1. **Definitions.** All capitalized terms not defined herein are defined in the Lease.
2. **Acknowledgements.** The parties acknowledge that Paragraph 6 of the Lease entitled “Rental Adjustment,” without the incorporation therein of this Schedule I to Exhibit “B,” only allocates the expenses entailed with the operations of a single building. The parties also acknowledge that the Building is a part of the Project. Therefore, to the extent that a pure segregation between costs to the Building and the Project are not available, the parties agree that the Landlord may include the costs defined herein in the Estimate Statement and in the determination of Operating Expenses.
3. **Determination of Project Operating Expenses.** “Project Operating Expenses” shall include those costs listed as Operating Expenses under the Lease, except that it shall apply to those same expenses when they are attributable to the Project, but not attributable solely to any of the Rentable Components. Such expenses include, but are not limited to:
  - (a) The real property taxes upon or in respect of the Site and all Improvements on the Site including any tax imposed on the capital invested in the Site. The costs will accrue in respect of the calendar year in which the fiscal year begins multiplied by a fraction the numerator of which is the rentable area of the Building and the denominator of which is the aggregate of the rentable area of the Building and the rentable area of the Retail Area.
  - (b) That proportion which the rentable area of the Building is of the aggregate of the rentable area of the Building and the rentable area of the Retail Area in regard to all net costs, charges and expenses in respect of a fiscal year directly attributable to the operation, repair and maintenance of the Project but not attributable solely to the operation, repair and maintenance of any of the Rentable Components.
  - (c) A portion of those expenses as established by Landlord from time to time on a fair and equitable basis arising from those portions of the Project Common Areas.
4. **Application of Project Operating Expenses.** All Project Operating Expenses will be allocated to either the Building or the Retail Area based upon the rentable area of each Rentable Component. Project Operating Expenses allocated to the Building will be added to the Operating Expenses of the Building as described herein, and calculated as to each Tenant as part of the Operating Expenses procedure listed under Paragraphs 6(a) and (b) of the Lease.
5. **Separate Assessment of Taxes.** Notwithstanding the above, if real property taxes for the Premises and all other portions of the Site and Building leased or designated for lease to tenants

are assessed separately for each tenant by the Los Angeles County Assessor, the amount payable in respect of the Premises shall be paid in full and shall be excluded from real property taxes for the purpose of determining Project Operating Expenses.

**EXHIBIT C**

[Intentionally Omitted]

**EXHIBIT D**

[Intentionally Omitted]

**EXHIBIT E**  
**SAMPLE FORM OF**  
**TENANT ESTOPPEL CERTIFICATE**

The undersigned, Pacific Place Office LLC (“Landlord”), with a mailing address of \_\_\_\_\_, and \_\_\_\_\_ (“Tenant”), hereby certify to \_\_\_\_\_, a \_\_\_\_\_ as follows:

1. Attached hereto is a true, correct and complete copy of that certain lease dated \_\_\_\_\_, 20\_\_ between Landlord and Tenant (the “Lease”), which demised premises are located at \_\_\_\_\_. The Lease is now in full force and effect and has not been amended, modified or supplemented, except as set forth in Paragraph 4 below.

2. The term of the Lease commenced on \_\_\_\_\_, 20\_\_.

3. The term of the Lease shall expire on \_\_\_\_\_, 20\_\_. Tenant has no option to extend the term of the Lease other than \_\_\_\_\_.

4. The Lease has: (Initial one)

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

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

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

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

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

7. The amount of fixed monthly rent is \$\_\_\_\_\_.

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

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

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

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

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

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

14. Tenant currently leases \_\_\_\_\_ vehicle parking privileges at a rate of \$\_\_\_\_\_ per privilege per month.

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

The foregoing certification is made with the knowledge that \_\_\_\_\_ is about to fund a loan to Landlord, and that \_\_\_\_\_ is relying upon the representations herein made in funding such loan.

DATED: \_\_\_\_\_, 20\_\_.

**TENANT:**

**City of Los Angeles,  
a municipal corporation  
acting by and through its  
Board of Harbor Commissioners**

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

**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

Date: \_\_\_\_\_

SAMPLE ONLY  
[NOT FOR EXECUTION]



**EXHIBIT F**  
**RULES AND REGULATIONS**

1. No sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building without the prior written consent of Landlord. Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors, windows and walls shall be printed, painted, affixed or inscribed at the expense of Tenant by a person chosen by Landlord, using materials of Landlord's choice and in a style and format approved by Landlord.
2. Tenant must use Landlord's window coverings in all exterior window offices. No awning shall be permitted on any part of the Premises. Tenant shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Premises. When any office in the Premises is not in use, Tenant shall close window coverings.
3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators or stairways of the Building. The halls, passages, exits, entrances, elevators 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 judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building without Landlord's consent.
4. The directory of the Building will be provided exclusively for the display of the name and location of tenants only, and Landlord reserves the right to exclude any other names therefrom. Tenant shall have the right to reasonable space on the directory board.
5. All cleaning and janitorial services for the Building and the Premises shall be provided exclusively through Landlord, and except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be employed by Tenant or permitted to enter the Building for the purpose of cleaning the same. Tenant shall not cause any unnecessary labor by carelessness or indifference to the good order and cleanliness of the Premises. Landlord shall not in any way be responsible to any Tenant for any loss of property on the Premises, however occurring, or for any damage to any Tenant's property by the janitor or any other employee or any other person.
6. Landlord will furnish Tenant, free of charge, with two keys or card keys to each

door lock in the Premises. Landlord may make a reasonable charge for any additional keys. Tenant shall not make or have made additional keys, and Tenant shall not alter any lock or install a new additional lock or bolt on any door of its Premises. Landlord shall allow Tenant to install at Tenant's expense an entry access card reader system to no less than six (6) entry points on the Premises. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys or card keys of all doors which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall pay Landlord therefor.

7. If Tenant requires telegraphic, telephonic, burglar alarm or similar services, it shall first obtain, and comply With, Landlord's instructions in their installation.
8. Any freight elevator shall be available for use by all tenants in the Building, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. No equipment, materials, furniture, packages, supplies, merchandise or other property will be received in the Building or carried in the elevators except between such hours and in such elevators as may be designated by Landlord.
9. 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 belonging to Tenant, which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be objectionable to Landlord or to any tenants in the Building, shall be placed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate noise or vibration. The persons employed to move such equipment in or out of the Building must be acceptable to Landlord. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
10. 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 or other occupants of the Building by reason of noise, odors or vibrations, nor shall Tenant bring into or keep in or about the Premises any bicycles or vehicles or any birds or animals, except seeing-eye dogs when accompanied by their masters.

11. Tenant shall not use any method of heating or air conditioning other than that supplied or approved by Landlord.
12. Tenant shall use best efforts to conserve electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations of which Tenant has actual notice, and shall refrain from attempting to adjust controls other than room thermostats installed for Tenant's use. Tenant shall use best efforts to keep corridor doors closed, and shall close window coverings at the end of each business day. Heating and air conditioning shall be provided during ordinary business hours of generally recognized business days, but not less than the hours of 8:00a.m. to 6:00p.m. on Monday through Friday and 8:00a.m. to 1:00p.m. on Saturday (excluding in any event Sundays and legal holidays, it being understood that legal holidays shall mean and refer to those holidays of which Landlord provides Tenant with reasonable prior written notice which shall in any event include those holidays on which the New York Stock Exchange is closed).
13. Landlord reserves the right, exercisable without notice and without liability to Tenant, to change the name and street address of the Building.
14. Landlord reserves the right to exclude from the Building between the hours of 6:00p.m. and 7:00a.m. the following day, or such other hours as may be established from time to time by Landlord, and on Saturdays, Sundays and 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. 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 shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.
15. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus, and, except with regard to Tenant's computers and other equipment which requires utilities on a twenty four hour basis, all electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for noncompliance with this rule.
16. Tenant shall not obtain for use on the Premises ice, drinking water, food, beverage, towel or other similar services or accept barbering or boot blacking services upon the Premises, except at such hours and under such regulations as may be fixed by Landlord.

17. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or invitees, shall have caused it.
18. Tenant shall not sell, or permit the sale at retail, of newspapers, magazines, periodicals, theater tickets or any other goods or merchandise to the general public in or on the Premises. Tenant shall not make any room-to-room solicitation of business from other tenants in the Building. Tenant shall not use the Premises for any business or activity other than that specifically provided for in Tenant's Lease.
19. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof, except to install normal wall hangings. Landlord reserves the right to direct electricians as to where and how telephone and telegraph wires are to be introduced to the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.
20. Tenant shall not install, maintain or operate upon the Premises any vending machine without the written consent of Landlord.
21. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building or the Site are prohibited. Tenant shall cooperate to prevent same.
22. Landlord reserves the right to exclude or expel from the Building any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of the Rules and Regulations of the Building.
23. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place any material in any trash box or receptacle 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 issued from time to time by Landlord.
24. The Premises shall not be used for the storage of merchandise held for sale to the general public, or for lodging or for manufacturing of any kind, nor shall the Premises be used for any improper, immoral or objectionable purpose. No cooking shall be done or permitted by any 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 oven 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.

25. Tenant shall not use in any space or in the public halls of the Building any mail carts or 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 except as provided in the Parking Rules and Regulations.
26. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.
27. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
28. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.
29. The requirements of Tenant will be attended to only upon appropriate application to the Office of the Building by an authorized individual. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord, and no employee of Landlord will admit any person (Tenant or otherwise) to any office without specific instructions from Landlord.
30. Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.
31. These Rules and Regulations (including Parking Rules and Regulations below) are in addition to the terms, covenants, agreements and conditions of any lease of premises in the Building. In the event these Rules and Regulations conflict with any provision of the Lease, the Lease shall control.
32. Landlord reserves the right to make such other and reasonable Rules and Regulations (including Parking Rules and Regulations) as, in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building 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 mutually agreed upon by the parties and adopted.
33. Tenant shall be responsible for the observance of all of the foregoing rules by

Tenant's employees, agents, clients, customers, invitees and guests.

34. Tenant shall not permit smoking or carrying of lighted cigars, cigarettes or pipes in areas designated by Landlord or applicable governmental agencies as non-smoking areas.

## **PARKING RULES AND REGULATIONS**

1. Tenant and Authorized Users shall not park vehicles in any parking areas designated by Landlord as areas for parking by visitors to the Building. Tenant and Authorized Users shall not leave vehicles in the Building parking areas overnight nor park any vehicles in the Building parking areas other than automobiles, motorcycles, motor driven or non-motor driven bicycles or four-wheeled trucks; said vehicles shall be subject to towing. Landlord may, in its sole discretion, designate separate areas for bicycles and motorcycles.
2. Cars must be parked entirely within the stall lines painted on the floor.
3. All directional signs and arrows must be observed.
4. The speed limit shall be 5 miles per hour.
5. Parking is prohibited, unless a floor parking attendant approved by Landlord directs otherwise:
  - a. In areas not striped for parking;
  - b. In aisles;
  - c. Where “No Parking” or “Handicap” signs are posted;
  - d. On ramps;
  - e. In crosshatched areas; or
  - f. In such other areas as may be designated by Landlord, its agent, lessee or licensee.
6. Parking stickers or any other device or form of identification supplied by Landlord 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. Other than between authorized users of the parking privileges as may be noticed from time to time by Tenant to Landlord pursuant to the lease, devices are not transferable, and any device in the possession of an unauthorized holder will be void. There will be a replacement charge to Tenant or Authorized User of \$35.00 for loss of any magnetic parking card or other parking identification device. Tenant acknowledges that Tenant shall not be entitled to a greater number of parking stickers or other devices or forms of identification other than the parking privileges allotted to Tenant.

7. Garage managers or attendants are not authorized to make or allow any exceptions to these Rules and Regulations.
8. Every Authorized User is requested to park and lock its own vehicle. All responsibility for damage to vehicles to be repaired is assumed by Authorized Users. Tenant shall repair or cause to be repaired at its sole cost and expense any and all damage to the Building parking facility or any part thereof caused by Tenant or its Authorized Users or resulting from vehicles of Authorized Users.
9. Loss or theft of parking identification devices from automobiles must be reported to the garage manager immediately. Any parking identification devices found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen devices previously reported and then found must be reported found to the office of the garage immediately.
10. Spaces are for the express purpose of one vehicle per space unless a floor parking attendant approved by Landlord directs otherwise. Washing, waxing, cleaning or servicing of any vehicle by the Authorized User and/or his agents is prohibited.
11. The garage management reserves the right to refuse the issuance of monthly stickers or other parking identification devices to any Tenant, Authorized User, or person and/or his agents or representatives who willfully refuse to comply with the above Rules and Regulations or any city, state or federal ordinance, law or agreement.
12. Authorized Users shall not load or unload in areas other than those designated by Landlord for such activities.
13. Authorized Users and unauthorized users parked in prohibited areas are subject to towing at their own expense.
14. Landlord reserves the right to revoke parking privileges for vehicles creating or causing a nuisance, as such shall be determined by Landlord in Landlord's sole discretion.



**EXHIBIT G**  
**MAINTENANCE AND SERVICES**  
**PROVIDED BY LANDLORD**

1. **General Maintenance.** Repair and maintain the Building, including the structural portions of the Building, including the foundation, floor/ceiling slabs, roof, curtain wall, exterior glass and mullions, columns, beams, shafts (including elevator shafts), stairs, parking garage, stairwells, escalators, elevator cabs, plazas, art work, sculptures, washrooms, mechanical, electrical and telephone closets, and all common areas and public areas, as well as the plumbing, heating, ventilating, air conditioning and electrical systems located within and outside the Premises, and every part thereof, including Tenant Improvements existing at the time of Tenant's taking possession of the Premises. In the event that any such maintenance and repairs are caused in part or in whole by the negligent act of Tenant, such reasonable costs for said maintenance and repairs shall be paid by Tenant to Landlord as additional rent.
2. **Access.** Tenant shall have at all times twenty-four (24) hours per day, seven (7) days a week, every day of the year, access to the Premises and parking and such basic services as elevators, water, and electricity for normal lighting of common areas required to access the Premises as Tenant may reasonably require.
3. **Heat, Ventilation, And Air Conditioning (HVAC).** During the Business Hours of Monday through Friday, from 8:00a.m. to 6:00p.m., and Saturday, from 9:00a.m. to 1:00p.m., except for recognized national and state holidays ("Business Hours"), Landlord shall furnish to the Premises heat, ventilation, and air conditioning ("HVAC") reasonably required for the comfortable use and occupation of the Premises. Upon Tenant's request, Landlord shall provide HVAC to the Premises at times other than Business Hours, at Tenant's expense, provided that such cost shall not exceed Landlord's actual cost as reasonably determined by Landlord, currently quoted to be \$45.00 per hour.
4. **Security.** Landlord shall provide, twenty-four (24) hours per day, seven (7) days per week, every day of the year, an on-site security guard, together with appropriate Building security equipment, procedures and systems. Subject to Landlord's reasonable approval, Tenant shall be entitled, at its sole cost and to install its own security systems for the Premises, which shall be located within the Premises and which shall not interfere with the Building systems. Upon request, Landlord's security guards will, after normal Business Hours, accompany any employee or visitor of Tenant from the Building to any parking area at the Building.
5. **Janitorial Services.** Landlord shall provide janitorial service for the Premises Monday through Friday.
6. **Rubbish Removal And Extermination.** Landlord shall, at least Monday through Friday, remove or arrange to have removed rubbish, garbage, trash, and similar debris generated by normal office use from the Premises, including any common areas.

Landlord shall also arrange for the removal of rubbish, garbage, trash, and similar debris from the Building on a regular basis. Landlord is also responsible for the removal or extermination of any pests, vermin, rodents, fleas, or similar infestations from the Premises and the Building within a reasonable period of time after its receipt of written notice of the need for such removal or extermination.

7. **Recycling.** Landlord shall, during the Term of this Lease or any extension thereof and at no additional expense to City, offer a recycling program in the Building. Such program will include all materials which may be reasonably recycled, such as white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers. While participation in such a recycling program by other tenants in the Building shall be voluntary for such tenants, Landlord shall continuously offer such recycling services to each tenant agreeing to participate at no additional cost to such tenant.
  
8. **Storage.** Landlord shall provide storage space in the Building at rates established by Landlord, currently charged at the rate of One Dollar (\$1.00) per square foot per month.

## **LEASE RIDER NO. 1 – REQUIRED PROVISIONS FOR CITY LEASES**

This Lease Rider No. 1 is being entered into between Pacific Place Office LLC, a Delaware limited liability company, as Landlord (“Landlord”) and the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners, as Tenant (“City”), in connection with the execution of the Office Lease between Landlord and City executed concurrently herewith (“Lease”).

1. Capacity Of City As Tenant. Except where clearly and expressly provided otherwise in this Lease, the capacity of the City of Los Angeles in this Lease shall be as a tenant only, and any obligations or restrictions imposed by this Lease on City shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental capacity, including, but not limited to, enacting laws, inspecting structures, reviewing and issuing permits, and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

2. Substitution of Other City Departments. City may from time to time substitute any City departments or personnel as occupants of all or any part of the Premises; provided, however, that such substitution shall be for office and administrative use similar to that of the prior City department or personnel. No such substitution of occupancy shall be deemed a sublease or an assignment.

3. [Intentionally Omitted].

4. No Security Deposit. Under no circumstances shall City, at any time, be obligated to pay to Landlord a security deposit.

5. Business Tax Registration Certificate. Pursuant to the program of the Controller of the City of Los Angeles, City may withhold the payment of Base Rent under Paragraph 5 (a) and any Additional Rent where Landlord fails to have a Federal Tax Identification Number and a currently valid Business Tax Registration Certificate (“BTRC”) or, where applicable, a valid Vendor Registration Number (“VRN”) issued by the City Clerk of the City of Los Angeles pursuant to Los Angeles Municipal code section 21.00, *et seq.* Prior to the Lease Commencement Date, Landlord shall provide City with Landlord’s Federal Tax Identification Number and Landlord’s BTRC number or VRN. Such withholding of Base Rent and Additional Rent does not relieve City from its obligation to pay such rent, but City may withhold, without penalty or interest, all payments of Base Rent and Additional Rent until Landlord has obtained a valid BTRC or VRN, after which City shall retroactively pay all rent due and owing within sixty (60) days after notice from Landlord containing proof of registration and an itemized invoice of the rent due. If Landlord is not legally required to possess either a BTRC or a VRN, this Paragraph 5 to Lease Rider No. 1 shall not apply; provided, however, the burden of proof shall be on Landlord to establish such non-applicability.

6. Late Charges. Landlord acknowledges that City is not authorized to pay late charges except by order of a court of competent jurisdiction. Accordingly, no late charge or

similar penalty shall apply to any rent payment or any failure to pay such payment when due.

7. Interpretation. In the event of a conflict between this Lease Rider No. 1 and the Lease, the terms of this Lease Rider No. 1 shall control and supersede the terms of the Lease.

**TENANT:**

**City of Los Angeles,  
a municipal corporation  
acting by and through its  
Board of Harbor Commissioners**

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

**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

Date: \_\_\_\_\_

SAMPLE ONLY  
[NOT FOR EXECUTION]

## LEASE RIDER NO. 2 – AMERICANS WITH DISABILITIES ACT

This Lease Rider No. 2 is being entered into between Pacific Place Office LLC, a Delaware limited liability company, as Landlord (“Landlord”) and the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners, as Tenant (“City”), in connection with the execution of the Office Lease between Landlord and City executed concurrently herewith (“Lease”).

1. Compliance With Americans With Disabilities Act. With respect to compliance with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101, *et seq.*) and any and all other applicable federal, state, and local laws (collectively “the ADA”), where modifications are required to be made to the Premises or the Building to meet accessibility standards, Landlord and City shall have the following responsibilities:

1.1 Landlord’s Responsibilities. It is Landlord’s responsibility to provide a Building which is fully accessible to and usable by individuals with disabilities and otherwise in compliance with the ADA. Accordingly, except as provided in Paragraph 1.1.3, below, Landlord shall be responsible, at its own cost, to make such modifications, additions, or changes as are required for compliance with the ADA, including, but not limited to:

- (1) The removal of architectural barriers;
- (2) The provision of auxiliary aids in the common areas in and around the Building;
- (3) The modification of policies, practices, and procedures applicable to all tenants (when the modifications are necessary to afford goods, services, facilities, privileges, advantages, or accommodations to individuals with disabilities);
- (4) The maintenance in operable working condition of those features of facilities and equipment that are required to be readily accessible to and usable by individuals with disabilities; and
- (5) The assurance, otherwise, that the Premises are readily accessible to and usable by individuals with disabilities.

1.2 Specific Responsibilities Of Landlord. In particular, but not by way of limitation, Landlord shall:

- (1) Provide a path of travel accessible to and useable by individuals with disabilities from the exterior of the Building (including the parking) to each floor of the Premises;
- (2) Assure that any Building alarm systems include flashing alarm

lights as well as auditory alarm mechanisms, which shall be maintained in working order during the Term of the Lease;

(3) Provide on each floor of the Premises restrooms and drinking fountains which are readily accessible to and useable by individuals with disabilities, including individuals who use wheelchairs, and, where public telephones are otherwise provided by Landlord, telephones which are readily accessible to and useable by individuals with disabilities, including individuals who use wheelchairs;

(4) Provide signage at all inaccessible entrances to the Building or common area portions of the Building, directing users to an accessible entrance or to a location at which they can obtain information about accessible facilities. The international symbol for accessibility shall be used at each accessible entrance; and

(5) Ensure that interested persons, including persons with impaired vision or hearing, can obtain information as to the existence and location of accessible portions of the Premises.

1.3 City's Responsibilities. City shall be responsible, at its own cost, to make such modifications, additions, or changes as are required for compliance with the ADA with respect to:

(1) Tenant Improvements requested by City which are unique to City's use of the Premises and not normally found in other leaseholds in the Building or similar office buildings in the Southern California area;

(2) Changes or modifications required to be made to City's personal property or other equipment located in the Premises which is not owned or controlled by Landlord, including, but not limited to, the rearranging, raising, or lowering of tables, chairs, filing cabinets, vending machines, display racks, and other furniture;

(3) Required auxiliary aids and services, including communication devices, located within the Premises; and

(4) All required modifications, additions, or changes to the Building or the Premises arising from alterations done or requested by City during the Term of the Lease. Tenant Improvements done before or contemporaneously with the commencement of this Lease, including all work, punch lists, and change orders involved in the completion of such Tenant Improvements, shall not be considered "alterations" for the purposes of this Subparagraph. Work which is described in Paragraph 3.6 for which Landlord is responsible under Paragraphs 1.1 or 1.2 shall also not be considered "alterations" for the purposes of this Subparagraph. In addition, City shall be responsible to assure that the alterations, in and of

themselves, comply with the ADA. Where City has proposed alterations for the Premises, Landlord shall, in good faith, estimate whether such proposed alterations are expected to require modifications, additions, or changes under the ADA and shall inform City in writing of such estimate in a timely manner; provided that absent a showing by City of bad faith by Landlord, such estimate shall not bind or obligate Landlord in any manner.

2. Transition Plan. With respect to the Building and the Premises, Landlord shall fully cooperate with City in the development of any transition plan required by the ADA. Landlord shall also cooperate with City with any self-evaluation conducted by City pursuant to the ADA.

3. Limitations On Article. Nothing in this Lease Rider No.2 shall be construed to:

3.1 Require Landlord to forego or waive any exemption or other relief afforded it under the provisions of the ADA, so long as granting of such relief does not result in the shifting of responsibility for complying with the ADA to City;

3.2 Require Landlord to take any action that would threaten or destroy the historic significance of an historic property;

3.3 Require Landlord to provide to individuals with disabilities personal devices, such as wheelchairs; individually prescribed devices, such as prescription eyeglasses or hearing aids; readers for personal use or study; or services of a personal nature including assistance in eating, toileting, or dressing;

3.4 Necessarily require Landlord to make any other portion of the Building accessible to and usable by individuals with disabilities;

3.5 Shift the responsibility for compliance under this Lease Rider No.2 to City based on City's refusal or failure to reassign services from the Premises to accessible buildings;

3.6 Shift the responsibility for compliance under this Lease Rider No. 2 to City based on the fact that some or all of the ADA requirements are triggered by a qualified applicant for employment or employee of City with disabilities or the specification by City that the Building and Premises be fully accessible to persons with disabilities because of potential future liability under the ADA with respect to employees; or

3.7 Shift the responsibility to City for curb ramps or other sloped areas where pedestrian walks cross curbs based on the governmental authority of the City of Los Angeles over streets, roads, or sidewalks.

4. Effect Of Delays. Any delays encountered in the construction or completion of the Tenant Improvements due to the failure to the Building or the common areas to comply with

the ADA shall be Landlord's responsibility and shall not constitute City Delays.

5. Interpretation. In the event of a conflict between this Lease Rider No. 2 and the Lease, the terms of this Lease Rider No.2 shall control and supersede the terms of the Lease.

**TENANT:**

**City of Los Angeles,  
a municipal corporation  
acting by and through its  
Board of Harbor Commissioners**

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

**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

Date: \_\_\_\_\_

SAMPLE ONLY  
[NOT FOR EXECUTION]



## **LEASE RIDER NO. 3 – LOS ANGELES CITY ORDINANCE MANDATED PROVISIONS**

This Lease Rider No. 3 is being entered into between Pacific Place Office LLC, a Delaware limited liability company, as Landlord (“Landlord”) and the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners, as Tenant (“City”), in connection with the execution of the Office Lease between Landlord and City executed concurrently herewith (“Lease”).

1. Child Support Assignment Orders. This Lease is subject to Paragraph 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders. Pursuant to this Paragraph, Landlord (and any subcontractor of Landlord providing services to City under this Lease) shall (1) fully comply with all state and federal employment reporting requirements for Landlord’s or Landlord’s subcontractor’s employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of Landlord and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, *et seq.*; and (4) maintain such compliance throughout the Term of this Lease. Pursuant to Paragraph 10.10.b of the Los Angeles Administrative Code, failure of Landlord or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Landlord or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Landlord by City (in lieu of any time for cure provided in Paragraph 25(e) of this Lease).

2. Living Wage Ordinance. The Department Of General Services has made an initial determination that this contract is not covered under the Living Wage Ordinance (“LWO”) (Paragraph 10.37, *et seq.*, of the Los Angeles Administrative Code) as this contract is a lease where City is the tenant. Determinations as to whether this contract is covered by the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. City shall notify Landlord in writing about any redetermination by City of coverage or exemption status. Notwithstanding any other provision in this Lease to the contrary, in the event it is determined that this Lease is covered by the LWO, Landlord shall be allowed to pass-through as Additional Rent any actual and necessary differential increase in costs related to wages and salaries paid as the result of compliance with the LWO. In addition, if this Lease is covered by the LWO, violation of the LWO shall constitute a material breach of this Lease and City shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available. Whether or not subject to the LWO, Landlord shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to section 10.37.6(c), Landlord agrees to comply with federal law prohibiting retaliation for union organizing.

3. Non-Discrimination In Employment.

3.1 General Provision. Landlord agrees and obligates itself in the performance of this Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition.

3.2 Equal Employment Practices. This Lease is a contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000.00 or more. Accordingly, during the performance of this Lease, Landlord further agrees to comply with Paragraph 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"). By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Landlord to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Landlord. Upon a finding duly made that Landlord has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

3.3 Affirmative Action Program. This Lease is a non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000.00 or more. Accordingly, during the performance of this Lease, Landlord further agrees to comply with Paragraph 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"). By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the Los Angeles Administrative Code, the failure of Landlord to comply with the Affirmative Action Program provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Landlord. Upon a finding duly made that Landlord has breached the Affirmative Action Program provisions of this Lease, this Lease may be forthwith terminated.

3.4 Equal Benefits Provisions. This Lease is subject to Paragraph 10.8.2.1, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code ("Equal Benefits Provisions") related to equal benefits to employees. Landlord agrees to comply with the provisions of Paragraph 10.8.2.1. By way of specification but not limitation, pursuant to Paragraph 10.8.2.1.c of the Los Angeles Administrative Code, the failure of Landlord to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Landlord. Upon a finding duly made that Landlord has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

4. Slavery Disclosure Ordinance. This Lease is subject to the applicable provisions

of the Slavery Disclosure Ordinance. (“SDO”) (Paragraph 10.41, *et seq.*, of the Los Angeles Administrative Code). Unless otherwise exempt in accordance with the provision of this Ordinance, Landlord certifies that it has complied with the applicable provisions of the Ordinance. Under the provisions of Paragraph 10.41.2(b) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available to City if City determines that the Landlord failed to fully and accurately complete the SDO affidavit or otherwise violated any provision of the SDO.

5. Interpretation. In the event of a conflict between this Lease Rider No. 3 and the Lease, the terms of this Lease Rider No.3 shall control and supersede the terms of the Lease.

**TENANT:**

**City of Los Angeles,  
a municipal corporation  
acting by and through its  
Board of Harbor Commissioners**

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

**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

Date: \_\_\_\_\_

SAMPLE ONLY  
[NOT FOR EXECUTION]