SUBLEASE

BLUE ROBOTICS, INC.
PARCEL B59

THIS SUBLEASE (this "Sublease") is made and entered into as of November 22, 2025 ("Effective Date"), by and between AltaSea at the Port of Los Angeles, a California nonprofit public benefit corporation ("Sublandlord"), and Blue Robotics, Inc., a Delaware corporation ("Subtenant").

A. Pursuant to that certain Amended and Restated Lease No. 904 effective as of August 23, 2017 (as amended from time to time before, on or after the Effective Date, the "Master Lease"), by and between the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners, ("Master Landlord") and Sublandlord, Sublandlord is leasing from Master Landlord, certain real property consisting of a portion of "Parcels B56-B61A, B61C, B60B, B72A and B72B" defined in the Master Lease ("Initial Total Premises"). The Initial Total Premises together with any and all "Parcels" (defined in the Master Lease) that are added from time to time before, on or after the Effective Date, to the "Demised Premises" (defined in the Master Lease) excluding any "Parcel(s)" that are removed from such "Demised Premises", are sometimes referenced herein as the "Total Premises". A copy of the Master Lease and all amendments thereto executed on or before the Effective Date is attached hereto as Exhibit A.

B. Sublandlord desires to sublease to Subtenant, and Subtenant desires to sublease from Sublandlord, a portion of the Total Premises consisting of approximately 46,162 square feet of space (subject to remeasurement as provided herein) in the warehouse portion of Parcel B59 with an address of 2451 Signal Street, Berth 59, San Pedro, California 90731, as more particularly described and shown on Exhibit B attached hereto and incorporated by reference (the "Premises").

In consideration of the foregoing, and of the terms and conditions set forth herein, Sublandlord and Subtenant hereby agree as follows:

ARTICLE 1. Sublease of Premises.

Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, for the term and upon the terms and conditions hereinafter set forth, the Premises, together with non-exclusive access to common area space of the Total Premises as designated by Sublandlord from time to time subject to the other terms and conditions of this Sublease. Notwithstanding anything to the contrary, Subtenant understands and agrees that Sublandlord is the lessee of the Premises by virtue of the Master Lease, and that this Sublease is and shall at all times be subject to and subordinate to the provisions of the Master Lease; provided, that the foregoing shall not affect the terms of this Sublease as between Sublandlord and Subtenant, it being the specific intent of the parties that the terms of this Sublease control as between Sublandlord and Subtenant, and in the event of any inconsistency between the terms of the Master Lease and the terms of this Sublease, the terms of this Sublease shall control as between Sublandlord and Subtenant. Without limitation, the prior approval of Master Landlord as required under the Master Lease shall be a condition precedent to the effectiveness of this Sublease, and Sublandlord shall have no obligation or liability whatsoever to Subtenant if Master Landlord does not provide its approval; provided that Sublandlord shall use commercially reasonable efforts to obtain such approval by Master Landlord promptly following the mutual execution of this Sublease, and if such approval is not obtained by April 1, 2026, either party may terminate this Sublease without penalty upon providing written notice to the other at any time until such consent is obtained. The approximate size and location of the Premises are more particularly shown on the floor plan attached hereto as Exhibit B. The square footage of the Premises as specified above and on Exhibit B is only an approximation. Within thirty (30) days following the Effective Date, Sublandlord shall, at Sublandlord' sole cost, cause the Premises, the Expansion Space and the ROFO

Space (as such terms are defined below) to be remeasured in accordance with commercially reasonable industry standards, and the parties agree to document such factually accurate square footage based on such re-measurement; provided, that no variation between the stated square footage and the actual square footage of the Premises shall affect or modify any rights or obligations of either party under this Sublease; without limiting the foregoing, the Basic Rental in Article 3(a) and all other economic terms set forth in this Sublease are not based upon the square footage of the Premises and shall not be subject to adjustment in the event the actual square footage differs from that stated herein. The square footage of the Premises determined by Sublandlord's remeasurement shall be deemed final and not subject to change for any reason, even if Subtenant adds additional square footage in the Premises (e.g., mezzanine office), but shall be increased for any Expansion Space or ROFO Space described on the Addendum to this Sublease.

(a) As used herein, the term "Incorporated Provisions" means all of the provisions of the Master Lease except the following provisions of the Master Lease (which provisions specifically shall not be incorporated into or applicable to this Sublease or binding on Subtenant in any respect):

(i) Section 1 (Grants and Findings).

(ii) Section 2 (Effective Date; Term and Holdover).

(iii) Sections 3.1 (Description), Section 3.2 (Acceptance, Possession and Surrender), Section 3.3 (Improvements), 3.4 (Renovation Fund), 3.5 (Premises Subject to Tariff), 3.7 (Inspection by Tenant), 3.8 (Executive Director-Authorized Additions to Premises), 3.9 (Radio Equipment), the first sentence of Section 3.11.1 (except to the extent Sublandlord grants to Subtenant any exclusive parking right under this Sublease), and Section 3.12.

(iv) Section 4.8 (Temporary Assignments), 4.11 (Maintenance Areas), 4.13 (Covenant to Open and Operate), 4.14.1 (Supervision of Business Practices), and 4.14.4 (Board Review of Rates and Prices); provided, however, notwithstanding anything to the contrary, (A) Subtenant shall use the Premises for the purposes permitted in Article 6 of this Sublease, (B) Subtenant shall not use, or cause, permit or suffer to be used, the Premises for any purpose except as permitted in Article 6 of this Sublease, and shall not use, or cause, permit or suffer to be used, the Premises for any purpose or in any manner that is expressly prohibited by the Master Lease, (C) Subtenant shall not be required to spend the required minimum investment in the Premises under Section 3.3 of the Master Lease, but the foregoing shall not limit Subtenant's obligations expressly set forth in Article 8 of this Sublease, and (D) Subtenant shall not be required to fund a renovation fund in accordance with Section 3.4 of the Master Lease, but the foregoing shall not limit Subtenant's rental obligations expressly set forth in Article 3 of this Sublease.

(v) Sections 5.1 (Definitions), 5.2 (Compensation Required of Tenant), 5.3 (Interim Compensation Period Minimum Annual Rent), 5.4 (Final Compensation Period Minimum Annual Rent), 5.5 (Rent Adjustments), 5.6 (Additional Rent), 5.7 (Requirements Applicable to Tenant's Payment of Rent), and 5.8 (Rent Credits). Notwithstanding anything to the contrary, Subtenant shall not be entitled to use any "Rent Credit" or other credit, reduction or abatement described in the Master Lease, except to the extent permitted by this Sublease.

(vi) Section 6.2.3 (except the first sentence thereof), including Sections 6.2.3(a) and Section 6.2.3(b), 6.5 (Environmental Compliance), except Subtenant shall comply with all Environmental Laws (except as otherwise expressly set forth in this Sublease), and 6.6 (Environmental Audits).

(vii) Section 7.1, Section 7.2.1 (it being specifically acknowledged and agreed that Subtenant is not required to perform any tenant improvements or other work required of Sublandlord under the Master Lease, including the work set forth in Section 3.3.4 and Exhibit M of the Master Lease), Section 7.3 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.4 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.5, Section 7.8, Section 7.9.

(viii) Section 8.1 (Tenant's Maintenance Obligations), 8.2 (Tenant Failure to Maintain), the second sentence of Section 8.4 (Litter and Debris), 8.5 (Fire Protection Systems), 8.7 (Services and Utilities), 8.8 (City's Maintenance Obligations).

(ix) Section 9 (Default and Termination).

(x) Section 11 (Restoration and Surrender of Premises).

(xi) Section 12.1.4, except that the hold harmless provisions of the Subtenant, to the benefit of the Master Landlord, are applicable and in full force and effect; Section 12.2.2(d) (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 12.2.3 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), and Section 12.2.4. The Incorporated Provisions also exclude any provision of the Master Lease providing for Master Landlord to provide any insurance.

(xii) Section 13.4 (except Section 13.4.2 shall be deemed part of the Incorporated Provisions), 13.5, Section 13.9, Section 13.10.

(xiii) Section 14 (Recordkeeping, Inspection and Audit)

(xiv) Section15 (Marks and Naming Opportunities). Notwithstanding anything to the contrary, except for identification of Subtenant's address and other similar purposes, Subtenant shall not use any service mark, trademark, name, title, description slogan, emblem, logo or other intellectual property owned or used by Master Landlord or Sublandlord, except with the prior written consent of Sublandlord. Without limiting the foregoing or any other rights or remedies of Sublandlord with respect to its intellectual property or otherwise, Subtenant does not and shall not acquire any right or interest of any nature whatsoever in Sublandlord's name or other intellectual property, notwithstanding Subtenant's name and/or its collaboration with Sublandlord on certain projects, and Subtenant shall at all times, during and after the Term of this Sublease, (1) hold itself out as an entity separate and apart from Sublandlord, (2) not take or omit to take any action that may cause any confusion regarding the fact that Sublandlord and Subtenant are separate and distinct from one another, including but not limited to with respect to Subtenant's logos and other indicia of Sublandlord or any of its affiliates or partners, or that may diminish or degrade Sublandlord's intellectual property or its rights or interests therein or otherwise reflect poorly on Sublandlord or any of its affiliates or partners, and (3) not contest or attack any of Sublandlord's marks or indicia or other intellectual property, whether or not the same registered or patented. Sublandlord agrees that the terms above shall be mutual with respect to Subtenant. The provisions of this paragraph shall survive expiration or termination of this Sublease indefinitely.

(xv) The second sentence of Section 16.4 (Modification in Writing), and Sections 16.9 (Notices), 16.10 (Statements of Tenant as Applicant), 16.14 (Possessory Interest), 16.27 (Disclosure Laws), 16.29 (Proprietary Capacity).

(xvi) Exhibits M (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), N1, N3, and R.

(xvii) The Incorporated Provisions exclude all provisions of the Master Lease providing for Master Landlord to indemnify, defend and/or hold harmless Sublandlord; and

(xviii) The Incorporated Provisions exclude any and all provisions of the Master Lease redacted from the copy thereof attached to this Sublease as Exhibit A.

(b) Except as otherwise expressly provided in, or otherwise inconsistent with this Sublease, the Incorporated Provisions are hereby incorporated in this Sublease by reference with the same force and effect as if set forth herein, except that, unless the context requires otherwise:

(i) References in such provisions to the Master Landlord, "City", "City Council", "Council", "Board", "Executive Director", "Harbor Department", and "Harbor Engineer" in the Incorporated Provisions shall be deemed to refer to Sublandlord in this Sublease;

(ii) References in such provisions to "Tenant" in the Incorporated Provisions shall be deemed to refer to Subtenant in this Sublease;

(iii) References in such provisions to the "Demised Premises" or "Premises" in the Incorporated Provisions shall be deemed to refer to the Premises in this Sublease;

(iv) References to the "Term" in the Incorporated Provisions shall be deemed to refer to the Term of this Sublease.

(v) References to the Master Lease in the Incorporated Provisions shall be deemed to refer to this Sublease.

(vi) References in the Incorporated Provisions to other provisions of the Master Lease that are not incorporated in this Sublease shall be disregarded; and

(vii) References in such provisions to subleases, sublettings or subtenants shall be deemed to refer to sub-subleases, sub-sublettings or sub-subtenants (it being understood that no sub-subtenants shall be permitted without the written approval of Master Landlord).

(c) Sublandlord shall not be deemed to have given any representation or warranty made by Master Landlord in any of the Incorporated Provisions. Moreover, except to the extent Sublandlord is separately required to perform such obligation under the terms of the Master Lease or this Sublease, Sublandlord shall not be obligated:

(i) To perform any obligation or provide any of the services or utilities that Master Landlord has agreed in the Master Lease to provide;

(ii) To make any of the installations, alterations, additions, improvements, other modifications, repairs or restorations that Master Landlord has agreed in the Master Lease to make;

(iii) To comply with any laws or requirements of public authorities with which Master Landlord has agreed to in the Master Lease to comply;

(iv) To remove, encapsulate or otherwise treat any Environmentally Regulated Material (as defined in the Master Lease), including, without limitation, any asbestos-containing materials or other hazardous materials, located in the Premises and/or the Total Premises that Master Landlord has agreed in the Master Lease to perform;

(v) To provide any insurance that Master Landlord has agreed to provide; provided, however, that this clause (v) does not mean that Master Landlord has agreed to provide any insurance; or

(vi) To take any action with respect to the operation, administration or control of the Total Premises or any other area that the Master Landlord has agreed in the Master Lease to take.

(all the foregoing being herein called the "Master Landlord Services"). Sublandlord shall have no liability to Subtenant on account of any failure of Master Landlord to do so, or on account of any failure by Master Landlord to observe or perform any of the terms, covenants or conditions of the Master Lease required to be observed or performed by Master Landlord. For the avoidance of doubt, nothing contained herein shall be deemed to relieve Sublandlord of its obligations to comply with the terms of the Master Lease, including, without limitation, Sublandlord's obligations with respect to Environmentally Regulated Material under the Master Lease. Subtenant hereby expressly waives the provisions of any statute, ordinance or judicial decision, now or hereafter in effect, which would give Subtenant the right to make repairs at the expense of Sublandlord, or to claim any actual or constructive eviction by virtue interruption in access or services to, or failure to make repairs in or to, the Premises or the Total Premises; provided, that Sublandlord and Subtenant agree that the foregoing shall not limit the parties' rights expressly set forth in this Sublease.

(d) Sublandlord agrees:

(i) Upon Subtenant's request, to use reasonable efforts (excluding litigation, arbitration, administrative or other proceedings), at Sublandlord's expense, to cause Master Landlord to provide any Master Landlord Service, and

(ii) That, if under the Master Lease any right or remedy of Sublandlord or any duty or obligation of Master Landlord is subject to or conditioned upon Sublandlord's making any demand upon Master Landlord or giving any notice or request to Master Landlord, if Subtenant shall so request, Sublandlord, at Subtenant's expense, shall make such demand or give such notice or request; provided, that Sublandlord shall not be required to request Master Landlord's consent or approval with respect to any act or thing as to which Sublandlord shall have determined in accordance with this Sublease to withhold its consent or approval.

(iii) Sublandlord shall use commercially reasonable diligent efforts to keep the Master Lease in full force and effect during the Term of this Sublease, and Sublandlord shall not take any action or modify the Master Lease in a manner that materially and adversely affects Subtenant's rights under this Sublease, including, without limitation, any action that could reduce Subtenant's rights or increase Subtenant's liability in connection with this Sublease. Sublandlord further represents and warrants to Subtenant that the Master Lease is in full force and effect, and Sublandlord has neither given nor received a notice of default under the Master Lease. Except as

expressly provided in Section 1(m) below, Sublandlord further agrees not to terminate the Master Lease voluntarily.

(e) Whenever Subtenant desires to do any act or thing which requires the consent or approval of Master Landlord:

(i) Subtenant shall not do such act or thing without first Subtenant's having obtained the consent or approval of Sublandlord and Sublandlord's having obtained the consent or approval of Master Landlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and, if Sublandlord withholds consent or approval, Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord);

(ii) Subtenant shall not request Master Landlord's consent or approval directly (and no efforts by Sublandlord to obtain Master Landlord's consent or approval shall constitute Sublandlord's consent or approval or prejudice Sublandlord's right to withhold consent or approval); and

(iii) In no event shall Sublandlord be required to give its consent or approval prior to Master Landlord doing so. Sublandlord may give or refuse to give its consent or approval under this Sublease in its sole and absolute discretion, except as otherwise provided in this Sublease (including, without limitation, with respect to Subtenant's Work). Except with respect to Master Landlord's consent to this Sublease, the Non-Disturbance Agreement (as defined in Section 2 of the Addendum) and Subtenant's Work, Subtenant shall reimburse Sublandlord for all reasonable costs incurred by Sublandlord in processing any request by Subtenant for Sublandlord's consent or approval or request by Sublandlord for Master Landlord's consent or approval.

(f) The time limits contained in the Incorporated Provisions for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the tenant thereunder, or for the exercise by the tenant thereunder of any right, remedy or option, are changed for the purposes of incorporation herein by reference by shortening the same in each instance by five (5) days, so that in each instance Subtenant shall have five (5) days less time to observe or perform hereunder than Sublandlord has as the tenant under the Master Lease. If Master Landlord shall give any notice of failure or default under the Master Lease arising out of any failure by Subtenant to perform any of its obligations hereunder (other than the payment of money), then Sublandlord shall promptly furnish Subtenant with a copy thereof. If the Master Lease shall provide any grace or cure period for such failure or default then the grace or cure period hereunder shall expire five (5) days prior to the date on which the grace or cure period under the Master Lease shall expire. In no event shall this Section 4.6 extend the time, date or period by or within which Subtenant is required to perform.

(g) If (i) Subtenant shall fail to perform any of its obligations hereunder and such failure shall continue beyond any cure period provided for herein, or (ii) Master Landlord shall give Sublandlord any notice of failure or default under the Master Lease arising out of any failure by Subtenant to perform any of its obligations hereunder then, in either case, Sublandlord shall have the right (but not the obligation) to perform or endeavor to perform such obligation, at Subtenant's expense, and Subtenant shall, within ten (10) days of Sublandlord's demand from time to time, reimburse Sublandlord for all reasonable costs and expenses incurred by Sublandlord in doing so. Sublandlord shall have the right to enter the Premises in connection with exercising its rights under this clause (g).

(h) This Sublease is and shall at all times be subject and subordinate to the Master Lease; provided, that the foregoing shall not affect the terms of this Sublease as between Sublandlord and Subtenant, it being the specific intent of the parties that the terms of this Sublease control as between Sublandlord and Subtenant, in the event of any inconsistency between the terms of the Master Lease and the terms of this Sublease, the terms of this Sublease shall control as between Sublandlord and Subtenant. Subtenant shall not do anything, or permit anything to be done, in connection with Subtenant's use or occupancy of the Premises which would violate any covenants or agreements contained in the Incorporated Provisions of the Master Lease. Sublandlord shall not do anything, or permit anything to be done, in connection with Sublandlord's use or occupancy of the Total Premises which would violate any covenants or agreements contained in the Master Lease that would reasonably be expected to result in a termination of the Master Lease and Subtenant's subtenancy hereunder or that otherwise would reasonably be expected to materially and adversely affect Subtenant's use of the Premises. Master Landlord (under the Master Lease) or Sublandlord may enforce directly against Subtenant, each in its own capacity, any of the rights granted to Master Landlord pursuant to the Incorporated Provisions of the Master Lease, except as expressly modified by this Sublease. Sublandlord may not grant to Subtenant, and nothing in this Sublease shall be construed to grant, any greater rights than Sublandlord has received as tenant from Master Landlord pursuant to the Master Lease. Subtenant does not have any greater rights against Sublandlord with respect to this Sublease or the Premises than Sublandlord has as tenant against Master Landlord with respect to the Master Lease.

(i) During the Term of this Sublease, and thereafter for obligations that arose during the Term of this Sublease, Subtenant (i) hereby expressly assumes and agrees to perform and comply with, for the benefit of Sublandlord, every duty, liability, obligation and responsibility of Sublandlord with respect to the Premises in accordance with the terms of the Incorporated Provisions of the Master Lease, as modified by this Sublease, which accrue during the term of this Sublease, and (ii) hereby agrees to observe all negative covenants of Sublandlord as tenant with respect to the Premises in accordance with the terms of the Incorporated Provisions of the Master Lease, as modified by this Sublease (collectively, the "Assumed Obligations"). Subtenant shall defend, indemnify and hold Sublandlord harmless from and against any and all claims, demands, directives, orders, actions, causes of action, judgments, damages, penalties, fines, liabilities, losses, obligations, costs and expenses (including, without, limitation attorney's fees and costs, consultant fees, expert fees and settlement payments) (collectively, "Claims") to the extent caused by any failure by Subtenant to perform the Assumed Obligations.

(j) Any non-liability, release, indemnity or hold harmless provision, and any provisions pertaining to waiver of subrogation rights and or the naming of a party under an insurance policy, in the Master Lease for the benefit of Master Landlord which is an Incorporated Provision, shall be deemed to inure to the benefit of Sublandlord and Master Landlord, for the purpose of incorporation by reference in this Sublease.

(k) Any Additional Charges resulting from Subtenant's abnormal use of services or otherwise attributable to Subtenant's use of the Premises shall, notwithstanding any other provision of this Sublease, be promptly paid by Subtenant to Sublandlord within 10 business days following written demand from Sublandlord, together with reasonable supporting documentation.

(l) Any Master Lease provisions with respect to rent abatements (whether in connection with a destruction of the Premises or otherwise) shall entitle Subtenant to an equitable and proportionate abatement of all rental hereunder for the affected portion of the Premises.

(m) Where the Master Lease expressly grants Sublandlord any discretionary right to terminate the Master Lease as to all or any portion of the Total Premises, whether due to casualty, condemnation, or otherwise, Sublandlord shall be entitled to exercise or not exercise such right in its sole and absolute discretion, but only after notice to Subtenant if the Premises are affected. If the Master Lease shall terminate for any reason then, subject to the terms of Section 2 of the Addendum and any "Non-Disturbance Agreement" (as defined therein), this Sublease shall also terminate. Neither Sublandlord nor Master Landlord shall be liable to Subtenant for any such termination.

(n) Any right of the Master Landlord for access or inspection and any right of the Master Landlord under the Master Lease to do work in the Premises or in the Total Premises or in any other area, and any right of the Master Landlord in respect of policies, rules, regulations and directives, shall be deemed to inure to the benefit of Sublandlord and Master Landlord, for the purpose of incorporation by reference in this Sublease.

(o) Subtenant's rights, title and interests under this Sublease are subject nevertheless to the terms and conditions of this Sublease (which by definition includes the Incorporated Provisions of the Master Lease) and any other leases, mortgages, deeds of trust, liens, covenants, conditions, restrictions, easements and other encumbrances to which this Sublease is or becomes subordinate. Sublandlord represents to Subtenant that, as of the date hereof, except for the Master Lease and those matters identified in the Master Lease (such as, by way of example and without limitation, the State Tidelands Act and the Tariff, and all applicable laws, rules and regulations), there is no lease, mortgage, deed of trust, liens, covenants, conditions, restrictions, easements and other encumbrances affecting the Premises or this Sublease.

(p) Notwithstanding anything to the contrary contained in this Sublease, if requested by Subtenant from time to time, and without cost to Sublandlord, Sublandlord shall use commercially reasonable efforts to assist Subtenant understand and comply with the following Sections of the Incorporated Provisions: 4.6 (State Tidelands Act), 4.7 (Load Limits), 4.9 (Wilmington Truck Route), 6.5.1 (Environmental Compliance – Generally), 6.5.2 (Environmental Compliance Program), 16.12 (Affirmative Action), 16.21, 16.22, 16.23, 16.24, 16.28, 16.30 (collectively, the "Special Compliance Provisions"). Subtenant shall not be in default under this Sublease, nor shall Subtenant's indemnification obligations apply, as a result of any non-compliance with the terms of the Special Compliance Provisions, unless (a) Sublandlord notifies Subtenant in writing of such specific non-compliance, (b) if requested by Subtenant, Sublandlord uses commercially reasonable efforts to assist Subtenant with such compliance, at no cost to Sublandlord, and (c) Subtenant fails to commence to remedy such non-compliance within five (5) business days following Sublandlord's specific instructions and guidance with respect to such matter, or thereafter fails to diligently prosecute the same to completion.

ARTICLE 2. Term.

(a) The term of this Sublease (the "Term") shall be for a period of ten (10) years, commencing on the Commencement Date (as defined below), and ending on the last day of the calendar month that is one hundred twenty (120) full calendar months following the Commencement Date (the "Expiration Date"), unless sooner terminated in accordance with this Sublease, including the Incorporated Provisions and Addendum.

The "Commencement Date" shall mean the date that is the earliest of (i) the date that Subtenant commences normal business operations in any portion of the Premises, (ii) the date that Subtenant's Work is substantially complete and Subtenant has received a temporary or final certificate of occupancy (or its jurisdictional equivalent) that allows Subtenant to lawfully access and use the

Premises for the uses permitted hereunder, or (iii) the date that is three hundred sixty-five (365) days after the Delivery Date (as defined below); provided, that (A) such 365 day period shall be extended on a day-for-day basis as a result of any Event of Force Majeure (as defined in the Master Lease), any Approval Delay (as defined below) or any Sublandlord Delay (as defined below), and (B) notwithstanding anything to the contrary contained in this Sublease, in no event shall the Commencement Date occur prior to the date that Sublandlord's Work is substantially complete such that Subtenant may lawfully use and occupy the Premises and the improvements thereon without unreasonable disruption.

The "Delivery Date" shall mean the date that is the later of (a) the date Sublandlord tenders exclusive possession of the Premises to Subtenant in the Required Condition (as defined below), (b) the date Master Landlord's provides its written consent to this Sublease, and (c) the date the Master Landlord and Subtenant enter into the Non-Disturbance Agreement.

Sublandlord shall use commercially reasonable efforts to cause the Delivery Date to occur promptly following the mutual execution of this Sublease; provided, that Sublandlord shall not be in default under this Sublease if the Delivery Date does not occur by a particular date; provided, further that if the Delivery Date has not occurred by July 1, 2026 (the "Outside Date"), Subtenant may, as its sole and exclusive remedy, terminate this Sublease by delivering written notice to Sublandlord at any time following the Outside Date and prior to the actual Delivery Date. The remedies set forth in this paragraph shall be Subtenant's sole and exclusive remedies for Sublandlord's failure to timely cause the Delivery Date to occur.

Provided that Subtenant is not then in default under this Sublease beyond any applicable notice and cure period, Subtenant shall have two (2) options (each, an "Extension Option") to extend the Term for consecutive periods of sixty (60) months each (each an "Extended Term"). Each Extension Option must be exercised, if at all, by written notice to Sublandlord no later than nine (9) months prior to the last day of the initial Term (or the first Extended Term, if applicable). Monthly Basic Rental at the commencement of any Extended Term shall be 102% of the Monthly Basic Rental payable in the last month of the initial Term or the first Extension Term, as applicable, and Basic Rental shall thereafter increase annually and cumulatively by 2% per year.

(b) Subtenant shall vacate and surrender the Premises in accordance with this Sublease, including the Incorporated Provisions, on the Expiration Date or the earlier termination of this Sublease. Subtenant has no right to holdover thereafter. Subtenant shall defend, indemnify and hold harmless Sublandlord from and against any and all Claims to the extent caused by Subtenant's failure to so vacate and surrender the Premises in accordance with this Sublease, including without limitation, liabilities to real estate brokers, Master Landlord, new subtenant(s) or others. Such damages shall include, without limitation, the rental value of the Premises in a monthly amount equal to one hundred fifty percent (150%) of the Monthly Basic Rental due during the last full month prior to such Expiration Date or earlier termination of this Sublease (provided that if the Sublease terminates during the first 48 months of the Term, the Monthly Basic Rental used for such calculation shall be that amount payable in month 49 of the Term), plus any additional hold over rent owing under the Master Lease for the Total Premises if Subtenant remains in possession of the Premises after the expiration or earlier termination of the Master Lease so long as Subtenant has received at least thirty (30) days prior written notice of its obligation to vacate, subject to the terms of any Non-Disturbance Agreement.

ARTICLE 3. Rental.

(a) **Basic Rental.** From and after the Commencement Date, Subtenant agrees to pay to Sublandlord during the Term hereof, at Sublandlord's office or to such other person or at such other place as directed from time to time by written notice to Subtenant from Sublandlord, the monthly basic rental ("Basic Rental") in accordance with the schedule set forth below, due and payable in equal monthly installments in advance on the first day of each calendar month, without demand, set off or deduction. Notwithstanding the foregoing, Subtenant shall be entitled to the Basic Rental abatement as set forth in Section 3 of the Addendum to this Sublease (and, for avoidance of doubt, the Monthly Basic Rent set forth in the schedule below is before application of any abatement to which Subtenant may be entitled pursuant to Section 3 of the Addendum to this Sublease). Notwithstanding the foregoing, the Basic Rental applicable to the first month of the Term together with the Security Deposit referred to in Article 4 below, shall be paid to Sublandlord within two (2) business days following the mutual execution and delivery of this Sublease.

Lease Months	**Monthly Basic Rental**
1 – 48	$12,920
49 – 120	$75,420

(b) **Equity and Royalty Rent.** Not Applicable.

(c) **Additional Fees**. This is a triple net Sublease, subject to the Additional Fee Cap (as defined in Section 5 of the Addendum). From and after the Commencement Date, Subtenant shall pay to Sublandlord during the Term hereof, due and payable in equal monthly installments in advance on the first day of each calendar month, without demand, set off or deduction, as "Additional Fees" a "Proportionate Share" equal to a fraction, the numerator of which is the number of square feet of space of the Premises, and the denominator of which is the number of square feet of leasable space at the Total Premises, of the following items allocated by Sublandlord to the applicable Parcel(s) without duplication; provided, however, that Sublandlord may reasonably create cost pools and allocate a different percentage of any of the following amounts to Subtenant and/or other subtenants and users of the Total Premises if Sublandlord reasonably determines that such different percentage should be used due to the nature of such premises or such party's use of their premises, and Subtenant's payment of its Proportionate Share of Additional Fees shall be subject to the Additional Fee Cap in any event. The "Additional Fees" shall mean and refer to:

(i) Intentionally Omitted;

(ii) Fees, charges, reimbursements, taxes, common area expenses, general and administrative expenses, overhead and other costs and expenses incurred by Sublandlord, including, without limitation, the following items: (A) any and all real estate taxes and other similar charges on real property, leaseholds or improvements, assessments, water and sewer charges, and all other charges assessed or levied upon the project and appurtenances thereto and the parking or other facilities thereof, or the real property (the "Property") thereunder (collectively the "Real Property") or attributable thereto or on the rents, issues, profits or income received or derived therefrom which are assessed or levied by the United States, the State of California or any local government authority or agency or any political subdivision thereof, and shall include Sublandlord's legal fees, costs and disbursements incurred in connection with proceedings for reduction of any of the foregoing or any part thereof, but shall not include any net income taxes; provided, however, if at any time after the date of this Sublease the methods of taxation now

prevailing shall be altered so that in lieu of or as a supplement to or a substitute for the whole or any part of any tax costs, there shall be assessed or levied (1) a tax, assessment, levy, imposition or charge wholly or partially as a net income, capital or franchise levy or otherwise on the rents, issues, profits or income derived therefrom, or (2) a tax, assessment, levy (including but not limited to any municipal, state or federal levy), imposition or charge measured by or based in whole or in part upon the Real Property and imposed upon Sublandlord, or (3) a license fee measured by the rent payable under this Sublease, then all such taxes, assessments or levies or the part thereof so measured or based, shall be deemed to be included under this clause (A); and (B) all costs and expenses incurred by the Sublandlord in connection with the maintenance, operation, replacement, ownership and repair of the Total Premises, the equipment, adjacent walks, and landscaped and common areas and the parking structure areas and facilities of the Total Premises, including, but not limited to, salaries, wages, medical, and general welfare benefits and pension payments, payroll taxes, fringe benefits, employment taxes, workers' compensation, uniforms and dry-cleaning thereof for all persons who perform duties connected with the operation, maintenance and repair of the Total Premises, its equipment and the adjacent walks, including janitorial, gardening, security, operating engineer, painting, plumbing, electrical, carpentry, hired services, an allowance for depreciation of the cost of acquiring or the rental expense of personal property used in the maintenance operation and repair of the Total Premises, accountant's fees incurred in the preparation of rent adjustment statements, legal fees, real estate tax consulting fees, personal property taxes on property used in the maintenance and operation of the Total Premises, capital expenditures incurred to effect economies of operation but only to the extent of the estimated annual savings, and capital expenditures required by new government regulations, laws, or ordinances enacted after the execution of this Sublease; the cost of all charges for electricity, gas, water and other utilities furnished to the Total Premises, including any taxes thereon; the cost of all charges for fire and extended coverage, liability and all other insurance for the Total Premises carried by Sublandlord; the cost of all building and cleaning materials; the cost of all charges for cleaning, maintenance and service contracts and other services with independent contractors (including property management fees); license, permit and inspection fees relating to the Total Premises; costs and expenses ("Capital Expenses") which Sublandlord or Sublandlord's managing agent has incurred or will incur (without offset for any revenue derived from any source whatsoever) in the making or installation of capital improvements, modifications or additions to any of the Total Premises (including, without limitation, an amortized amount of the required minimum investments under Section 3.3 of the Master Lease) and/or the machinery, equipment and facilities related thereto and/or capital reserves established for the repair or replacement of any of the foregoing, either, (1) required by directive of a government, quasi-government or regulatory agency or authority, but only those Capital Expenses which are so required either, pursuant to a law or statute newly enacted after the execution of this Sublease, or pursuant to an interpretation of a law or statute existing as of the execution of this Sublease, which interpretation is newly promulgated after the execution of this Sublease, (2) made with the intent of reducing common area maintenance charges; or (3) deemed reasonably necessary by Sublandlord to maintain the quality, integrity and/or charter of any of the Total Premises and/or the machinery, equipment and facilities related thereto, all as existing at the time of execution of this Sublease; and

(iii) Electric, gas, power, water, cable, telephone, internet, WIFI, trash collection, janitorial, security and other services and utility costs, expenses and charges to the extent not paid directly by Subtenant or allocable to other leasable space in the Total Premises.

(d) On the first day of each month in advance following the Commencement Date, Subtenant shall pay to Sublandlord the Subtenant's Proportionate Share of the foregoing amounts, as estimated by Sublandlord from time to time. Within one hundred eighty (180) days following the end of each calendar year, Sublandlord shall provide to Subtenant a reconciliation of the difference between

such estimated payments made by Subtenant and the actual amounts owing by Subtenant under this clause (d). If, for any calendar year, such actual amounts exceed the estimated payments by Subtenant, then Subtenant shall pay to Sublandlord such excess on or before the date thirty (30) days after receipt of any such reconciliation showing such excess. If, for any calendar year, the estimated payments by Subtenant exceed such actual amounts, then Sublandlord shall give to Subtenant credit in the amount of such excess against the Additional Fees payments first due after delivery of such reconciliation. Neither Sublandlord's failure to deliver nor the late delivery of any such estimate shall constitute a default by Sublandlord hereunder or a waiver of Sublandlord's right to receive Subtenant's share of such amounts; provided, that Subtenant shall not be responsible for paying any Additional Fees which is first billed to Subtenant more than two (2) years after the expiration of the applicable calendar year in which such costs were incurred. Notwithstanding that the term of this Sublease has expired or been terminated, Subtenant shall pay to Sublandlord any additional sums due Sublandlord and Sublandlord shall rebate to Subtenant the amount of any credit due to Subtenant, as set forth in the reconciliation for the year in which this Sublease expired or terminated. Subtenant shall have the right request reasonable backup documentation for the same provided that any such inspection or request may only occur once per calendar year and not later than one hundred eighty (180) days after receiving an invoice from Sublandlord therefor, together with reasonable backup documentation (if requested). If the Total Premises is not fully occupied by tenants or subtenants during all or any portion of a year, Sublandlord may make an appropriate adjustment to those Additional Fees which vary by occupancy, employing sound accounting and property management principles consistently applied, to the amount that would have been incurred if the leasable area of the Total Premises had been 95% occupied, thereby avoiding unequitable fluctuations in Subtenant's payment for variable Additional Fees (such as janitorial, trash removal, and utilities).

(e) **Tariff**. Subtenant shall pay to Master Landlord the Tariff and Tariff Charges, if any, billed directly by Master Landlord to Subtenant, and Subtenant shall pay to Sublandlord the Tariff and Tariff Charges, if any, billed by Master Landlord to Sublandlord for the Subtenant's operations and/or for the Premises.

(f) **Non-Monetary Compensation**. Subtenant shall provide to Sublandlord the "Non-Monetary Compensation" services and public benefits established in Section 2.3(d) in Exhibit F of Master Lease (the other terms of Section 2.3 in Exhibit F shall not be applicable to Subtenant), in general and as applicable to the Premises. Notwithstanding that Sublandlord may permit Subtenant to use space in the Total Premises outside of the Premises for the purpose of providing Non-Monetary Compensation to Sublandlord under this Sublease, and except as otherwise provided in this Sublease (e.g., parking, common area access, use of the Wharf Patio, etc.), Subtenant's use of any space in the Total Premises outside of its Premises for any purpose other than providing Non-Monetary Compensation to Sublandlord or as otherwise expressly set forth in this Sublease requires Sublandlord's prior written approval, in Sublandlord's sole and absolute discretion, and, if any such approval is obtained, the use of such other space in the Total Premises will be subject to additional fees and charges as determined by Sublandlord in its sole and absolute discretion. Notwithstanding anything to the contrary, Subtenant shall not use, or cause, permit or suffer to be used, any of the Premises for any purpose or any manner that is not expressly permitted by the first paragraph of Section 4.1 or other provision of the Master Lease or that is prohibited by Section 4.2 or any other provision of the Incorporated Provisions.

(g) **Other Rent Provisions**. Subtenant shall make each of its payments due to Sublandlord under this Sublease to Sublandlord at Sublandlord's office or in accordance with other payment instructions designated by Sublandlord from time to time, in U.S. Dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds. Except as

otherwise provided in this Sublease, Subtenant's obligations to pay rent and other amounts and Non-Monetary Compensation to Sublandlord under this Sublease shall be absolute and unconditional and shall be unaffected by any circumstance, including, without limitation, off-set, counterclaim, recoupment, defense or other right which Subtenant may have against Sublandlord or Master Landlord. If any payment by Subtenant is for a period shorter than one calendar month, the compensation for that fractional calendar month shall accrue and be prorated on a daily basis for each day of that fractional month at a daily rate equal to 1/365 of the total annual compensation. Any payment required to be made by Subtenant under this Sublease which has not been paid within ten (10) calendar days of the date such payment is due ("grace period") shall be subject to a service charge assessed as simple interest at the rate equal to the lesser of 1/30 of two percent (2%) of the amount remaining unpaid each day or the maximum rate of interest allowed by applicable law. Subtenant acknowledges that it knows the day of the month its payments hereunder are due and that the grace period commences from the date such payments are due to be made, not the date of any invoice therefor. Said service charge shall be imposed whether or not a deposit required by Article 4 below is applied to the amount due.

ARTICLE 4. Security Deposit.

Subtenant shall deposit with Sublandlord, within two (2) business days following the mutual execution of this Sublease, the sum of $75,420.00 as security for the timely full and faithful performance of every provision of this Sublease to be performed by Subtenant. If Subtenant breaches any provision of this Sublease, including but not limited to the payment of rent, Sublandlord may use all or any part of this security deposit for the payment of any rent or any other sums in default, or to compensate Sublandlord for any other loss or damage which Sublandlord may suffer by reason of Subtenant's default. If any portion of said deposit is so used or applied, Subtenant shall, within five (5) business days after written demand therefor, deposit cash with Sublandlord in an amount sufficient to restore the security deposit to its original amount, and Subtenant's failure to do so shall constitute a material breach of this Sublease. No trust relationship between Sublandlord and Subtenant shall be created hereby with respect to such security deposit, and Sublandlord shall not be required to hold such deposit separate from its general accounts. Subtenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in force, which (a) establish a time frame within which a landlord must refund a security deposit under a lease, and/or (b) provide that Sublandlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Subtenant or to clean the Premises, it being agreed that Sublandlord may, in addition, claim those sums reasonably necessary to compensate Sublandlord for any other loss or damage caused by the default of Subtenant under this Sublease, including without limitation all damages or rent due upon termination of this Sublease pursuant to Section 1951.2 of the California Civil Code. If Subtenant performs all of Subtenant's obligations hereunder, such deposit, or so much thereof as has not been applied by Sublandlord, shall be returned to Subtenant (or, at Sublandlord's option, to the last assignee, if any, of Subtenant's interest hereunder), without interest, within thirty (30) days following the expiration or earlier termination of this Sublease and after Subtenant has vacated the Premises.

ARTICLE 5. Personal Property Taxes.

Subtenant shall pay prior to delinquency all taxes assessed or levied upon fixtures, furnishings, equipment and all other personal property of Subtenant located in the Premises. In the event any or all of Subtenant's fixtures, furnishings, equipment and other personal property shall be assessed and taxed with the property of Sublandlord, Subtenant shall pay to Sublandlord its share of such taxes within ten (10) days after delivery to Subtenant by Sublandlord of a statement in writing setting forth the amount of such taxes applicable to Subtenant's property. Subtenant shall assume and pay to Sublandlord at the time of paying Basic Rental any excise, sales, gross receipts or other taxes (other than net income taxes) which may be imposed on or

on account of letting of the Premises or the payment of Basic Rental or any other sums due or payable hereunder, and which Sublandlord may be required to pay or collect under any law now in effect or hereinafter enacted. Subtenant shall pay directly to the party or entity entitled thereto all business license fees, gross receipts taxes and similar taxes and impositions which may from time to time be assessed against or levied upon Subtenant, as and when the same become due and before delinquency. Notwithstanding anything to the contrary contained herein, any sums payable by Subtenant under this Article 5 shall not be included in the computation of tax costs under Article 3(c).

ARTICLE 6. Use.

Subtenant shall use and occupy the Premises only as a robotics manufacturing, distribution and R&D facility and for any other legally permissible use related to robotics manufacturing, distribution and R&D, with ancillary uses that generally advance the promotion and accommodation of maritime education, commerce, navigation and fishery, and/or that specifically advance and promote the Los Angeles Waterfront and/or Port of Los Angeles as a visitor destination, all in compliance with all laws and regulations, and Subtenant shall not use or occupy the Premises or cause, permit or suffer the same to be used or occupied for any other purpose, and Subtenant agrees that it will use the Premises in such a manner so as not to unreasonably interfere with or infringe the rights of Sublandlord or other subtenants or other users of the Total Premises. Subtenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental regulations or requirements now in force or which may hereafter be in force relating to the condition and Subtenant's use or occupancy of the Premises, including, but not limited to, all load limits and structural changes directly caused by Subtenant's improvements or specific use of the Premises (as distinguished from other industrial/warehouse tenants in general), and subject in any event to Subtenant's Limited Compliance Obligation (as defined below). Subtenant shall not do or cause, permit or suffer to be done anything which will invalidate or increase the cost of any fire and extended coverage insurance policy covering any of the Total Premises and/or the property located therein and Subtenant shall comply with all rules, orders, regulations and requirements of any organization which sets out standards, requirements or recommendations commonly referred to by major fire insurance underwriters. Subtenant shall promptly upon demand reimburse Sublandlord for any additional premium charges for such policy by reason of Subtenant's failure to comply with the provisions of this Article.

ARTICLE 7. Condition of Premises.

Except as otherwise provided in this Sublease, Subtenant hereby agrees that the Premises shall be taken in an "as is", "where is" and "with all faults" condition, without any representation or warranty, expressed or implied, and Subtenant hereby warrants that it has inspected the condition of the Premises and the suitability of same for Subtenant's purposes, and Subtenant does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the Total Premises or the suitability of same for Subtenant's purposes. Except as otherwise provided in this Sublease, Subtenant acknowledges that neither Sublandlord nor Master Landlord nor any agent nor any employee of Sublandlord or Master Landlord has made any representation or warranty with respect to this Sublease, the Premises or the Total Premises, with respect to the suitability of either for the conduct of Subtenant's business or with respect to any other matter. Subtenant hereby waives Sections 1941 and 1942 of the Civil Code of California or any successor provision of law.

Notwithstanding the foregoing or anything to the contrary contained in this Sublease, Sublandlord shall deliver the Premises to Subtenant is in the following condition: (a) the Premises shall be vacant, broom-clean and free from dust and debris, (b) the "Sublandlord Delivery Work" set forth in Exhibit C-2 shall be completed in such a manner that Subtenant can lawfully access and use the Premises and commence to perform Subtenant's Work, (c) the mechanical, electrical, plumbing and other project systems serving the Premises shall be in good working order, (d) the structure of the Premises (including, without limitation,

the roof, bearing walls, foundation, exterior windows and exterior doors) shall be free of material defects, (e) the Premises shall not contain any Environmentally Regulated Material (including, without limitation, any hazardous level of mold or fungi) in violation of applicable law or regulation, and (f) Subtenant shall have reasonable access to the Premises and the parking facilities serving the Premises (collectively, the "Required Condition"); provided, that, as of the date of Subtenant's execution of this Sublease, Subtenant acknowledges that the portion of Required Condition set for in subsections (c), (d), (e) and (f) above are in satisfactory condition and will not be considered unsatisfactory in any respect unless there is a material adverse change in the condition thereof between the date hereof and the Delivery Date. If the Premises is not in the Required Condition as of the purported Delivery Date, and Subtenant notifies Sublandlord of such defect within ten (10) business days after taking possession of the Premises or any portion thereof, the Delivery Date shall not then occur and, instead, the Delivery Date shall occur only upon delivery of the Premises to Subtenant in the Required Condition, and Sublandlord shall remedy the same at Sublandlord's sole cost and expense, and, provided that Subtenant has timely notified Sublandlord of any defect, the period beginning on the next day after Outside Date and ending on the date the Premises is delivered in the Required Condition shall be deemed a Sublandlord Delay. Failure to notify Landlord shall be deemed Subtenant's acceptance that the Premises is in the Required Condition, subject to Sublandlord's other obligations set forth in this Sublease. For the avoidance of doubt, by the Delivery Date, Sublandlord shall have complied in all material respects with all of its obligations with respect to Environmentally Regulated Materials, including the removal of such Environmentally Regulated Materials from the Premises, that Sublandlord is obligated to perform pursuant to the terms of the Master Lease as of the Delivery Date.

Notwithstanding anything to the contrary contained in this Sublease, and without limiting Sublandlord's other obligations set forth in this Sublease, Sublandlord represents and warrants that, on the Delivery Date, the Premises and the common areas will be in compliance with all applicable laws. If, after the Delivery Date, Sublandlord receives notice from a governmental entity that a portion of the Total Premises or the common areas that is Sublandlord's responsibility to repair or maintain under this Sublease is not in compliance with applicable laws, and if such non-compliance must be remedied in order for Subtenant to perform Subtenant's Work and/or use and occupy the Premises for the permitted use, then Sublandlord shall, at Sublandlord's cost, cause such specified portion of the Total Premises or common areas to so comply with applicable laws. Notwithstanding the foregoing, but subject in any event Sublandlord's representations, warranties and covenants expressly set forth elsewhere in this Sublease, if such non-compliance with applicable laws is directly caused by (a) Subtenant's unique and specific use of the Premises (as distinguished from general industrial/warehouse uses), or (b) any improvements or alterations made by Subtenant to the Premises, then Subtenant shall, at its sole cost, either (i) discontinue such use or remove such improvement or alteration giving rise to such non-compliance, or (ii) at Sublandlord's election, promptly cure the non-compliance or promptly reimburse Sublandlord for the reasonable costs incurred to cure such non-compliance ("Subtenant's Limited Compliance Obligation"). For the avoidance of doubt, if a violation of applicable law outside of the Premises is merely discovered in connection with the performance of any improvements or alterations made by Subtenant to the Premises, Subtenant shall not be responsible to cure the pre-existing violation of law.

ARTICLE 8. Repair and Alterations.

(a) Except as otherwise provided in this Sublease, Subtenant agrees to accept the Premises strictly in an "AS IS", "WHERE IS" and "WITH ALL FAULTS" condition, without any express or implied warranty as to the safety, condition, compliance with laws or regulations, or fitness for use of the Premises or any fixtures or appurtenances therein or any common areas to be used in connection therewith or otherwise. It is understood and agreed that Subtenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental regulations or requirements now in force or which may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises, and that, except as otherwise provided in this Sublease, neither

Sublandlord nor Master Landlord shall have any responsibility to make any alteration, addition, improvement or repair to the Premises in connection with this Sublease, nor to bear any cost incident to any such alteration, addition, improvement or repair which may be requested or undertaken by Subtenant. Notwithstanding the foregoing or anything to the contrary contained in this Sublease, Subtenant shall not be required to make, or pay for the cost of, any alterations, improvements, repairs, replacements or other modifications to the Total Premises outside of or underneath the Premises (including, without limitation, any portion of the parking facilities or path of travel to the Premises or the Wharf Area, as defined below), the Premises structure (including the roof, foundation or exterior walls of the Premises), the Premises systems or any structural portion of the Premises, except to the extent the same are required pursuant to Subtenant's Limited Compliance Obligation.

(b) Without limiting the generality of the Incorporated Provisions or the other provisions in this Sublease, but subject in any event to Subtenant's Limited Compliance Obligation, Sublandlord shall, at its sole cost, be specifically required to: (i) make such modifications in or to the Premises or the Total Premises required to comply with applicable laws to the extent the same constitutes a correction of pre-existing non-compliance of the Premises or the Total Premises with applicable laws as of the delivery of possession of the Premises to Subtenant, (ii) make structural modifications in or to the Premises or the Total Premises required to comply with applicable laws to the extent that failure to make the same would reasonably be expected to prevent Subtenant from obtaining a temporary or final certificate of occupancy or jurisdictional equivalent allowing Subtenant to use and occupy the Premises for the permitted use, and (iii) make any modifications to the Premises or the Total Premises to the extent required because of the presence of pre-existing Environmentally Regulated Materials.

(c) Subtenant shall not make any alteration, installation, addition, improvement or other modification in or to the Premises without first Sublandlord's having obtained the consent or approval of Master Landlord if and to the extent required by the Master Lease and Subtenant's having obtained the consent or approval of Sublandlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and, if Sublandlord withholds its consent or approval, Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord). If Master Landlord and Sublandlord shall consent to or approve of any alteration, installation, addition, improvement or other modification, then Subtenant shall observe and perform all of the terms, covenants and conditions of this Sublease, including the Incorporated Provisions, applicable thereto.

(d) Exhibit C attached hereto sets forth the work plan, rights and obligations of Sublandlord and Subtenant in connection with certain improvements, alterations, installations, additions, and other modifications, if any, to be constructed by Sublandlord or Subtenant and the payments by Sublandlord or Subtenant in connection therewith.

ARTICLE 9. Liens.

Subtenant shall keep the Premises and the Total Premises free from any mechanics' lien, material man's lien, vendor's lien or any other lien, security interest or encumbrance arising out of any work performed, materials furnished or obligations incurred by Subtenant, and agrees to defend, indemnify and hold harmless Sublandlord from and against any such lien, security interest or encumbrance, or any Claim incurred by Sublandlord in connection with any such lien, security interest or encumbrance. Before commencing any work of alteration, installation, addition or improvement to the Premises, Subtenant shall give Sublandlord at least ten (10) business days' written notice of the proposed commencement of such work (to afford Sublandlord an opportunity to post appropriate notices of non-responsibility). Subtenant

shall not be required to secure a completion and lien indemnity bond for said work. In the event that there shall be recorded against the Premises or any of the Total Premises or the property of which the Premises is a part any claim or lien arising out of any such work performed, materials furnished or obligations incurred by Subtenant and such claim or lien shall not be removed or discharged within ten (10) days of filing, Sublandlord shall have the right but not the obligation to pay and discharge said lien, security interest or encumbrance, without regard to whether such lien, security interest or encumbrance shall be lawful or correct or to require that Subtenant deposit with Sublandlord in cash, lawful money of the United States, 150% of the amount of such claim, which sum may be retained by Sublandlord until such claim shall have the right to apply such deposit in discharge of the judgment on said claim and any costs, including attorney's fees and costs incurred by Sublandlord, and shall remit the balance thereof to Subtenant.

ARTICLE 10. Utilities.

All general common area utilities will be furnished and paid by Sublandlord and included in common area maintenance charges pursuant to Article 3(c). Subtenant is solely responsible to initiate service for and pay all utilities and services for the Premises (but submetering shall be Sublandlord's responsibility).

ARTICLE 11. Rights of Sublandlord.

Sublandlord and its agents shall have the right to enter the Premises at all reasonable times with one (1) business day notice, except in the case of emergency in which case no advance notice is required, for the purpose of examining or inspecting the Premises, serving or posting and Sublandlord keeping posted thereon notices as provided by law, or which Sublandlord deems necessary for the protection of Sublandlord or the Total Premises showing the same to prospective subtenants (during the last 6 months of the Sublease) or purchasers of the Master Lease, in the case of emergency, and for making such alterations, repairs, improvements or additions to the Premises or to the Total Premises as Sublandlord may deem necessary or desirable. Notwithstanding the foregoing or anything to the contrary contained in this Sublease, except in the case of an emergency (in which case Sublandlord shall endeavor to provide reasonable prior notice to Subtenant in light of the circumstances), Sublandlord shall schedule and be accompanied by a representative of Subtenant during any such entry into the Premises, and make all such entries during Subtenant's normal business hours, or at such other time as may be reasonably requested by Subtenant. Subtenant shall have a representative present to accompany Sublandlord in any such entry during normal business hours, and Sublandlord shall not require a representative of Subtenant to accompany Sublandlord for any entry required in the case of an emergency.

ARTICLE 12. Indemnity of Sublandlord from Liability.

(a) Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to indemnify, defend or hold harmless Sublandlord, Subtenant shall be required also to indemnify, defend and hold harmless Master Landlord and such other persons as shall be entitled thereto under the Master Lease. In addition to Subtenant's obligations under the Incorporated Provisions, except to the extent caused by the negligence or willful misconduct of Sublandlord or its employees, agents or contractors, Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all Claims to the extent caused by (i) action taken by Sublandlord at Subtenant's request (except to the extent the same is Sublandlord's duty to perform under this Sublease), (ii) any failure by Subtenant to observe or perform any of the terms, covenants or conditions of this Sublease required to be observed or performed by Subtenant, including any claims, actions, causes of action, losses, damages, liabilities, obligations, costs and expenses (including attorneys' fees and costs) which may result from (A) any default under or termination of the Master Lease arising by reason of any such failure, or (B) any holding over by Subtenant in the Premises beyond the expiration or earlier termination of this Sublease, including any such

liability with respect to the entire Total Premises arising out of such holding over by Subtenant, (iii) Subtenant's use of the Premises or from the conduct of its business or from any activity, of work or thing which may be caused, permitted or suffered by Subtenant in the Premises or (iv) any negligence or willful misconduct of Subtenant or any of its agents, contractors, employees or invitees, patrons, customers or members.

(b) Subtenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Subtenant hereby waives all claims in respect thereof against Sublandlord, excepting in all circumstances to the extent where the damage is caused by the negligence or willful misconduct of Sublandlord or Sublandlord's employees, agents or contractors. Except to the extent caused by the negligence or willful misconduct of Sublandlord or its employees, agents or contractors, Subtenant hereby agrees that Sublandlord shall not be liable for injury to Subtenant's business or any loss of income therefrom or for damage to goods, wares, merchandise or other property of Subtenant, Subtenant's employees, invitees, customers, or any other person in or about the Premises; nor shall Sublandlord be liable for injury to the person of Subtenant, Subtenant's employees, agents or contractors and invitees, whether such damage or injury is caused by results from fire, steam, electricity, gas, water or rain or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, lighting fixtures, or mechanical or electrical systems or from any other cause, whether the damage or injury results from conditions arising upon the Premises or upon other portions of the Total Premises, or from other sources or places, and regardless of whether the cause of the damage or injury or the means of repairing the same is inaccessible to Sublandlord or Subtenant. Sublandlord shall not be liable to Subtenant for any damage arising from any act or omission of any subtenant of the Total Premises.

(c) Sublandlord shall install an electronic surveillance system as reasonably determined by Sublandlord for the parking areas outside of the Premises as part of Sublandlord's Work. Subtenant acknowledges that any election by Sublandlord to provide mechanical surveillance or to post security personnel in any of the Total Premises is solely in Sublandlord's discretion; Sublandlord shall have no liability in connection with the decision whether or not to provide such services and Subtenant hereby waives all claims based thereon. Except to the extent caused by the negligence or willful misconduct of a Sublandlord Party, Sublandlord shall not be liable for losses due to theft, vandalism, or like causes. Except to the extent caused by the negligence or willful misconduct of a Sublandlord Party, Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all Claims to the extent arising out of any claim made by any employee, licensee, invitee, contractor, agent, or other person whose presence in, on or about the Premises or the Total Premises is attendant to the business of Subtenant.

(d) Except to the extent caused by Subtenant's negligence or willful misconduct, Sublandlord shall indemnify, protect, defend and hold harmless Subtenant from and against any and all Claims arising out of, involving, or in connection with any default by Sublandlord under this Sublease beyond any applicable notice and cure period or the negligence or willful misconduct of Sublandlord or its employees, agents or contractors. If any action or proceeding is brought against Subtenant by reason of any of the foregoing matters, Sublandlord shall upon notice defend the same at Sublandlord's expense by counsel reasonably satisfactory to Subtenant. Subtenant need not have first paid any such claim in order to be defended or indemnified.

ARTICLE 13. Insurance.

(a) Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to furnish insurance to or for Sublandlord, Subtenant also shall be required to furnish such

insurance to or for Master Landlord and such other persons as shall be entitled thereto under the Master Lease, provided that, in the case of any such other person not named in the Master Lease, Sublandlord shall have notified Subtenant thereof. Without limiting the Subtenant's obligations to maintain insurance under the Incorporated Provisions, Subtenant, shall at all times during the term of this Sublease, and at its own cost and expense, procure and continue in force the following insurance coverage: (i) Commercial General Liability Insurance with a combined single limit for bodily injury and property damages of not less than Five Million Dollars ($5,000,000.00), including the Broad Form Comprehensive General Liability endorsement form (No. GL0404), products liability coverage, covering the insuring provisions of this Sublease and the performance of Subtenant of the indemnity agreements set forth in Article 12 above; (ii) a policy of All Risk extended coverage and special coverage insurance (all risks), including vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage where sprinklers are provided in an amount equal to the full replacement value new without deduction for depreciation of all fixtures, furniture, and leasehold improvements installed by or at the expense of Subtenant; (iii) Insurance on all plate or tempered glass in or enclosing the Premises; for the replacement and cost of such glass, and (iv) Worker's Compensation required by law.

(b) All policies of insurance maintained by Subtenant must comply with the requirements of the Incorporated Provisions. Also, all such policies for such insurance shall be in form and substance and with an insurer reasonably acceptable to Sublandlord (but such insurer must in any event have a rating of not less than A-X in Best's Insurance Guide), shall require at least thirty (30) days' prior written notice to Sublandlord for any termination or material alteration during the term of this Sublease, and shall waive any right of subrogation against Sublandlord or Master Landlord. Subtenant's liability insurance shall name as additional insureds and loss payee Sublandlord and all other persons reasonably designated by Sublandlord from time to time, and shall contain cross-liability endorsements and shall cover liabilities based on doctrines of strict liability. All such policies shall be endorsed to agree that Subtenant's policy is primary and that any insurance covered by Sublandlord is excess and not contributing with any insurance requirement hereunder. Subtenant shall furnish to Sublandlord, from the insurance companies, certificates of coverage with reasonable evidence that such policies are in effect and certificates naming Sublandlord as additional insured or loss payee, as applicable. Subtenant shall, at least twenty (20) days prior to the expiration of any such policy, furnish Sublandlord with evidence of the renewal or replacement thereof.

(c) The minimum limits of policies maintained by Subtenant shall in no event limit the liability of Subtenant hereunder. Subtenant agrees that if Subtenant does not take out and maintain such insurance or furnish Sublandlord with renewals, Sublandlord may (but shall not be required to) procure said insurance on Subtenant's behalf and charge Subtenant the cost thereof, which amount shall be payable by Subtenant upon demand with interest from the date such sums are extended. Subtenant shall have the right to provide such insurance coverage, pursuant to blanket policies obtained by Subtenant, provided such blanket policies expressly afford coverage to the Premise and to Subtenant as required by this Sublease.

(d) Sublandlord shall, at Sublandlord's expense, procure and maintain at all times during the Term of this Sublease, a policy or policies of insurance covering loss or damage to the portion of the Total Premises of which the Premises are a part, in the amount of the full replacement cost without deduction for depreciation thereof (exclusive of Subtenant's trade fixtures, inventory, personal property and equipment), providing protection against all perils included within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage, and special extended coverage on the building. Additionally, Sublandlord may (but shall not be required to) carry (i) Bodily Injury and Property Damage Liability Insurance and/or Excess

Liability Coverage Insurance; and (ii) Earthquake and/or Flood Damage Insurance; and (iii) Rental Income Insurance and its election of if required by its lender from time to time during the term hereof, in such amounts and with such limits as Sublandlord may deem appropriate. The costs of such insurance shall be included in common area maintenance charges described in Article 3(c).

(e) The parties release each other and their respective authorized representative from any claim for damage to any person or the Premises, and to the fixtures, personal property, improvements, and alterations of either Sublandlord or Subtenant, in or on the Premises, and the Total Premises, to the extent that such claim and damage are insured against under any insurance policies carried by any of the parties hereto and in force at the time of any such damage. Sublandlord and Subtenant shall each obtain from their respective insurers under all property and liability insurance now or hereafter required to be maintained under this Sublease during the term hereof insuring or covering the Premises or operations therein, a waiver of all rights of subrogation which the insurer of one party might have against the other party, and Sublandlord and Subtenant shall each indemnify, defend and hold harmless the other against any and all Claims resulting from the failure to obtain such waiver.

(f) Subtenant agrees that it will not at any time, during the term of this Sublease, do anything in or about the Premises that will in any way tend to increase the insurance rates upon any of the Total Premises. Subtenant agrees to pay Sublandlord forthwith within ten (10) business days following written demand the amount of any increase in premiums for insurance against loss by fire or other casualty that may be charged during the term of this Sublease on the amount of insurance to be carried by Sublandlord on any of the Total Premises resulting from the foregoing, or from Subtenant doing any act in or about the Premises that does so increase the insurance rates, whether or not Sublandlord shall have consorted to such act on the part of Subtenant. If Subtenant installs upon the Premises any electrical equipment which constitutes an overload of electrical lines of the Premises, Subtenant shall at its own expense make whatever changes are necessary to comply with requirements of the insurance underwriters and any governmental authority having jurisdiction thereover, but nothing herein contained shall be deemed to constitute Sublandlord's consent to such overloading. Subtenant shall, at its own expense, comply with all requirements of the insurance having jurisdiction thereover necessary for the maintenance of reasonable fire and extended coverage insurance for the Premises, including without limitation thereto, the installation of fire extinguishers or an automatic dry chemical extinguishing system.

ARTICLE 14. Assignment and Subletting.

Independent of and in addition to any Incorporated Provision, including without limitation the obligation to obtain the Master Landlord's consent to any sublease or assignment, Subtenant shall not, either voluntarily or by operation of law, sell, assign, transfer or hypothecate this Sublease, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be occupied by anyone other than Subtenant or Subtenant's employees (each, a "Transfer") without first Subtenant having obtained the consent or approval of Sublandlord in its reasonable discretion and Sublandlord having obtained the consent or approval of Master Landlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and, if Sublandlord withholds its consent or approval, Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord). Any Transfer by Subtenant without such prior written consent shall be void and shall, at the option of Sublandlord, terminate this Sublease. If Subtenant is a corporation, limited liability company, partnership, unincorporated association or other entity, then the sale, assignment, transfer or hypothecation of any stock or other ownership interest in such corporation, limited liability company, partnership, unincorporated association or other entity shall be deemed a prohibited Transfer within the meaning and provisions of this Article 14; provided, that the foregoing shall not apply to a "Permitted Transfer" (as defined in the Addendum). Notwithstanding

anything to the contrary, Sublandlord may condition its consent or approval of any Transfer on any of the following: (a) if required by Sublandlord in connection with any Transfer that is an assignment or a sublease for all or substantially all of the Premises for the remainder of the Term, the transferee must enter into a new sublease directly with Sublandlord in the form requested by Sublandlord, and Subtenant must enter into any commercially reasonable amendment to or termination of this Sublease in the form requested by Sublandlord, and/or (b) if required by Sublandlord, Subtenant must pay to Sublandlord all (or any lesser portion designated by Sublandlord) of the consideration paid or payable by the transferee in excess of the rent owing under this Sublease, less all actual and reasonable costs incurred (e.g., broker commissions) and concessions given (e.g., improvement allowances) by Subtenant in connection with such Transfer; provided, that the foregoing subsections (a) and (b) shall not apply to a Permitted Transfer.

If requested by Subtenant, on a one-time basis only, Sublandlord shall assist Subtenant in Subtenant's subleasing efforts, at no cost, expense or liability to Sublandlord, by marketing and attempting to find a suitable sub-subtenant for portions of the Premises that Subtenant desires to sub-sublease (for such purposes, the "Potential Sub-Sublease Premises"), including, without limitation, contacting and sharing marketing materials prepared by Subtenant with other tenants in the Total Premises and other potential subtenants interested in the Total Premises); provided, however, if the square footage of the Potential Sub-Sublease Premises is greater than fifty percent (50%) of the entire Premises, then Sublandlord shall have the right, but not the obligation, to recapture the Potential Sub-Sublease Premises and terminate this Sublease with respect thereto by delivering written notice to Subtenant; provided, further Subtenant shall have the right to rescind such termination by notice to Landlord (to be given, if at all, no later than ten (10) business days after receipt of Landlord's notice), at which time this Sublease shall continue to remain in full force and effect and the terms of this paragraph shall thereafter be null, void and of no further force and effect. If, despite the reasonable efforts of Sublandlord and Subtenant, Subtenant fails to enter into a sub-sublease or other occupancy agreement for the Potential Sub-Sublease Premises within six (6) months of publicly marketing the Potential Sub-Sublease Premises for sublease (the "Marketing Period"), then, Sublandlord agrees, on a one-time basis only, to abate fifty percent (50%) of the Monthly Basic Rental for the Potential Sub-Sublease Premises for the months that are not otherwise subject to the Basic Rental Abatement Months pursuant to Sections 3 of the Addendum, beginning on the first full calendar month after the Marketing Period and ending upon the earlier to occur of the date that is six (6) months after the expiration of the Marking Period (the "Partial Abatement Expiration Date") or date of any sublease for the Premises. If Subtenant fails to enter into a sub-sublease or other occupancy agreement for the Potential Sub-Sublease Premises before the Partial Abatement Expiration Date, then, provided that Subtenant has exhausted all reasonable efforts therefor, Subtenant shall elect, within ten (10) days after the Partial Abatement Expiration Date, to either (i) terminate this Sublease with respect to the Potential Sub-Sublease Premises and surrender and return the Potential Sub-Sublease Premises to Sublandlord (with Subtenant responsible for all costs to demise the Potential Sub-Sublease Premises), or (ii) keep the Potential Sub-Sublease Premises as part of the Premises hereunder and re-commence paying full Monthly Basic Rental therefor, and in any event Monthly Basic Rental shall no longer be abated for any reason under this paragraph. If an Event of Default is continuing on the Partial Abatement Expiration Date, then Subtenant shall be deemed to have elected option (ii) above.

ARTICLE 15. Damage or Destruction.

(a) In the event of damage or destruction to the Premises or to the Total Premises or any part thereof, the Master Lease shall either continue or terminate with respect to the Premises pursuant to the terms thereof.

(b) If the Master Lease terminates, this Sublease shall also terminate and Subtenant shall not be entitled to any insurance proceeds or other remuneration except for insurance proceeds from insurance policies it purchased for its personal property.

(c) If the Master Lease does not terminate, then Sublandlord shall promptly commence the necessary repair or restoration of the Total Premises, including that portion of the Premises, suffering damage or destruction, but only to the extent insurance proceeds are available therefor and to the extent required of Sublandlord under the terms of the Master Lease; provided, however, that Sublandlord shall have no responsibility whatsoever to Subtenant for the repair or restoration of the tenant improvements in the Premises. If the Master Lease is not terminated, Subtenant shall be required to repair or replace the Subtenant's property at Subtenant's sole cost and expense. Subtenant shall be entitled to a proportional and equitable reduction or abatement of rent for any period during which Subtenant is unable to use the Premises, in whole or in part, due to the repairs or restoration required under this paragraph. Upon request by Subtenant, Sublandlord shall provide Subtenant with its reasonable estimate to complete the repairs and restoration required under this Sublease. If Sublandlord estimates the repairs and restoration of the Premises will exceed nine (9) months after such damage or destruction, Subtenant and Sublandlord shall have the right to terminate this Sublease by giving at least thirty (30) days' prior written notice to the other. Further, if the Premises are not repaired or restored on or before the date twelve (12) months after such damage or destruction, then either party hereto may terminate this Sublease by giving at least thirty (30) days' prior written notice to other party hereto prior to such restoration; provided, Sublandlord may nullify said termination if Sublandlord competes its repairs and delivers the Premises to Subtenant within said thirty (30) day period. If the damage or destruction occurs during the last year of the Term, Subtenant and Sublandlord shall have the right to terminate this Sublease by giving at least thirty (30) days' prior written notice to the other. With respect to any damage which Sublandlord is obligated to repair or elects to repair, Subtenant, as a material inducement to Sublandlord entering into this Sublease, irrevocably waives and releases its rights under the provisions of Sections 1932(2) and 1933(4) of the California Civil Code.

ARTICLE 16. Eminent Domain.

(a) In the event a proceeding in eminent domain or condemnation is instituted against the Total Premises or any part thereof, the Master Lease shall either continue or terminate according to the terms thereof.

(b) If the Master Lease terminates, this Sublease shall also terminate and Subtenant shall not be entitled to any award of damages for Subtenant's interest in the Premises, other than for the taking of Subtenant's tenant improvements, alterations, additions, personal property, furniture, equipment and fixtures, all other sums being paid to the Sublandlord or Master Landlord, as their respective interests may appear. Nothing herein shall prevent Subtenant from brining a separate action for the foregoing.

(c) If all of the Premises have not been condemned or taken and Subtenant's access to and use of the Premises is not materially affected as determined by Subtenant in its sole but good faith discretion, then this Sublease shall continue in full force and effect except that the rent payable hereunder shall be reduced by the greater of (a) a proportional reduction of rent based on the square footage of the Premises, or (b) to the extent that rent applicable to the Premises is equitably reduced under the terms of the Master Lease. If Subtenant determines that such partial condemnation or taking materially affects Subtenant's access or use of the Premises, Subtenant may terminate this Sublease by delivering at least thirty (30) days prior written notice to Sublandlord. Neither Subtenant nor Sublandlord shall have any responsibility or obligation to rebuild or restore the Premises. Subtenant shall be entitled to a reduction or abatement of rent for any period during which Subtenant is unable to use the Premises, in whole or in part, due to the condemnation or taking.

ARTICLE 17. Subordination.

This Sublease is subject and subordinate to all ground or underlying leases (including, without limitation, the Master Lease), mortgages and deeds of trust which now affect the Premises or the Total Premises and, provided that Sublandlord shall use commercially reasonable efforts, at no cost, expense or liability to Sublandlord, to obtain a commercially reasonable non-disturbance agreement from such lessor and/or the holders of any such mortgage or deed of trust, to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, if the lessor under any such lease or the holder or holders of any such mortgage or deed of trust shall advise Sublandlord that it desires or requires this Sublease to be prior and superior thereto, upon written request of Sublandlord to Subtenant, Subtenant agrees to promptly execute, acknowledge and deliver any and all commercially reasonable documents or instruments which Sublandlord or such lessor, holder or holders deem necessary or desirable for purposes thereof. Sublandlord shall have the right to cause this Sublease to be and become and remain subject and subordinate to any and all ground or underlying leases, mortgages or deeds of trust which may thereafter be executed covering the Premises or the Total Premises or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof, provided, however, that Subtenant agrees, within ten (10) business days after Sublandlord's written request therefor, to execute, acknowledge and deliver upon request any and a subordination, non-disturbance and attornment agreement requested by Sublandlord to assure the subordination and non-disturbance of this Sublease to any such mortgages, deed of trust, or leasehold estates.

ARTICLE 18. Default.

Each of the following acts or omissions of Subtenant or of any guarantor of Subtenant's performance hereunder, or occurrence, shall constitute an "Event of Default."

(a) The occurrence of any of the events specified in Section 9.1 of the Master Lease; provided that, for purposes of this Article 18, "City" shall be read as "Sublandlord," "Tenant" shall be read as "Subtenant," and "Agreement" shall be read as "this Sublease".

(b) Failure or refusal to pay Basic Rental, Additional Fees or any other amount provided hereunder within five (5) business days after written notice from Sublandlord to Subtenant of such failure (such notice shall constitute the notice required under Section 1161(2) of the California Code of Civil Procedure and Sublandlord shall not be required to provide to Subtenant any other notice under Section 1161(2) of the California Code of Civil Procedure);

(c) Failure to perform or observe any other covenant or condition of this Sublease to be performed or observed within thirty (30) days after delivery of written notice from Sublandlord to Subtenant of such failure (such thirty (30) days' notice shall constitute any notice required under Section 1161(2) of the California Code of Civil Procedure and Sublandlord shall not be required to provide to Subtenant any other notice under Section 1161 of the California Code of Civil Procedure);

(d) Abandonment (as defined under California law) or failure to accept tender of possession of the Premises or any signification portion thereof;

(e) The taking in execution or by similar process of law (other than by eminent domain) of the estate hereby created;

(f) The filing by Subtenant or any guarantor hereunder in any court pursuant to any statute of a petition in bankruptcy or insolvency or for reorganization or arrangement of for the appointment of a

receiver of all or a portion of Subtenant's property; the filing against Subtenant or any guarantor hereunder of any such petition, or the commencement of a proceeding for the appointment of a trustee, receiver or liquidator for Subtenant, or for any guarantor hereunder, or of any of the property of either, or a proceeding by any governmental authority for the dissolution or liquidation of Subtenant or any guarantor hereunder, if such proceeding shall not be dismissed or trusteeship discontinue within thirty (30) days after commencement of such proceeding or the appointment of such trustee or receiver; or the making by Subtenant or any guarantor hereunder of an assignment for the benefit of creditors. Subtenant hereby stipulates to the lifting of the automatic stay in effect and relief from such stay for Sublandlord in the event Subtenant files a petition under the Federal Bankruptcy laws, for the purpose of Sublandlord pursuing its rights and remedies against Subtenant and/or a guarantor of this Sublease; or

(g) Subtenant's failure to cause to be released any mechanics liens filed against the Premises or the Total Premises within twenty (20) days after the date the same shall have been filed or recorded.

ARTICLE 19. Remedies.

(a) In the event of any such default by Subtenant as provided in Article 18, above, Sublandlord shall have, in addition to all other rights and remedies set forth in this Sublease or available at law or in equity, the same rights and remedies against Subtenant as Master Landlord has against Sublandlord as tenant under the Incorporated Provisions of the Master Lease.

(b) In the event of a default under this Sublease as provided in Article 18 above, Sublandlord may exercise all of its remedies as may be permitted by law, including but not limited to the remedies provided by Section 1951.2 of the California Civil Code and Section 1951.4 of the California Civil Code (Sublandlord has the remedy described in California Civil Code Section 1951.4). Sublandlord may continue this Sublease in effect after Subtenant's breach and abandonment and recover rent as it become due, if the Subtenant has the right to sublet or assign, subject only to reasonable limitations. Those remedies include, without limitation, the following:

(i) Terminate Subtenant's right to possession of the Premises by any lawful means, in which case this Sublease and the term hereof shall terminate and Subtenant shall immediately surrender possession of the Premises to Sublandlord. In such event Sublandlord shall be entitled to recover from Subtenant: (A) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (B) 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 the Subtenant proves could have been reasonably avoided; (C) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Subtenant proves could be reasonably avoided; and (D) any other amount necessary to compensate Sublandlord for all the detriment proximately caused by the Subtenant's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonably attorneys' fees, and that portion of the leasing commission paid by Sublandlord applicable to the unexpired term of this Sublease. The worth at the time of award of the amount referred to in provision (C) of the prior sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent. Efforts by Sublandlord to mitigate damages caused by Subtenant's Event of Default or breach of this Sublease shall not waive Lessor's right to recover damages under this Paragraph. If termination of this Sublease is obtained through the provisional remedy of unlawful detainer, Sublandlord shall have the right to recover in such proceeding the

unpaid rent and damages as are recoverable therein, or Sublandlord may reserve therein the right to recover all or any part thereof in a separate suit for such rent and/or damages.

(ii) Sublandlord may continue this Sublease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, because the Subtenant has the right to sublet or assign, subject only to reasonable limitations. Notwithstanding anything to the contrary set forth herein, Sublandlord's re-entry to perform acts of maintenance or preservation of or in connection with efforts to re-let the Premises or any portion thereof, or the appointment of a receiver upon Sublandlord's initiative to protect Sublandlord's interest under this Sublease shall not terminate Subtenant's right to possession of the Premises or any portion thereof and, until Sublandlord does elects to terminate this Sublease, this Sublease shall continue in full force and effect and Sublandlord may enforce all of Sublandlord's rights and remedies hereunder including, without limitation, the right to recover from Subtenant as it becomes due hereunder all rent, additional fees, additional rent and other charges required to be paid by Subtenant under the terms hereof.

(c) Nothing in this Article 19 and no remedy described in this Article 19, including, without limitation, a termination of the Sublease, shall be deemed to affect Sublandlord's rights and Subtenant's obligations under the indemnification, defense and hold harmless provisions of this Sublease, and such indemnification, defense and hold harmless obligations of Subtenant shall survive the termination or expiration of this Sublease.

(d) All rights, powers and remedies of Sublandlord hereunder and under any other agreement now or hereafter in force between Sublandlord and Subtenant shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Sublandlord by law, and the exercise of one or more rights or remedies shall not impair Sublandlord's right to exercise any other right or remedy.

(e) Any amount due from Subtenant to Sublandlord hereunder which is not paid when due shall bear interest at the lower of 10% per annum or the maximum lawful rate of interest from the due date until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Subtenant under this Sublease. In addition to such interest: (a) if Basic Rental is not paid within 5 days after the same is due, a late charge equal to 10% of the amount overdue, shall be assessed and shall accrue for each calendar month or part thereof until such rental, including the late charge is paid in full, which late charge Subtenant hereby agrees is a reasonable estimate of the damages Sublandlord shall suffer as a result of Subtenant's late payment and (b) an additional charge of $25 shall be assessed for any check given to Sublandlord by or on behalf of Subtenant which is not honored by the drawee thereof; which damages include Sublandlord's additional administrative and other costs associated with such late payment and unsatisfied checks and the parties agree that it would be impracticable or extremely difficult to fix Sublandlord's actual damage in such event. Such charges for interest and late payments and unsatisfied checks are separate and cumulative and are in addition to and shall not diminish or represent a substitute for any or all of Sublandlord's rights or remedies under any other provision of this Sublease. If, in a singular instance, a Subtenant should provide a check that is not honored, said Subtenant shall be assessed the charge or charges mentioned above, but may continue to pay rent with a personal or business check. If any additional instances of insufficient funds occur, the Subtenant shall, from that point forward to the expiration of the term of this Sublease, pay all monies due by cash or cashier's check.

(f) All covenants and agreements to be performed by Subtenant under any of the terms of this Sublease shall be performed by Subtenant at Subtenant's sole cost and expense and without any abatement of rent, except as otherwise provided in this Sublease. If Subtenant shall fail to pay any sum of

money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable period of notice set forth in this Sublease, Sublandlord may, but shall not be obligated to do so, and without waiving or releasing Subtenant from any obligations of Subtenant, make any such payment or perform any such other act on Subtenant's part to be made or performed as is in this Sublease provided. All sums so paid by Sublandlord and all reasonably incidental costs, together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Sublandlord, shall be payable to Sublandlord on demand and Subtenant covenants to pay any such sums, and Sublandlord shall have (in addition to any other right or remedy of Sublandlord) the same rights and remedies in the event of the nonpayment thereof by Subtenant as in the case of default by Subtenant in the payment of the rent.

ARTICLE 20. Transfer of Sublandlord's Interest.

In the event of any transfer of Sublandlord's interest in the Premises or in any real property of which the Premises are a part (such as a transfer of the tenant's interest under the Master Lease), other than a transfer for security purposes only, the transferor shall notify Subtenant of such transfer and the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Sublandlord from and after the date of such transfer, including without limitation the obligation of Sublandlord under Article 4 above to return the security deposit as provided therein as long as Sublandlord transfers or credits the security deposit to the transferee.

ARTICLE 21. Broker.

In connection with this Sublease, Sublandlord and Subtenant each represents and warrants and represents to the other that, except for Stan Gerlach and Jeff Gerlach of CBRE, Inc. ("Subtenant's Broker"), it knows of no person or entity who is or might be entitled to a commission, finder's fee or other like payment in connection herewith and does hereby agree to indemnify, defend and hold harmless the other from and against any and all Claims that such party may incur should such warranty and representation prove incorrect, inaccurate or false. Subtenant shall be solely responsible for any commission or other compensation payable to Subtenant's Broker, subject only to Subtenant's right to apply credits against Basic Rental as set forth in the Addendum to this Sublease. For the avoidance of doubt, Sublandlord is not represented by a broker.

ARTICLE 22. Parking.

Subtenant shall have the right, beginning on the Delivery Date and continuing through the Term, to use (a) the public street parking located in front of and adjacent to the Premises on a first-come, first-served basis, and (b) parking spaces on an undifferentiated basis within the spaces in the improved parking lot located at 210 East 22nd Street, Los Angeles, California to the extent the Master Landlord makes such spaces available to Sublandlord under the Master Lease, at the rates and subject to the terms and conditions set forth in the Master Lease. Such spaces are available to Sublandlord, other tenants, other subtenants, and the public at large, and each user shall be subject to the parking fees, if any, as may be charged for such use. Such parking rights are subject to change in accordance with Section 3.11 of the Master Lease.

ARTICLE 23. Waiver.

No waiver by Sublandlord of any provisions of this Sublease shall be deemed to be a waiver of any other provision or of any subsequent breach by Subtenant of the same or any other provision. No provision of this Sublease may be waived, except by an instrument in writing executed by the waiving party. Sublandlord's consent to or approval of any act by Subtenant requiring Sublandlord's consent or approval

shall not be deemed to render unnecessary the obtaining of Sublandlord's consent to or approval of any subsequent act of Subtenant, whether or not similar to the act so consented to or approved. No act or thing done by Sublandlord or Sublandlord's agents during the term of this Sublease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Sublandlord. Any payment by Subtenant or receipt by Sublandlord of an amount less than the total amount then due hereunder shall be deemed to be in partial payment only thereof and not a waiver of the balance due or an accord and satisfaction, notwithstanding any statement or endorsement to the contrary on any check or any other instrument delivered concurrently therewith or in reference thereto. Accordingly, Sublandlord may accept any such amount and negotiate any such check without prejudice to Sublandlord's right to recover all balances due and owing and to pursue its other rights and remedies against Subtenant under this Sublease, regardless of whether Sublandlord makes any notation on such instrument of payment or otherwise notifies Subtenant that such acceptance or negotiation is without prejudice to Sublandlord's rights.

ARTICLE 24. Estoppel Certificate.

Subtenant shall, at any time and from time to time, upon not less than ten (10) business days' prior written notice from Sublandlord, execute, acknowledge and deliver to Sublandlord a factually correct statement in writing certifying (a) that this Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sublease, as modified, is in full force and effect), (b) the current amount of rentals and other charges owing by Subtenant hereunder and dates to which such rentals and other charges are paid, and the amount of Subtenant's security deposit, (c) that there is not, to Subtenant's knowledge, any uncured default on the part of Sublandlord hereunder, and no event, circumstance or condition then in existence which, with the passage of time or notice or both, would constitute a default on the part of Sublandlord hereunder, or specifying such defaults, events or conditions, if any are claimed, and (d) such other matters as Sublandlord may reasonable request. It is expressly understood and agreed that any such statement may be relied upon by Sublandlord and any prospective purchaser or encumbrancer of all or any portion of the Total Premises. Subtenant's failure upon Sublandlord's request to deliver such statement within such time shall, at the option of Sublandlord, constitute a material default under this Sublease. Furthermore, Subtenant's failure to deliver such statement within such time shall constitute an admission by Subtenant that all statements contained therein are true and correct. Subtenant agrees to execute all documents required in accordance with this Article 24 within ten (10) business days after delivery of said documents and the failure to execute such documents within ten (10) business days shall entitle Sublandlord to execute such documents on behalf of Subtenant as Subtenant's attorney-in-fact. Subtenant does hereby make, constitute and irrevocably appoint Sublandlord as Subtenant's attorney-in-fact and Subtenant's name, place and stead to execute such documents pursuant to this Article, in the event of such failure. Such power, being coupled with an interest, is irrevocable.

ARTICLE 25. Liability of Sublandlord.

Subtenant agrees to look solely to Sublandlord's interest in the Premises (or the proceeds thereof) for the satisfaction of any remedy of Subtenant for the collection of a judgment (or other judicial process) requiring the payment of money by Sublandlord hereunder, and no other property or asset of Sublandlord, no property or asset of Master Landlord, or no property or asset any officer, director, shareholder, partner, member, trustee, agent, servant, employee or other representative of Sublandlord or Master Landlord, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Subtenant's remedies under or with respect to this Sublease, the relationship of Sublandlord and Subtenant hereunder, or Subtenant's use or occupancy of the Premises.

ARTICLE 26. Reserved.

ARTICLE 27. Environmentally Regulated Material.

(a) Subtenant shall perform all obligations under the Incorporated Provisions, and comply with the Incorporated Provisions related to "Environmentally Regulated Material" described in the Master Lease, including, without limitation, Section 6 of the Master Lease to the extent included in the Incorporated Provisions.

(b) In addition and not in limitation of the indemnification provisions set forth in the Incorporated Provisions, Subtenant shall indemnify, defend and hold harmless Sublandlord and Master Landlord from and against any and all Claims to the extent caused by any default by Subtenant under the Incorporated Provisions related to any "Environmentally Regulated Material" (defined in the Master Lease) or any transportation, storage, installation, use, generation, manufacture, treatment, disposal, discharge, spill, or release of any Environmentally Regulated Material in, on, under, about, from or to the Premises during the Term of this Sublease to the extent caused by Subtenant or its employees, agents or contractors. Such Claims include, without limitation, diminution in value of the Total Premises or the Master Lease, default under or termination of the Master Lease, loss or restriction of use of any of the Total Premises, adverse impact on marketing of space in the Total Premises, costs 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 or by Master Landlord because of Environmentally Regulated Material present in the soil or ground water on or under the Total Premises.

(c) If Sublandlord pays or is required to pay any amount under the Master Lease or otherwise in connection with Environmentally Regulated Material, then such amount shall not be a common area maintenance charge or included as Additional Fees.

(d) Subtenant agrees that it would not be unreasonable for Sublandlord to withhold its consent to any proposed Transfer if (i) the anticipated use of the Premises after such Transfer involves the transportation, storage, installation, use, generation, manufacture, treatment, disposal, discharge, spill, or release of any Environmentally Regulated Material, except to the extent approved in writing by Sublandlord and Master Landlord; (ii) the proposed user after such Transfer has been required by any other landlord, lender, or governmental authority to take remedial action in connection with Environmentally Regulated Material, or (iii) the proposed user after such Transfer is subject to an enforcement order issued by any governmental authority in connection with the use, disposal, or storage of an Environmentally Regulated Material.

(e) Sublandlord hereby represents to Subtenant that, to Sublandlord's actual knowledge, as of the Effective Date, (a) Master Landlord has taken all action required of Master Landlord under the Master Lease to be performed on or prior the Effective Date to remove and/or remediate any Environmentally Regulated Material in the Premises, and (b) Sublandlord has taken all action required of Sublandlord under the Master Lease, including, without limitation, Section 3.3.5 of the Master Lease and Section 12.1.4 of Master Lease, to remove and/or remediate any Environmentally Regulated Material in the Premises. Notwithstanding anything to the contrary contained in this Sublease, the liability of Subtenant, and any indemnity provided by Subtenant under this Sublease with respect to Environmentally Regulated Material, shall not extend to (i) any Environmentally Regulated Material that exist in, on, under or about the Premises and/or the Total Premises prior to the Delivery Date, or (ii) any Environmentally Regulated Material that was placed or released in, on, under or about the Premises and/or the Total Premises by any person or entity other than Subtenant or its employees, agents or contractors and such release was not the result of any

negligence, willful misconduct or other breach of this Sublease by Subtenant or any of its employees, agents or contractors.

ARTICLE 28. Surrender of Premises; Removal of Property.

(a) The voluntary or other surrender of this Sublease by Subtenant to Sublandlord, or a mutual termination hereof, shall not work a merger, and shall at the option of Sublandlord, operate as an assignment to it of any or all sub-subleases or sub-subtenancies affecting the Premises.

(b) Upon the expiration of the Term of this Sublease, or upon any earlier termination of this Sublease, Subtenant shall comply with all of Subtenant's obligations under the Incorporated Provisions in connection with the surrender or vacation of the Premises, Subtenant shall quit and surrender possession of the Premises to Sublandlord in as good order and condition as the same are now and hereafter may be improved by Sublandlord or Subtenant, reasonable wear and tear excepted, and shall, without cost or expense to Sublandlord, remove or cause to be removed from the Premises all debris and rubbish, all furniture, equipment, and other articles of personal property owned by Subtenant, and all similar articles of any other persons claiming under Subtenant unless Sublandlord exercises its option to have any sub-subleases or sub-sub tenancies assigned to it, and Subtenant shall repair all damage to the Premises resulting from the removal of such items to be removed.

(c) Whenever Sublandlord shall re-enter the Premises as provided in this Sublease, any property of Subtenant not removed by Subtenant upon the expiration of the term of this Sublease (or within forty-eight (48) hours after a termination by reason of Subtenant's default), as provided in this Sublease, shall be considered abandoned and Sublandlord may remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Subtenant, and if Subtenant shall fail to pay the cost of storing any such property after it has been stored for a period of ninety (90) days or more, Sublandlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Sublandlord, in its sole and absolute discretion, may deem proper, without notice to or demand upon Subtenant, for the payment of all or any part of such charges of the removal of any such property, and shall apply the proceeds of such sale: first, to the cost and expense of such sale, including reasonable attorney's fees for services rendered; second, to the payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Sublandlord from Subtenant under any of the terms hereof; and fourth, the balance, if any, to Subtenant.

(d) Any and all fixtures, equipment, alterations, additions and improvements installed by Subtenant must be removed by Subtenant from the Premises prior to the last day of the Term or the termination of this Sublease, unless Sublandlord instructs Subtenant otherwise. Notwithstanding the foregoing or anything to the contrary contained in this Sublease, upon the expiration or earlier termination of this Sublease, Subtenant shall not be required to: (i) remove or restore any improvement that existed within the Premises on the Delivery Date, (ii) remove or restore any Subtenant's Work shown on the Final Space Plan (and none of the foregoing shall be removed by Subtenant and shall become part of the Premises and the property of Sublandlord upon expiration or termination of this Sublease), (iii) remove or restore any change orders to Subtenant's Work unless Sublandlord notifies Subtenant in writing of such obligation at the time when Sublandlord approves such change order to Subtenant's Work (provided that Sublandlord may not demand such removal or restoration for ordinary and customary general office, warehouse or industrial improvements), or (iv) remove any telephone, data cabling or related conduits from the Premises. All fixtures, equipment, improvements, alterations and/or appurtenances attached to or built into the Premises prior to or

during the Term shall be and remain part of the Premises and shall not be removed by Subtenant at the end of the Term; provided, that Subtenant shall remove Subtenant's trade fixtures, furniture, equipment and other personal property, even if the same is shown on the Final Space Plan.

ARTICLE 29. Miscellaneous.

(a) **Severability; Entire Agreement.** Any provision of this Sublease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect. This Sublease and the exhibits and any rider attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Sublease may be amended or supplemented except by an agreement in writing signed by the parties hereto or their permitted successors in interest. This Sublease shall be construed, interpreted, enforced and governed under and by the laws of the State of California, without reference to choice of law rules. Any action or proceeding arising out of or related to this Sublease shall be filed and litigated in the state or federal courts located in the County of Los Angeles, State of California, in the judicial district mandated by applicable court rules. If Sublandlord or Subtenant files or attempts to litigate an action in violation of this Article 29(a), the other party hereto shall be entitled to recover reasonable costs and attorneys' fees incurred to enforce this Article 29(a).

(b) **Attorney's Fees.**

(i) In the event of litigation or any other situation requiring the use of an attorney by Sublandlord, including without limitation all collection costs, between Subtenant and Sublandlord under this Sublease, the prevailing party shall be entitled to recover its court costs and the fees of its attorneys in such litigation in such amount as the court may adjudge reasonable.

(ii) If Subtenant or Sublandlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of or under this Sublease, including any suit by Sublandlord for the recovery of rent of possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(iii) Should Sublandlord, without fault on Sublandlord's part, be made a party to any litigation instituted by Subtenant or by any third party against Subtenant, or by or against any person holding under or using the Premises by license of Subtenant, or for the foreclosure of any lien for labor or material furnished to or for Subtenant or any such other person or otherwise arising out of or resulting from any act or transaction of Subtenant or of any such other person, Subtenant covenants to indemnify, defend and hold harmless Sublandlord from any and all Claims against Sublandlord, the Premises or any of the Total Premises in connection with any of the foregoing.

(iv) Reasonable attorney's fees shall include fees for services rendered prior to the commencement of any such action or litigation and, when legal services are rendered by an attorney at law who is an employee of a party, shall be determined as to amount, including overhead, by consideration of the same factors, including but not limited by, the importance of the matter, time applied, difficulty and results, as are considered when an attorney not in the employ of a party is engaged to render such service.

(c) **Time of Essence.** Each of Subtenant's covenants herein is a condition and time is of the essence with respect to the performance of every provision of this Sublease and the strict performance of

each shall be a condition precedent to Subtenant's right to remain in possession of the Premises or to have this Sublease continue in effect.

(d) **Headings.** The article headings contained in this Sublease are for convenience only and do not in any way limit or amplify any term or provision hereof. The terms "Sublandlord" and "Subtenant' as used herein shall include the plural as well as the singular, the neuter shall include the masculine and feminine genders and the obligations herein imposed upon Subtenant shall joint and several as to each of the persons, firms or corporations of which Subtenant may be composed.

(e) **Rules and Regulations.** Subtenant shall observe faithfully and comply strictly with any rules and regulations attached to this Sublease and made a part hereof, and such other rules and regulations as Sublandlord may from time to time reasonably adopt for the use, safety, care and cleanliness of the Total Premises or the Premises, the facilities thereof, or the preservation of good order therein. Sublandlord shall not be liable to Subtenant for violation of any such Rules and Regulations, or for the breach of any covenant or condition in any sublease by any other subtenant in the Total Premises. A waiver by Sublandlord of any rule or regulation for any other subtenant shall not constitute nor be deemed a waiver of the rule or regulation for this Subtenant.

(f) **Rent.** All payments required to be made by Subtenant hereunder shall be deemed to be rent, whether or not described as such

(g) **Successors and Assigns.** Subject to the provisions of Article 14 hereof, all of the covenants, conditions and provisions of this Sublease shall be binding upon and shall inure the benefit of the parties hereto and their representative heirs, personal representatives, successors and assigns.

(h) **No Third Parties Benefited**. This Sublease is made for the purpose of setting forth certain rights and obligations of Sublandlord and Subtenant, and no other person shall have any rights hereunder or by reason hereof; provided, however, that Master Landlord shall be entitled to the benefit of provisions of this Sublease pertaining to Master Landlord, including, without limitation, indemnification obligations in favor of Master Landlord.

(i) **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service evidenced by a signed receipt, registered or certified mail, return receipt requested, overnight professional courier, or email, addressed to Subtenant or to Sublandlord at the address set forth below its respective signature block below. Each such notice shall be deemed given upon delivery or tender of delivery to the recipient. Either party may, by notice given in accordance with this Article, change its address for notices under this Sublease. A copy of all notices to be given to Sublandlord hereunder shall be concurrently transmitted by Subtenant to such party hereafter designated by notice from Sublandlord to Subtenant. Any notices sent by Sublandlord regarding or relating to eviction procedures, including without limitation three day notices, may be sent by regular mail.

(j) **Costs of Improvements.** Subtenant shall complete Subtenant's Work at Subtenant's cost (except as otherwise expressly provided in this Sublease), and Subtenant shall ensure Subtenant's Work is completed in accordance with all applicable building codes.

(k) **Use of Project Name and Subtenant's Name.** Subtenant shall not be allowed to use the name, picture or representation of the Total Premises, or words to that effect, in connection with any business carried on in the Premises or otherwise (except as Subtenant's address) without the prior written consent of Sublandlord. Sublandlord shall not be allowed to use the name, picture or

representation of the Subtenant without the prior written consent of Subtenant, which shall not be unreasonably withheld, conditioned or delayed.

(l) **Signage.** Subtenant shall have the right, at Subtenant's expense, to brand the entry door(s) and entry area(s) to the Premises with Subtenant's signage (e.g., name and/or logo) and, if Sublandlord installs a monument sign at the Total Premises (it being agreed that Sublandlord is not required to install such monument sign), Subtenant shall have the right to a panel on such monument sign; provided, that all such exterior signage shall be in compliance with all applicable laws and the Incorporated Provisions of the Master Lease, in accordance with all required permits, and subject to the prior written approval of Sublandlord and Master Landlord. No separate exterior signage shall be installed by Subtenant, except with the prior written consent of Sublandlord.

(m) **Exhibits.** The Exhibits attached hereto are incorporated by this reference into this Sublease as if fully set forth herein.

(n) **Further Assurances**. Each party hereto shall execute, acknowledge and deliver to each other party hereto all documents, and shall take all actions, reasonably required by such other party hereto from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Sublease.

(o) **Corporate Authority.** If Subtenant is a corporation, partnership, limited liability company, trust or other entity, then each individual executing this Sublease on behalf of Subtenant represents and warrants that such person is duly authorized to execute and deliver this Sublease on behalf of Subtenant in accordance with such entities organization documents, and that this Sublease is binding upon Subtenant in accordance with its terms. Subtenant shall provide to Sublandlord evidence thereof satisfactory to Sublandlord.

(p) **Counterparts**. This Sublease may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof and all of such counterparts shall be deemed to constitute one and the same instrument.

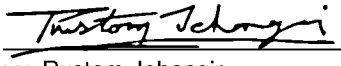
(q) **No Option.** The submission of this Sublease by Sublandlord, its agent or representative for examination or execution by Subtenant does not constitute an option or offer to sublease the Premises upon the terms and conditions contained herein or a reservation of the Premises in favor of Subtenant, it being intended hereby that this Sublease shall only become effective upon the execution and delivery hereof by Sublandlord and Subtenant.

(r) **Additional Provisions.** Additional provisions to this Sublease are attached hereto by an addendum, which additional provisions are incorporated into this Sublease in all respects as if fully set forth herein.

IN WITNESS WHEREOF, Sublandlord and Subtenant have duly executed this Sublease as of the day and year first above written.

"SUBTENANT"

Blue Robotics, Inc.,
a Delaware corporation

By: 
Name: Rustom Jehangir
Title: CEO

Address for Notices Prior to Commencement Date:

2740 California Street
Torrance, CA 90503
Attention: Rustom Jehangir
Telephone: 630-903-9239
Email: rusty@bluerobotics.com

Address for Notices After Commencement Date:

2451 Signal Street, Berth 59
San Pedro, California 90731
Attention: Rustom Jehangir
Telephone: 630-903-9239
Email: rusty@bluerobotics.com

"SUBLANDLORD"

AltaSea at the Port of Los Angeles,
a California nonprofit public benefit corporation

By: _____
Name: Terry Tamminen
Title: President and Chief Executive Officer

By: _____
Name: Jenny Krusoe
Title: Executive Vice President and Chief Operating Officer

Address for Notices:

AltaSea at the Port of Los Angeles
2451 South Signal Street
Berth 59
San Pedro, CA 90731
Attention: Terry Tamminen, President and CEO
Telephone: 424-259-3730
Email: tt@altasea.org

with email copy to:

DH Brumer PC
Attention: Daniel Brumer
Email: dhb@dhbrumer.com

ADDENDUM TO SUBLEASE

The following terms and conditions of this Addendum to Sublease (this "Addendum") supplement the terms and conditions of that certain Sublease dated as of November 22, 2025 (the "Sublease"), by and between AltaSea at the Port of Los Angeles, a California nonprofit public benefit corporation ("Sublandlord"), and Blue Robotics, Inc., a Delaware corporation ("Subtenant"), and such terms and conditions are incorporated into the Sublease in all respects as if fully set forth therein. Capitalized terms used but not defined herein shall have the meanings set forth in the Sublease. Unless the context clearly indicates otherwise, all references in the Sublease and this Addendum to the "Sublease" shall mean the Sublease, as modified by this Addendum. To the extent of any conflict between the terms of the Sublease and the terms of this Addendum, the terms of this Addendum shall control.

1. **Total Premises Improvements.** Notwithstanding anything to the contrary in the Sublease, Subtenant acknowledges and agrees that, in accordance with the terms and conditions of the Master Lease, Sublandlord and/or Master Landlord may, but shall not be obligated to, undertake certain renovations, remediation, and/or improvements to the Total Premises and/or surrounding areas, including, without limitation, new construction, additions to existing improvements, environmental remediation, and/or infrastructure installations or improvements. In connection therewith, Sublandlord and/or Master Landlord, and their respective contractors, subcontractors, vendors, employees, representatives and agents, shall have continuous access to the Total Premises and may, among other things, perform work around the Premises which work may create noise, dust or debris. Subtenant agrees that, so long as Subtenant has reasonable access and use of the Premises, and such work is performed in a commercially reasonable manner so as to minimize interference with Subtenant's business operations, the performance of any such work shall in no way constitute a constructive eviction of Subtenant nor entitle Subtenant to any abatement of rental or other amounts, and neither Sublandlord nor Master Landlord shall have any responsibility or for any reason be liable to Subtenant for any direct or indirect injury to or interference with Subtenant's business, or its use, occupancy, or enjoyment of the Premises, arising from the performance of any such work, nor shall Subtenant be entitled to any compensation or damages from Sublandlord or Master Landlord for loss of the use of the whole or any part of the Premises or of Subtenant's personal property or improvements resulting from the performance of any such work, or for any inconvenience or annoyance in connection therewith. Provided that Subtenant has reasonable access and use of the Premises, and such work is performed in a commercially reasonable manner so as to minimize interference with Subtenant's business operations, Subtenant hereby waives and disclaims any objections to, causes of action based upon, or claim that its obligations under the Sublease should be reduced or limited in any way because of any such work, or that any such work renders the Premises in any way unsuitable for Subtenant's purposes. Subtenant shall, and shall cause its employees, contractors, representatives, and agents to, at no cost to Subtenant, reasonably cooperate with Sublandlord and/or Master Landlord and their respective contractors, subcontractors, vendors, employees, representatives, and agents in connection with the performance of any such work, as Sublandlord and/or Master Landlord may reasonably direct from time to time.

2. **Non-Disturbance Agreement.** Sublandlord shall request a commercially reasonable non-disturbance agreement in substantially the form attached hereto as Exhibit D ("Non-Disturbance Agreement") from Master Landlord in accordance with the terms and conditions of the Master Lease, and the parties shall reasonably cooperate and use commercially reasonable efforts to obtain the Non-Disturbance Agreement from Master Landlord; provided that Sublandlord shall have no obligation or liability whatsoever to Subtenant if Master Landlord does not provide or execute the Non-Disturbance Agreement (which may include commercially reasonable edits requested by Master Landlord); provided that if the Non-Disturbance Agreement is not obtained and executed by the date of Master Landlord's final consent to this Sublease, such event shall be deemed a Sublandlord Delay, and Subtenant shall have the right, in its sole and absolute discretion, to terminate this Sublease without penalty upon providing written notice to Sublandlord until such Non-Disturbance Agreement is obtained and fully-executed.

3. **Basic Rental Abatement.** Subject to the terms of this Section 3, Basic Rental shall be abated for months 60, 72, 84, 96 and 108 of the initial Term (the "Basic Rental Abatement Months"), for a total maximum aggregate possible abatement of $377,100.00, provided Subtenant shall remain obligated during such period to pay all Additional Fees, Non-Monetary Compensation, and all other amounts due under the Sublease for the Basic Rental Abatement Months. If an Event of Default occurs at any time, any remaining abatement shall be suspended until such time, if ever, that such Event of Default is cured (at which time such abatement shall resume as if no such default occurred); provided, that if the Sublease is terminated as a result of Event of Default by Subtenant, then in addition to Sublandlord's other remedies under this Sublease, at law or in equity, Subtenant shall be obligated to immediately pay to Sublandlord all amounts of accrued abated Basic Rental together with interest thereon at the rate set forth in Article 3(g) below, from the initial due date until the date paid to Sublandlord, and Basic Rental shall not be further abated pursuant to this paragraph.

4. **Required Minimum Investment.** As consideration for Sublandlord's agreement to the terms of this Sublease, Subtenant shall invest no less than $3,000,000 in hard and soft costs for Subtenant's initial tenant improvements in the Premises, which shall be substantially in accordance with the Final Space Plan.

5. **Additional Fees.** Notwithstanding anything to the contrary contained in this Sublease, Subtenant's Proportionate Share of any Additional Fees shall not exceed (a) during the initial Term, $2,263.00 per month, and (b) during any Extended Term or other renewal or extension of the Term, three percent (3%) of the full Basic Rental payable by Subtenant for such applicable calendar year or portion thereof during the Term, not including any abatement or credits to which Subtenant may be entitled pursuant the Sublease (collectively, the "Additional Fee Cap"). For the avoidance of doubt, with the exception of Subtenant's Proportionate Share of Additional Fees (subject to the Additional Fee Cap), Subtenant shall not be responsible for any other so-called operating costs or pass through costs in connection with this Sublease or the Master Lease.

6. **Premises Utilities.** From and after the Delivery Date and continuing through the Term, Sublandlord shall maintain all utility systems at the Total Premises to ensure that utilities, including power and water, are connected and can be furnished to the Premises at all times. Prior to the Delivery Date, Sublandlord shall, at Sublandlord's cost, ensure that all utilities for the Premises are separately metered. From and after the Delivery Date, Subtenant shall be solely responsible to initiate service for and pay when due the cost of all utilities consumed in the Premises.

7. **Sublandlord Repairs.** Sublandlord shall, at Sublandlord's sole cost and not to be included in Additional Fees, maintain, repair and/or replace as reasonably necessary the roof and structure of the Premises, all common areas, and perform any major capital repairs or replacements of any Sublandlord-installed HVAC and/or MEP systems (mechanical, electrical, plumbing) and solar system. If Subtenant provides written notice to Sublandlord of the need for repairs, replacement and/or maintenance that is Sublandlord's obligation pursuant to this Section 7 or elsewhere in this Sublease, and Sublandlord fails to commence such repairs, replacement and/or maintenance within a reasonable period of time, given the circumstances, after receipt of such notice (but in no event later than thirty (30) days after receipt of such notice), or if Sublandlord thereafter fails to diligently pursue completion of the same, then Subtenant may, at its option, proceed to undertake such work upon delivery of an additional five (5) business days' notice to Sublandlord that Subtenant is taking such required action. If such work is required under the terms of this Section 7 to be performed by Sublandlord and is not performed by Sublandlord prior to the expiration of such five (5) business day period, then Subtenant shall be permitted, but not required, to such take such action and Subtenant shall entitled to reimbursement by Sublandlord of Subtenant's actual, reasonable and documented out-of-pocket costs and expenses in performing such work. Such reimbursement shall be made within thirty (30) days after Sublandlord's receipt of Subtenant's invoice of such costs and expenses, and

if Sublandlord fails to make such payment within ten (10) business days following a second written notice from Subtenant, Subtenant shall be permitted to deduct such costs and expenses against the rental next coming due under this Sublease. In the event Subtenant undertakes such work and such work will affect the building structure or systems, Subtenant shall use only those unrelated third-party contractors used by Sublandlord in the Total Premises for such work unless such contractors are unwilling or unable to perform such work, in which event Subtenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in comparable buildings.

Sublandlord shall, at Sublandlord's sole cost (subject to reimbursement to the extent included in the Additional Fees), provide sufficient dumpsters or other like containers for trash collection and disposal and use commercially reasonable efforts to keep the common areas of the Total Premises reasonably free and clear of rubbish, debris, graffiti and litter.

8. **Supplemental HVAC.** Subtenant shall be permitted to install dedicated heating, ventilation and air conditioning units ("Supplemental Units") at Subtenant's sole cost and expense in a location reasonably approved by Sublandlord and Subtenant in writing; provided, that Sublandlord hereby approves installation of the Supplemental Units on the roof of the B59 warehouse. The plans and specifications for any Supplemental Units shall be subject to Sublandlord's prior approval, not to be unreasonably withheld, conditioned or delayed; provided in all events that, in connection with any roof-related work (a) such work shall be performed only by Sublandlord's designated roofing contractor or another contractor reasonably approved in writing by Sublandlord, (b) Subtenant shall comply, and cause its contractors to comply, with all manufacturer specifications, warranty requirements, and Sublandlord's reasonable rules and procedures in connection with any such work, (c) Subtenant shall not take, or permit to be taken, any action that would void, invalidate, impair, or limit the coverage of any roof warranty in effect, and (d) without limitation, Subtenant shall not damage, disturb, interfere with, or otherwise adversely affect any solar panels, equipment, wiring, or related installations located on or serving the roof, nor take or permit any action that could impair the performance, operation or efficiency of such systems. In addition to any other rights and remedies available to Sublandlord, Subtenant shall indemnify, defend, and hold harmless Sublandlord, its affiliates, and their respective officers, directors, members, partners, and agents, from and against any and all losses, costs, claims, damages, liabilities, expenses, and obligations (including, without limitation, reasonable attorneys' fees and costs) to the extent caused by any breach of this section by Subtenant or its contractors, including without limitation any amounts, damages, penalties, or obligations that may become payable by Sublandlord to any subtenant, licensee, or occupant with equipment or installations on the roof, including, without limitation, any solar energy subtenant with panels located thereon. Subtenant shall be solely responsible for maintenance and repair of the Supplemental Units. Any Supplemental Units shall be installed by Subtenant at its sole cost and expense and in accordance with the terms of this Sublease, and all electricity costs in connection with any such Supplemental Units shall be Subtenant's sole responsibility.

9. **Subtenant's Security System.** Subtenant may, at its own expense, install its own security system and/or security access control system ("Subtenant's Security System") for the Premises; provided, however, that Subtenant shall coordinate the installation and operation of Subtenant's Security System with Sublandlord, at Subtenant's sole cost and expense, to assure that Subtenant's Security System is compatible with Sublandlord's security system and the warehouse systems and equipment. Subtenant shall be responsible, at Subtenant's sole cost and expense, for the installation, monitoring, operation and removal (subject to the last sentence of this section) of Subtenant's Security System and Subtenant shall restore the Premises and other portions of the Total Premises utilized for Subtenant's Security System to their prior condition and repair any damage caused by the installation, maintenance, repair and/or removal (subject to the last sentence of this section) of Subtenant's Security System. Subtenant's Security System shall be installed by Subtenant in accordance with the terms of this Sublease and in accordance with plans and specifications previously approved in writing by Sublandlord, not to be unreasonably withheld, conditioned

or delayed. Sublandlord shall have no liability to Subtenant or its agents, employees, contractors and invitees arising out of Subtenant's Security System. Subtenant may, but shall not be required to, remove any wiring, fixtures or cabling relating to Subtenant's Security System, upon the expiration or earlier termination of this Sublease; provided, that if Subtenant elects to remove any wiring, fixtures or cabling relating to Subtenant's Security System, Subtenant shall do so and restore the Premises and other portions of the Total Premises utilized for Subtenant's Security System to substantially their condition existing prior to the installation of Subtenant's Security System at Subtenant's sole cost.

10. **Expansion Option.** Subject to the terms and conditions of this Section 10, Sublandlord hereby grants the original Subtenant specifically named above in this Sublease (the "Original Subtenant") and any Permitted Transferee an ongoing option during the Term and any Extended Term to sublease all or any portion of the remaining vacant space in the warehouse portion of Parcel B59 consisting of approximately 7,620 square feet ("Expansion Space"). Such expansion option shall be exercised, if at all, in the following manner: (a) if Subtenant desires to sublease Expansion Space, Subtenant shall deliver written notice to Sublandlord stating that Subtenant is interested in subleasing an Expansion Space; (b) Sublandlord shall, within fifteen (15) business days after its receipt of Subtenant's notice, deliver written notice to Subtenant (the "Expansion Availability Notice") identifying all Expansion Space that is available for sublease, and setting forth the exact square footage and potential configurations of the Expansion Space that is available for sublease, and the then-current rent amount and other economic terms being offered by Sublandlord (collectively, the "Economic Terms"), or stating that no portion of the Expansion Space is available for sublease; and (c) if the Expansion Availability Notice provides that the Expansion Space, or a portion thereof, is available for sublease, and Subtenant wishes to exercise its expansion option, then Subtenant shall, within ten (10) business days after its receipt of the Expansion Availability Notice (time being of the essence), exercise the expansion option by delivering an unconditional and irrevocable written notice thereof to Sublandlord (the "Expansion Exercise Notice") electing to sublease the Expansion Space that Sublandlord states is available for sublease in the Expansion Availability Notice ("Subleased Expansion Space"), in which event Subtenant shall sublease the Subleased Expansion Space from Sublandlord on the terms set forth below in this Section 10. For avoidance of doubt, nothing in this Section 10 shall prevent or restrict Sublandlord from subleasing any space in Total Premises at any time. Subtenant may only sublease Expansion Space hereunder if the term of this Sublease for said Expansion Space is not less than two (2) years (including any Extended Term if Subtenant has timely and properly exercised the Extension Option), and the term of this Sublease for said Expansion Space shall be co-terminus with that for the initial Premises. If Subtenant subleases any Subleased Expansion Space as set forth above, such sublease shall be on the Economic Terms, the Subleased Expansion Space shall be deemed to be part of the Premises, and Basic Rental and Subtenant's Proportionate Share shall be increased based on the additional number of square feet of the Subleased Expansion Space. If Subtenant subleases Subleased Expansion Space as set forth herein, Sublandlord and Subtenant shall execute a sublease amendment with respect to the addition of such Subleased Expansion Space on the terms set forth in this Section 10 promptly after receipt thereof. The rights contained in this Section 10 shall be personal to the Original Subtenant and any Permitted Transferee, and may only be exercised by the Original Subtenant or any Permitted Transferee (and not any other assignee, sublessee or other transferee of the Original Subtenant's interest in this Sublease). Notwithstanding the foregoing provisions of this Section 10, Subtenant shall not have the right to sublease Subleased Expansion Space as provided in this Section 10, if, as of the date of the Expansion Exercise Notice, or as of the scheduled date of delivery of the Subleased Expansion Space to Subtenant, Subtenant is in default under this Sublease beyond any applicable notice and cure period. Additionally, Sublandlord's obligations and Subtenant's rights set forth in this Section 10, and the expansion option herein, shall not apply, in the event the Original Subtenant has assigned this Sublease to any party other than a Permitted Transferee, or Subtenant is then-currently sub-subletting the Premises (or any portion thereof) to any party other than a Permitted Transferee, or Subtenant is not in possession of the entire initial Premises (as may have been previously expanded), as of the date of the Expansion Exercise Notice. In the event of a default by Sublandlord under this Section 10, Subtenant's sole and exclusive remedy shall be a

claim for actual damages, and, without limiting the foregoing, Subtenant shall have no right to claim any possessory or other rights with respect to the Expansion Space or any portion thereof. For avoidance of doubt, in no event shall Sublandlord be required to pay or provide any credit or other compensation related to any broker or finder fee in connection with any Subleased Expansion Space.

11. **Right of First Offer**. Subject to the terms and conditions of this Section 11, Sublandlord hereby grants the Original Subtenant and any Permitted Transferee a one-time right of first offer with respect to space in the warehouse portion of Parcel B59 that is contiguous to the Premises consisting of approximately 7,620 square feet ("ROFO Space"). Notwithstanding the foregoing, such first offer right of Subtenant shall commence only following the expiration or earlier termination of the existing sublease pertaining to the ROFO Space (the "Superior Sublease"), including any renewal of such Superior Sublease, whether or not such renewal is pursuant to an express written provision in such sublease, and regardless of whether any such renewal is consummated pursuant to a sublease amendment or a new sublease. Subject to the foregoing, Sublandlord shall notify Subtenant (a "ROFO Notice") from time to time when Sublandlord determines that Sublandlord desires to sublease of any ROFO Space to third parties, where the current subtenant under the Superior Sublease does not desire to sublease such space. The ROFO Notice shall describe the space so offered to Subtenant and shall set forth the Economic Terms with respect to such ROFO Space. If Subtenant wishes to exercise Subtenant's right of first offer with respect to the ROFO Space described in the ROFO Notice, then within five (5) business days after delivery of the ROFO Notice to Subtenant, Subtenant shall deliver an unconditional irrevocable notice to Sublandlord of Subtenant's exercise of its right of first offer with respect to the entire ROFO Space described in the ROFO Notice, and the Economic Terms shall be as set forth in the ROFO Notice. If Subtenant does not unconditionally exercise its right of first offer within the five (5) business day period, then Sublandlord shall be free to lease the space described in the ROFO Notice to anyone to whom Sublandlord desires on any terms Sublandlord desires and Subtenant's right of first offer shall terminate as to the ROFO Space described in the ROFO Notice. Notwithstanding anything to the contrary contained herein, Subtenant must elect to exercise its right of first offer, if at all, with respect to all of the ROFO Space offered in the ROFO Notice by Sublandlord to Subtenant at any particular time, and Subtenant may not elect to lease only a portion thereof. If Subtenant timely and properly exercises Subtenant's right to lease the ROFO Space as set forth herein, Sublandlord and Subtenant shall execute an amendment adding such ROFO Space to this Sublease upon the same non-economic terms and conditions as applicable to the initial Premises, and upon the Economic Terms. Unless otherwise specified in the Economic Terms, Subtenant shall commence payment of rent for the ROFO Space and the Term of the ROFO Space shall commence upon the date of delivery of such space to Subtenant. Except as part of the Economic Terms, Subtenant shall take the ROFO Space in its "as-is" condition. For avoidance of doubt, nothing in this Section 11 shall prevent or restrict Sublandlord from subleasing any space in Total Premises at any time. Subtenant may only sublease ROFO Space hereunder if the Term of this Sublease for said ROFO Space is not less than two (2) years (including any Extended Term if Subtenant has timely and properly exercised the Extension Option), and the term of this Sublease for said ROFO Space shall be co-terminus with that for the initial Premises. The rights contained in this Section 11 shall be personal to the Original Subtenant and any Permitted Transferee, and may only be exercised by the Original Subtenant or any Permitted Transferee (and not any other assignee, sublessee or other transferee of the Original Subtenant's interest in this Sublease). Notwithstanding the foregoing provisions of this Section 11, Subtenant shall not have the right to sublease ROFO Space as provided in this Section 11, if, as of the date of the ROFO Notice, or as of the scheduled date of delivery of the ROFO Space to Subtenant, Subtenant is in default under this Sublease beyond any applicable notice and cure period. Additionally, Sublandlord's obligations and Subtenant's rights set forth in this Section 11, and the right of first offer herein, shall not apply, in the event the Original Subtenant has assigned this Sublease to any party other than a Permitted Transferee, Subtenant is then-currently sub-subletting the Premises (or any portion thereof) to any party other than a Permitted Transferee, or Subtenant is not in possession of the entire initial Premises (as may have been previously expanded), as of the date of the ROFO Notice. In the event of a default by Sublandlord under this Section 11, Subtenant's sole and exclusive remedy shall be a

claim for actual damages, and, without limiting the foregoing, Subtenant shall have no right to claim any possessory or other rights with respect to the ROFO Space or any portion thereof. For avoidance of doubt, in no event shall Sublandlord be required to pay or provide any credit or other compensation related to any broker or finder fee in connection with any ROFO Space.

12. **Subtenant Use of Wharf Patio.** Without limiting Subtenant's non-exclusive right to use common areas of the Total Premises, including shared access of the docks and outdoor wharf space, Subtenant shall specifically have the right on a non-exclusive basis to access, utilize and furnish a portion of the wharf space of Parcel B59 designated by Sublandlord immediately adjacent to the Premises (the "Wharf Patio") for purposes of non-exclusive outdoor seating, dining, meetings and other purposes reasonably related to Subtenant's use of the Premises, provided that (i) Subtenant shall not make any alterations, additions, improvements or decorations to the Wharf Patio without the prior written consent of Sublandlord; (ii) the placement of any outdoor furniture provided by Subtenant ("Patio Furniture") shall be subject to the prior written consent of Sublandlord, and any Patio Furniture provided by Subtenant shall be at Subtenant's sole cost; (iii) the specific numbers and locations of the Patio Furniture shall be subject to Master Landlord's prior approval if required under the Master Lease; (iv) Subtenant shall have the obligation of securing the Patio Furniture (through the use of locks or removal of same) during those hours which Subtenant is closed for business and Sublandlord shall have no responsibility with respect to the Patio Furniture, and Subtenant shall bear all risk of loss (theft, vandalism, casualty) with respect to the Patio Furniture; (v) Subtenant's use of the Wharf Patio shall be subject to all requirements of this Sublease, the Incorporated Provisions of the Master Lease, City of Los Angeles and other governmental authorities (including, without limitation, Subtenant's obligation to obtain and maintain throughout the Term of this Sublease, all necessary governmental approvals and permits for the use of such area, at Subtenant's sole cost, a copy of which shall be provided to Sublandlord); (vi) in no event shall Subtenant use the Patio for cooking or preparing food or any retail purpose unless Subtenant obtains the prior written approval of Sublandlord (which, with respect to food preparation, shall not be unreasonably withheld, conditioned or delayed, and Sublandlord may withhold its consent to cooking in its sole and absolute discretion); and (vii) Subtenant shall comply with all reasonable additional rules and directives as Sublandlord may issue with respect to the Wharf Patio on an industry standard basis without discriminating against Subtenant. Subtenant shall be responsible, at Subtenant's sole cost and expense, for all maintenance of the Patio Furniture. Subtenant shall ensure that all waste and recyclable materials generated by Subtenant in and around the Wharf Patio are disposed of in suitable water-tight receptacles for garbage and recycling, and Subtenant shall reasonably clean the Patio Furniture from time to time as reasonably determined by Subtenant. Subtenant shall be responsible for any damage to the Wharf Patio caused by Subtenant's use. In the event Subtenant fails or refuses to satisfy its obligations set forth in this Section and such failure continues for five (5) business days following written notice from Sublandlord to Subtenant, then Sublandlord may, but shall not be obligated to, take such actions on Subtenant's behalf and bill the cost thereof to Subtenant, and Subtenant shall pay such cost to Sublandlord within five (5) business days following Sublandlord's demand as additional rent, plus a sum equal to the reasonable overhead fee (not to exceed ten percent (10%) of the cost). Sublandlord's right hereunder shall be cumulative and shall in no way restrict Sublandlord's other rights under this Sublease or at law or in equity. Subtenant agrees that any maintenance by Sublandlord pursuant to this Section is neither a re-entry nor a breach of any covenant of quiet enjoyment contained in this Sublease. In the event Subtenant receives approval from the applicable governmental authorities for its use of the Wharf Patio and such approval is later withdrawn by the applicable governmental authorities, Subtenant agrees to return the Wharf Patio to the condition required under this Section as set forth below and agrees that Sublandlord shall not be liable therefor and that the availability or non-availability of Subtenant's right to use the Wharf Patio shall not affect any of Subtenant's other obligations under this Sublease. Upon the expiration or earlier termination of this Sublease, or Subtenant's right to use the Wharf Patio, (a) Subtenant shall remove all Patio Furniture; (b) Subtenant shall repair any damage to the Wharf Patio to the extent such damage was caused by Subtenant; and (c) if Subtenant made any alterations, additions, improvements or decorations to the Wharf Patio, Subtenant shall

return the Wharf Patio to its original unimproved state upon request of Sublandlord. If Subtenant does not return the Wharf Patio to the condition required under this Section, Sublandlord may, but shall not be required to, make any and all needed repairs to return Wharf Patio to said original condition and charge Subtenant for said repairs including a reasonable fee for coordinating said work (not to exceed 10% of the cost thereof). For the avoidance of doubt, the Wharf Patio shall not be deemed a part of the Premises, nor shall square footage of the Wharf Patio be deemed added to or included in the square footage of the Premises. Further, except as expressly set forth in this Section and subject in any event to Subtenant's Limited Compliance Obligation, Subtenant shall not have any responsibility with respect to the Wharf Patio, pier, dock or pilings (collectively, the "Wharf Area"), except to the extent damage is caused by Subtenant or any of its employees, representatives or guests, and Sublandlord shall be solely responsible for the Wharf Area, including, without limitation, the maintenance, repair, replacement and compliance with laws with respect to the Wharf Area, and if any work to any portion of the Wharf Area is required by any governmental authority for any reason (subject to Subtenant's Limited Compliance Obligation and except to the extent damage is caused to the Wharf Area by Subtenant or any of its employees, representatives or guests), Sublandlord shall promptly remedy the same at Sublandlord's sole cost.

13. **Access.** Subject to the terms and conditions of this Sublease, the Incorporated Provisions of the Master Lease, and all applicable governmental requirements, Subtenant shall have access to the Premises 24/7/365.

14. **Section 1938 Disclosure.** Subtenant acknowledges that California Civil Code Section 1938 provides, "A commercial property owner or lessor shall state on every lease form or rental agreement executed on or after January 1, 2017, whether or not the subject premises have undergone inspection by a Certified Access Specialist (CASp)." In accordance with California Civil Code Section 1938, Sublandlord hereby discloses to Subtenant that the Premises (and the Total Premises) have not undergone inspection by a Certified Access Specialist (CASp), and neither Sublandlord nor Master Landlord shall have any liability or responsibility to make any repairs, improvements or modifications (or to perform any other work) to the Premises or the Total Premises in connection with California Civil Code Section 1938. In order to comply with California Civil Code Section 1938(e), Sublandlord hereby makes the following disclosure to Subtenant: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Nothing contained in this Section 14 shall affect the other terms of this Sublease.

Notwithstanding anything to the contrary in the Sublease, and notwithstanding any contrary presumption under applicable law, if Subtenant obtains or requests a CASp inspection, then all costs and expenses for (or otherwise in connection with) the inspection, and all costs and expenses for any and all repairs, improvements, modifications and other work required as a result of an inspection (including, but not limited to, the cost of making repairs necessary to correct violations of construction-related accessibility standards within the Premises) shall be paid solely by Subtenant, and all such costs and expenses shall be paid by Subtenant to Sublandlord within ten (10) days after the date of Sublandlord's invoice. Any CASp inspection requested or obtained by Subtenant shall be conducted solely with respect to the Premises (and not any other portion of the Total Premises, including but not limited to any common areas thereof), and shall be performed, at Subtenant's sole cost and expense and only (i) by a contractor reasonably approved in writing in advance by Sublandlord, (ii) in accordance with reasonable rules and regulations as Sublandlord may establish, (iii) only at times reasonably approved by Sublandlord in writing in advance,

and (iv) only with a scope, specifications and methodology, (and otherwise in a manner) reasonably approved by Sublandlord in writing in advance.

15. **Exclusions to Additional Fees.** Notwithstanding anything to the anything to the contrary contained in this Sublease, Additional Fees shall specifically exclude all of the following: (a) any ground lease rental (including rent under the Master Lease) or similar financing costs, (b) any capital cost, repair, replacement, addition, improvement or other expenditure, except for permitted Capital Expenses, (c) any cost for which Sublandlord is entitled to reimbursement (other than tenant contributions to costs of Additional Fees under their respective leases) or which are covered by any warranty, (d) any cost incurred in connection with improvements for leased or leasable space within the Total Premises, (e) depreciation, amortization and interest payments, (f) marketing and advertising costs, (g) any cost incurred in connection with a transaction with a prospective or present tenant or other occupant of the Total Premises, or in connection with a financing, refinancing, restructuring, disposition, transfer or other transaction involving the Total Premises or any portion thereof, (h) any cost in connection with services which are not available to Subtenant, (i) any cost related to a lessor-lessee dispute, (j) Sublandlord's general corporate overhead and general and administrative expenses not specifically incurred in the direct management, maintenance and operation of the Total Premises, (k) overhead and profit paid to Sublandlord or its affiliates for goods and/or services for the Total Premises to the extent the same exceeds the costs of such goods and/or services rendered by qualified, unaffiliated third parties on a competitive basis, (l) principal, interest, points and fees on debts or amortization on any mortgage or any other debt instrument encumbering the Total Premises or any portion thereof, (m) any cost incurred in connection with or correcting any non-compliance of the Total Premises with any applicable law where such non-compliance existed as of the date of this Sublease, (n) any cost incurred to assess, remove and/or remediate any Environmentally Regulated Material existing in, on, under or about the Total Premises, (o) any charitable or political contribution, (p) any cost for sculpture, paintings or other objects of art, and (q) reserves of any kind.

16. **ADA Compliance.** Notwithstanding anything to the contrary contained in this Sublease, Sublandlord shall cause the Premises and the Total Premises to comply with the American with Disabilities Act, including all incorporated laws, statutes, rules and regulations (the "ADA") as in effect on the Delivery Date and taking into account any prior non-conforming rights that may exist with respect to the Premises and Total Premises, and Sublandlord shall protect, defend, indemnify and hold Subtenant harmless from and against any and all Claims in any way arising or resulting from any such ADA violations.

17. **Abatement Event.** Notwithstanding anything to the contrary contained in this Sublease, if Subtenant's access to or use of the Premises or any portion thereof is materially and adversely affected as a result of (a) any repair, maintenance, alteration or renovation performed by Sublandlord or Master Landlord (or which Sublandlord or Master Landlord have failed to perform if so required by this Sublease or the Master Lease), (b) any failure by Sublandlord or Master Landlord to provide the services and/or utilities required to be provided by Sublandlord or Master Landlord under the this Sublease or the Master Lease, (c) the negligence or willful misconduct of Sublandlord, or (d) the existence of any Environmentally Regulated Material or violation of any applicable that, in either such case, is not Subtenant's obligation under this Sublease, Subtenant may provide Sublandlord with written notice of such event, and if such event continues for three (3) consecutive business days after Sublandlord's receipt of such written notice from Subtenant (or ten (10) non-consecutive days in any twelve (12) month period), then, the monthly rent under this Sublease shall be equitably and proportionally abated during such event(s).

18. **Permitted Transfer.** Notwithstanding anything to the contrary contained in this Sublease, Subtenant may at any time, without Sublandlord's or Master Landlord's consent, but subject to the terms of this Section, (a) assign this Sublease or sublease the Premises to an affiliate of Subtenant (e.g., an entity controlled by, under the control of, or under common control with, Subtenant); (b) assign this Sublease or sublease the Premises to any entity that purchases all or substantially all of Subtenant's stock or assets; (c)

assign this Sublease or sublease the Premises to any entity that succeeds to Subtenant by merger, consolidation, or reorganization; or (d) effect a change in ownership of Subtenant through the admission or withdrawal of members, partners or shareholders in connection with the raising of additional capital (any such transfer satisfying the terms of this Section, a "Permitted Transfer", and any transferee under a Permitted Transfer, a "Permitted Transferee"), provided, that the following conditions are satisfied: (i) Subtenant shall remain primarily liable, jointly and severally with any such Permitted Transferee, for the payment of rent due and the performance of all other obligations of Subtenant under this Sublease, and (ii) either Subtenant (e.g., in the case of an assignment in which Subtenant survives as a separate and unchanged entity still liable under this Sublease) or, if separate and apart from Subtenant, the resulting entity (e.g., in the case of a merger of Subtenant or the sale of the business, assets and/or ownership interests of Subtenant) has a net worth equal to or in excess of the net worth of Subtenant immediately prior to the Permitted Transfer.

19. **Consent.** Except as otherwise expressly provided in this Sublease, and except for matters which could have a material, adverse effect on the structural integrity of the Premises or the mechanical, electrical and plumbing systems serving the Premises (whereupon in each such case Sublandlord's duty is to act in good faith and in compliance with the terms of this Sublease), any time the consent of Sublandlord is required, such consent shall not be unreasonably withheld, conditioned or delayed. Whenever this Sublease grants Sublandlord or Subtenant the right to take action, exercise discretion, establish rules and regulations or make allocations or other determinations, Sublandlord and Subtenant shall act reasonably and in good faith and take no action which might result in the frustration of the reasonable expectations of a sophisticated sublandlord or subtenant concerning the benefits to be enjoyed under this Sublease.

20. **Relocation.** For the avoidance of doubt, notwithstanding anything to the contrary contained in this Sublease, Sublandlord shall not have any right to relocate the Premises to space elsewhere in the Total Premises.

21. **Dog Policy.** Currently Sublandlord has a policy allowing dogs at Total Premises, which policy may be modified or terminated at any time by Sublandlord in its sole and absolute discretion. Subtenant shall have the right to bring dogs into the Premises in accordance with applicable laws and such policy as may be in effect from time to time, and if Sublandlord terminates such policy then Subtenant shall no longer be permitted to bring dogs onto the Total Premises.

22. **Equipment Financing.** Subtenant has advised Sublandlord that some of Subtenant's furniture, trade fixtures, equipment and other personal property ("Subtenant's Property") installed and used by Subtenant at the Premises may be financed by a third-party lender (collectively, an "Equipment Lienor"). Sublandlord agrees that all of Subtenant's Property installed or to be installed at the Premises that can be removed without damaging any part of the Premises or Total Premises shall be and remain personal property and not real property. Sublandlord agrees to subordinate any right, lien or claim in or to the financed or leased Subtenant's Property to Equipment Lienor. Upon Subtenant's request, Sublandlord shall promptly execute and deliver to Subtenant a commercially reasonable lien subordination and consent to remove personal property form in favor of Equipment Lienor, subject to commercially reasonable comments from Sublandlord.

23. **Internet/Telecom.** Subtenant and Subtenant's telecommunications companies, including but not limited to local exchange telecommunications companies and alternative access vendor services companies approved in advance by Sublandlord, such approval not to be unreasonably withheld, conditioned or delayed, shall have a reasonable and necessary right of access to and within the Total Premises, excluding the roof, at no additional fee, cost or expense to Subtenant for the installation and operation of telecommunications lines and systems for part or all of Subtenant's telecommunications at the Premises. Any such installation shall be done at Subtenant's sole cost, expense and liability, and Subtenant

shall repair any damage caused thereby and shall indemnify, defend and hold harmless Sublandlord, Master Landlord and all Indemnities from and against any and all losses, damages, claims, liabilities, costs and expenses in connection therewith.

24. **Material Adverse Event.** Notwithstanding anything to the contrary contained in this Sublease, if Subtenant is unable to reasonably open or operate from the Premises as a result of a "Material Adverse Event" (as defined below), Sublandlord and Subtenant shall work together in good faith to resolve such Material Adverse Event. If despite such good faith efforts, Subtenant remains unable to reasonably open or operate from the Premises for a period of ninety (90) days as a result of such Material Adverse Event, Subtenant shall have the right to terminate this Sublease by delivering written notice to Sublandlord at any time prior to the cure of such Material Adverse Event. As used herein, the term "Material Adverse Event" means any of the following: (a) any Approval Delay or Sublandlord Delay, (b) any Special Compliance Provision of the Master Lease, (c) any condition, event or circumstance arising from any agreement, covenant, condition, restriction, easement and other encumbrances affecting the Total Premises, (d) any Abatement Event, or (e) any condition, event or circumstance at the Premises that materially and adversely affects the life, health or safety of Subtenant's employees, including, without limitation, the presence of Environmentally Regulated Materials in quantities in excess of those permitted under applicable law, to the extent the same were not placed on the Premises by Subtenant.

25. **Financing Contingency.** Promptly following the mutual execution of this Sublease, Subtenant shall use commercially reasonable, good faith efforts to obtain bank financing for the cost of Subtenant's Work and brokerage commissions in connection with this Sublease (the "Loan"). If Subtenant is unable to the Loan with commercially reasonable interest, terms and conditions as determined by Subtenant in its sole and good faith discretion by April 1, 2026 (the "Financing Contingency Date"), Subtenant shall have the right to terminate this Sublease by delivering written notice to Sublandlord within three (3) business days following the Financing Contingency Date, unless Subtenant obtains the Loan prior to such date; provided, that if Subtenant does not exercise its termination right as permitted hereunder by the Financing Contingency Date or if Subtenant obtains the Loan prior to termination of this Lease, Subtenant shall forfeit and waive its right to terminate this Sublease pursuant to this Section.

26. **Restrooms; Conference Room.** Sublandlord shall at all times maintain, clean, repair and provide routine janitorial service to the common area restrooms and conference room serving the Parcel B59 warehouse. Such janitorial service shall be provided 5 days per week and shall be consistent with the janitorial service provided to comparable industrial projects.

27. **Solar.** Sublandlord (or its subtenant operating and maintaining the solar electrical system for the warehouse) shall be solely responsible to maintain the solar transformers within the Premises and to ensure they are insulated in a way that mitigates any unreasonably disruptive noise caused by the transformers. Sublandlord or its subtenant (and their respective contractors) shall have reasonable access to the Premises to perform any such work.

28. **Landlord Lien Subordination**. Sublandlord agrees to subordinate any security interest or lien, including, without limitation, any "landlord's lien" or any statutory lien in or upon the personal property of Subtenant located in the Premises, provided that such lender's lien is limited solely to Subtenant's trade fixtures, equipment, furnishings, or other personal property and does not extend to any interest in the leasehold estate or the Premises. Sublandlord shall from time to time, at no cost or liability to Sublandlord, execute such commercially reasonable documents as Subtenant may reasonably request to effectuate such subordination in favor of Subtenant's lender(s), subject to Sublandlord's reasonable edits thereto. For the avoidance of doubt, Subtenant shall not, under any circumstances, mortgage, pledge, hypothecate, or otherwise encumber its leasehold interest in the Premises or this Sublease, nor shall Subtenant permit or suffer any leasehold mortgage, deed of trust, collateral assignment, or similar

encumbrance to be placed upon its interest in this Sublease or the Premises, whether voluntarily or by operation of law. Any such purported mortgage, pledge, hypothecation, encumbrance, or assignment shall be null and void and of no force or effect, and shall constitute an immediate Event of Default under this Sublease. Sublandlord's rights and remedies in connection with any violation of this provision shall be cumulative and in addition to all other rights and remedies available at law or in equity.

EXHIBIT A

Master Lease

(attached)

THE CITY OF LOS ANGELES
HARBOR DEPARTMENT

Landlord

and

ALTASEA AT THE PORT OF LOS ANGELES

Tenant

AMENDED AND RESTATED LEASE NO. 904

Dated as of: 8/23/17

AltaSea at the Port of Los Angeles

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AMENDED AND RESTATED

LEASE NO. 904

GRANTED BY THE CITY OF LOS ANGELES

TO

ALTASEA AT THE PORT OF LOS ANGELES

THIS AMENDED AND RESTATED LEASE ("Agreement") is made and entered into this 8th day of, 2017, by and between THE CITY OF LOS ANGELES, a municipal corporation ("City") acting by and through its Board of Harbor Commissioners ("Board"), and ALTASEA AT THE PORT OF LOS ANGELES ("AltaSea") a California nonprofit public benefit corporation ("Tenant"), (referred to herein singularly as "Party" or collectively as "Parties").

Section 1. Grants and Findings.

1.1 WHEREAS, the Board programmatically approved the use of the property known as City Dock No.1 for institutional, research and commercial purposes as part of the San Pedro Waterfront Project on September 29, 2009; and

1.2 WHEREAS, the Board approved the City Dock No. 1 Urban Marine Research Center Project and certified a Final Environmental Impact Report SCH#2010121013 for the Project on October 18, 2012 ("Project"); and

1.3 WHEREAS, on September 5, 2013 the Board approved Lease No. 904 by and between the City and Rockefeller Philanthropy Advisors, Inc. for future assignment to AltaSea in November 2013 (Original Lease No. 904); and

1.4 WHEREAS, on October 1, 2014 the City approved the assignment of Lease No. 904 to AltaSea; and

1.5 WHEREAS, the Project will diversify the economic base of the Port of Los Angeles; create new job opportunities through a world class urban marine research facility for Southern California universities and draw researchers from around the world; and provide opportunities for new business enterprises to commercialize technologies and discoveries made at the Project; and

1.6 WHEREAS, the Project will include an interpretive center to educate the general public regarding oceanic science and the marine research being undertaken at the Project, along with other public amenities such as a café and viewing areas; and

1.7 WHEREAS, the Project will provide shared infrastructure, such as a saltwater system, storage areas, and vessel berthing facilities, which will benefit all users by avoiding duplicative expenses and minimizing on-going operational and maintenance costs; and

1.8 WHEREAS, the long-term coordination and administration of the Project's joint use marine research infrastructure by academic institutions and business interests, as well as public facilities, will require special expertise and dedicated resources; and

1.9 WHEREAS, the Project's development and operational costs are substantial and therefore require a significant outside philanthropic fundraising effort and identification of other outside funding sources such as grants; and

1.10 WHEREAS, through and in accordance with and subject to the terms of this Agreement Tenant shall commit to significant financial investment in an amount of at least $300 million for the development of the Premises, including but not limited to the redevelopment of the historic warehouses at City Dock No. 1; construction and maintenance of an urban marine research interpretive center; construction and maintenance of a Public Promenade; and various other public-serving facilities, all of which will provide substantial benefits to the City, the Port of Los Angeles, its surrounding communities, the region, and the general public; and

1.11 WHEREAS, Tenant agrees that the Premises under this Agreement are approximately 34.75 acres, the possession and occupancy of which shall be contingent upon Tenant fulfilling certain development requirements, along with operational and funding obligations, all to be met within specific time periods, the terms of which are specified herein;

1.12 WHEREAS, this Agreement and the uses permitted thereby are in compliance with, in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby as referenced in Section 16.24 of this Agreement;

1.13 WHEREAS, as of the Effective Date of the Agreement (as defined below), and for the years in which rent will be paid by Tenant under this Agreement, the rent charged will be reduced from market rent and Board and City Council find that this is reasonable and justifiable in exchange for the economic development and public benefits that are expected to be derived from the Project over the term of the Agreement;

1.14 WHEREAS, City desires to issue to Tenant and Tenant desires to accept from City this Agreement, granting Tenant use and possession of the Premises pursuant to the terms of this Agreement, which Agreement shall become effective pursuant to the terms of Section 2.1 of this Agreement;

NOW, THEREFORE, based on the grants and findings listed above and the terms, conditions and restrictions contained below, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Parties, City hereby grants and Tenant hereby accepts this Agreement granting Tenant use and occupancy of the Premises, on which it shall undertake the Permitted Uses for the Term (all as hereinafter defined) pursuant to the terms and conditions described herein.

Section 2. Effective Date; Term and Holdover.

2.1 Effective Date. This Agreement shall become effective on the date of execution by the Executive Director of the Harbor Department ("Executive Director"), or her or his designee, which shall follow Tenant approval and execution, approval as to form and legality by the City Attorney of the City of Los Angeles, approval by the Board, and approval by the City Council of City ("Council") pursuant to Sections 606, 607 and 654 of the City's Charter, ("Effective Date").

2.2 Term. The term of this Agreement shall be for the remainder of the 50 year Term, as stated in the Original Lease No. 904, terminating December 22, 2063 ("Term") unless sooner terminated in accordance with the terms of this Agreement.

2.3 Holdover After Expiration Date. Should Tenant remain in possession of all or any part of the Demised Premises after the expiration of this Agreement as provided herein, with or without the express or implied consent of City, such occupancy shall be considered to be as "holdover" from month to month only, and not a renewal of this Agreement nor an extension for any further term, and in such case, Rent or other monetary sums due hereunder for such expired or terminated Agreement shall be payable in the amount of: (i) one hundred fifty percent (150%) of the Rent (as defined in Section 5) payable for the last month of the Term, plus (ii) other charges and non-monetary compensation payable hereunder at the time specified in this Agreement, and such month to month occupancy shall be subject to every other provision, covenant and agreement contained herein, including any applicable adjustment of Rent set forth in Section 5. Nothing contained in this subsection shall be construed as consent by City to any holding over by Tenant, and City expressly reserves the right to require Tenant to surrender possession of the Demised Premises to City as provided in this Agreement, and to the extent permissible by Applicable Law, upon the expiration or other termination of this Agreement. The foregoing provisions of this Subsection are in addition to and do not affect the right of re-entry or any right of City hereunder or as otherwise provided by Applicable Law, and in no way shall such provisions affect any right which City may otherwise have to recover damages to the extent permitted by Applicable Law from Tenant for loss or liability incurred by City resulting from such failure by Tenant to surrender the Demised Premises.

Section 3. Premises.

3.1 Description. The premises subject to this Agreement consist of Parcel Nos. B56A, B56B, B57, B57.5, B58, B59, B60, B61A, B61B, B70, B71, S22 , as delineated and more particularly described on Permit Map-Authority No. L904 ("Premises") that is on file in the office of the Chief Harbor Engineer of the Harbor Department ("Harbor Engineer") and is attached hereto as Exhibit A. The list of Existing City Improvements is attached hereto as Exhibit C. The total acreage of the Premises is 34.75 acres of land/wharf/warehouse and water including 23.73 acres of land/wharf/warehouse and 11.02 acres of water. The Premises encompass the total property and improvements subject to this Agreement. However, Tenant shall be entitled to accept and take possession of individual Parcels within the Premises pursuant to the process for Tenant acceptance and possession of individual Parcels described in Section 3.2 below. Exhibit B identifies the Demised Premises. Upon incorporating an individual Parcel into the Demised Premises, the Executive Director shall issue an updated Exhibit B, then Exhibit

B-1 and so forth numerically as Tenant accepts and takes possession of Parcels over the Term of the Agreement. Said revised Exhibit shall be transmitted to Tenant and shall list all of the Parcels that Tenant has accepted or is in possession of as permitted in Section 3.2 of this Agreement. Upon City's transmittal to Tenant, each such issued Exhibit B-# shall be deemed to: (i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit B-#.

3.1.1 Memorandum of Lease. Upon request by Tenant from time to time, the Harbor Department shall execute and deliver to the Tenant a memorandum of lease, provided such memorandum is based solely upon information that exists within the Harbor Department. Tenant, at its sole cost and expense, shall be responsible for development of any information necessary but not existing within the Harbor Department, including but not limited to, legal description(s) of the Premises or Demised Premises, that may be necessary for the Tenant's intended purpose and for the City to complete the Tenant requested Memorandum of Lease. All information generated by the Tenant related to the Premises and Demised Premises shall be subject to review and approval by the City.

3.2 Acceptance, Possession and Surrender. Tenant may, at Tenant's sole option, accept Parcels on the Premises over a period of time after the Effective Date, upon the satisfaction of the obligations, conditions and timelines set forth in Section 3.2.1 and pursuant to all other terms and conditions of this Agreement. Upon Tenant's acceptance of a Parcel, Tenant shall be obligated to: (i) possess and occupy the Parcel on the timeframe established in Section 3.2.1.3; (ii) design, construct, and complete Tenant Improvements on the Parcel as set forth in Section 3.3.4, 7.2 and Exhibit M; (iii) provide the benefits and services enumerated in Exhibit F for the Parcel; and (iv) perform all other obligations and comply with all other terms and conditions of this Agreement related to Tenant acceptance and possession of such Parcel. Tenant agrees to surrender the Demised Premises and forfeit any and all rights to any Parcels provided for herein upon the expiration or earlier termination of this Agreement. Notwithstanding anything to the contrary, Tenant is not obligated to accept any Parcel or satisfy any condition or requirement of Section 3.2.1 for those parcels Tenant does not accept.

3.2.1 Parcel Acceptance and Possession Process.

3.2.1.1. Tenant Requirements for Accepting Individual Parcels. Tenant's exercise of its rights to accept any Parcel(s) and add such Parcel(s) to the Demised Premises, is conditioned upon Tenant being in current compliance with this Agreement and Tenant's completion and submission to the Executive Director, for review and approval, the following information for such Parcel(s) to be accepted by Tenant:

(a) For each Parcel, deliver a written notice of Tenant's intent to exercise its right to accept such Parcel. The date the City receives such written notice shall be the "Tenant Acceptance Date."

(b) Five (5) year business plan for such Parcel(s) to be accepted by Tenant.

(c) Harbor Department Application for Port Permit (APP) which complies with the San Pedro Waterfront Design Guidelines if applicable, with such Parcel(s) development cost estimates, in compliance with Section 3.3.4 of this Agreement.

(d) Capital Campaign Plan for such Parcel(s) to be accepted by Tenant.

(e) Evidence of Committed Capital of Fifty percent (50%) of such Parcel(s) development cost estimates, meaning funds received as cash or evidenced in a Pledge Commitment Agreement, in the amount established below for development of such Parcel(s) to be accepted by Tenant. Tenant and City shall agree on a form of Pledge Commitment Agreement no later than the first anniversary of the effective date. The Executive Director has delegated authority to approve the form of such an agreement and incorporate the Pledge Commitment Agreement as Exhibit Q.

(f) Demonstration of completion of prior Demised Premises obligations.

i. Compliance with prior Demised Premises Non-Monetary Compensation requirements established in Section 5.2.2 and Exhibit F and

ii. Completion of Demised Premises Tenant Improvements described in Section 3.3.4. The Board, at its sole discretion, may waive the requirement that Tenant Improvements be completed prior to accepting a subsequent Parcel, but only if Tenant requests a waiver in writing a minimum of six (6) months prior to the acceptance deadline established in Section 3.2.1.3

(g) For Parcels B70, B71, submit a proposal for Non-Monetary Compensation, if any.

3.2.1.2. Executive Director Determination of Compliance. For purposes of this Section 3.2.1.2, *et seq.* the Executive Director shall review the submittal and determine if Tenant is in compliance with the terms and conditions of this Agreement, including satisfaction of the applicable requirements listed in (a) through (g) above, and the Parcel acceptance order, timelines, and requirements established in Section 3.2.1.3. Executive Director's authority in the section does not waive the requirement that future construction contracts for New City Improvements in excess of the Executive Director's contracting authority are required to be approved by the Board. The Executive Director shall notify the Tenant in writing of the determination. If the Executive Director finds compliance, the Executive Director shall issue an updated Exhibit B as set forth in Section 3.1, with those Parcels accepted by Tenant that require immediate Tenant possession pursuant to Section 3.2.1.3 added to the Demised Premises and with those Parcels accepted by Tenant that require Tenant possession after completion of New City Improvements pursuant to Section 3.2.1.3 added as accepted

parcels, with the Tenant Acceptance Date and the date the City determined Tenant compliance with the procedures established in Section 3.2.1. If the Executive Director finds non-compliance, the Executive Director's written determination shall identify the deficiencies that resulted in non-compliance and the Parties shall meet to resolve the outstanding issues or concerns of the Executive Director. If the Parties are unable to agree on compliance, the matter shall be presented to the Board for their determination, in their sole and final judgment.

If Tenant does not satisfy the conditions for acceptance of any Parcel in accordance with the requirements established in Section 3.2.1, as reasonably determined by the Board, then the Parcel shall not be included in the Demised Premises or otherwise deemed accepted by the Tenant.

3.2.1.3. Timeline and Process for Acceptance and Possession of Individual Parcels.

(a) Parcel B57.5: Tenant's acceptance of Parcel B57.5 shall be within twelve (12) months of the Effective Date of this Agreement.

(b) Parcels B58-B60 and B61A: Tenant may accept multiple smaller portions of Parcels B58-B60 and B61A during the twelve (12) months following the Effective Date of this Agreement, provided however, the entirety of Parcels B58-B60 and B61A shall be accepted within twelve months of the Effective Date of this Agreement.

(c) Parcels B57 and B61B: Tenant shall accept Parcel B57 no later than December 31, 2019. The following shall be required prior to acceptance:

i. City and Tenant shall agree on a final scope of work for the Parcel B57 Wharf Improvements under Section 3.3.5.2(a) with a not to exceed amount of $10.2 million for total construction and soft costs which shall not include seismic improvements to the sea wall. Buildings constructed or existing within Parcel B57 require independent structural support to meet seismic and other structural requirements which shall be the Tenant's responsibility; and

ii. City and Tenant shall agree on a final scope of work for the Signal Street improvements under Section 3.3.5.2(b) which shall only include the complete width of the street on the eastern boundary line of Parcel B57 with an estimated not to exceed amount of $5.42 million in total construction and soft costs.

iii. City and Tenant shall agree on a final completion schedule for Parcel B57 after the final project scope is defined and a final scope of environmental assessment is determined by City.

(d) Parcels S22, B56A and B56B: Tenant shall accept Parcels S22, B56A and B56B no later than December 31, 2023. The following shall be required prior to acceptance:

i. Tenant shall complete a design concept for the integration of a Public Promenade from Parcels B56A, B56B and S22 into a Public Promenade and pedestrian right of way within the realigned 22nd Street. The promenade design concept shall adhere to the San Pedro Waterfront Design Guidelines.

ii. City and Tenant shall agree on a final scope of 22nd Street improvements under Section 3.3.5.3(a) with a not to exceed amount of $9.04 million in total construction and soft costs.

iii. City and Tenant shall agree on a final completion schedule for Parcels B56A and B56B after the project scope is finalized and a final scope of environmental assessment is determined by City.

(c) Parcels B70 and B71: Tenant shall have until December 31, 2023 to submit a conceptual project proposal, including a Business Plan, for Parcels B70 and B71, or Parcel B71 separately. Tenant's proposals for the Parcel(s) shall include a project with an estimated cost of ninety-eight million dollars ($98,000,000) for Parcel B71 or $196 million for the entirety of Parcels B70 and B71 and shall include the Public Promenade improvements design concept for the entire north to south length of the Parcels B57, B58, B59, B60, B61, B70, and B71. AltaSea will be required to present a Public Promenade design concept that provides continuous public access from the intersection of 22nd Street and Signal Street progressing in a southerly direction through Parcels B57, B58, B59, B60 and B61A and then progressing in a northerly direction through Parcels B70 and B71 regardless of whether AltaSea proposes only acceptance of Parcel B71 separately. City and Tenant shall have until December 31, 2024 to agree on a schedule for completion of the proposed project, compensation terms and applicable rent credits associated with the proposed improvements. Tenant shall have until December 31, 2028 to accept Parcels B70 and B71 or Parcel B71 separately.

i. Conditioned on the successful acceptance of Parcel B71 under 3.2.1.3, if the proposal includes only one parcel, then Tenant shall have until December 31, 2024 to submit a conceptual project proposal, including a Business Plan, for Parcel B70 and City and Tenant shall have until December 31, 2025 to agree on schedule for completion of the proposed project, compensation terms and applicable rent credits associated with the proposed improvements on Parcel B70. Tenant shall have until December 31, 2029 to accept Parcel B70.

ii. Notwithstanding the forgoing, City shall have the obligation to complete remediation activities on Parcels B70 and B71 prior to Tenant's acceptance of one or both parcels and as set forth in Section 3.3.5.4.

3.2.2 Failure by Tenant to Accept Parcel(s). If Tenant fails to accept any individual Parcel within the timeframe established in Section 3.2.1, rights to that individual Parcel and all Parcels contingent upon acceptance of that individual Parcel shall be terminated. The Executive Director shall revise Exhibit A as necessary to remove said Parcel(s) from the Premises. The Executive Director shall issue an updated Exhibit A, then Exhibit A-1 and so forth numerically as Tenant fails to accept Parcels over the term of the Agreement. Said revised Exhibit shall be transmitted to Tenant. Upon City's transmittal to Tenant, each such issued Exhibit A-# shall be deemed to: (i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit A-#.

3.2.3 City Rights Pre-Possession of Parcels. City shall have unrestricted use of each Parcel within the Premises prior to Tenant taking possession of such Parcels pursuant to Section 3.2, provided, however, leases by the City to third parties shall be limited to 30-day Revocable Permits, or longer upon mutual written agreement between Executive Director and Tenant, or a temporary use agreement with a maximum 30-day termination provision, or longer upon mutual written agreement between Executive Director and Tenant. Tenant shall in no way interfere with the access to or use of such Parcels by City or such other third parties. Tenant shall not have rights of any kind, including but not limited to, right-of-entry, for any Parcels that are not within the Demised Premises.

3.2.4 Parcel B61A Existing Tenants. Tenant acknowledges that at the Effective Date of this Agreement, City has leased portions of Parcel B61A as identified on Exhibit A to U.S. Water Taxi, pursuant to Revocable Permit #1491 and to the United States Department of Commerce National Oceanographic and Atmospheric Administration ("NOAA"), pursuant to Revocable Permit #1406 (collectively, "Existing Tenants"). Tenant shall in no way interfere with the Existing Tenants' access to or use of Parcel B61A, prior to Tenant taking possession of Parcel B61A. Prior to taking possession of Parcel B61A, Tenant shall cooperate with City to evaluate appropriate locations for NOAA within the Premises. Tenant shall be required to accommodate NOAA's operation of a tide survey and gauging station in a location that ensures long-term continuity of data collected at that station and consistent with the terms of Revocable Permit #1406.

3.2.5 Environmental Review. Tenant's Development Proposal for each Parcel shall be subject to environmental review by City for compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). The City has completed and certified Final Environmental Impact Report SCH#2010121013 ("certified FEIR") for the Project. Tenant shall be responsible for paying for all costs related to document preparation and City review required by any environmental review, including an EIR under CEQA and an EIS under NEPA, if applicable. Upon Tenant's request for acceptance of any Parcel(s) pursuant to Section 3.2.1.1, City shall review the APP submitted pursuant to Section 3.2.1.1(c) for Tenant development proposal(s) for consistency with the certified FEIR, and any subsequent environmental reviews performed for the Project. In the event Tenant's

development proposal is inconsistent with the previously performed environmental analyses or documents, subject to Section 7.5.1, the City shall perform, at Tenant's expense, additional environmental analysis in accordance with CEQA and NEPA, as appropriate. The Executive Director's determination of Tenant's compliance in meeting the requirements for Parcel acceptance pursuant to 3.2.1.2 shall be held in abeyance until the environmental consistency review process and any subsequent environmental review processes have been completed and, if required, Board approval of Tenant's development proposal. Nothing in this Section 3.2.4 shall commit City or Board to approve the requested development proposal. The Board reserves the right to consider and act on Tenant's development proposals that deviate from the certified EIR, including, but not limited to, the requirement of mitigations measures.

3.2.6 Extension of Time. The Board, at its sole option, may extend any timeline established in Section 3.2.1.3 for Tenant to accept an individual Parcel, if such an extension is requested by Tenant in writing at least six (6) months prior to the expiration of the Tenant Parcel acceptance period. Tenant shall include with any such written request information and documentation detailing the status of compliance with the requirements set forth in Section 3.2.1.1 for the Parcel(s) for which the extension is being requested.

3.3 Improvements.

3.3.1 Existing City Improvements. The improvements on the Premises as of the Effective Date, which improvements are owned by City ("Existing City Improvements") and subject to this Agreement, are identified in Exhibit C, Section 1.

3.3.2 New Improvements. City and Tenant acknowledge that improvements may be constructed on the Premises following the Effective Date by either City or Tenant (either "New City Improvements" or "Tenant Improvements", as applicable). If, following the Effective Date an improvement is added to the Premises, the Harbor Engineer shall: (i) revise Exhibit C to include both depiction of such additional improvement and a statement identifying such improvement's ownership; (ii) renumber the revised Exhibit C (such that, for example, after any such revision and renumbering, Exhibit C becomes Exhibit C-1); and (iii) transmit such revised and renumbered Exhibit C to Tenant. Upon City's transmittal to Tenant, such revised and renumbered Exhibit C shall be deemed to: (i) be incorporated into this Agreement without further action of Board or Council; (ii) supersede any earlier issued iterations of Exhibit C and (iii) with respect to improvements, depict all improvements on the Premises and ownership of such improvements.

3.3.3 Ownership of Improvements. City's Improvements are and shall remain City-owned improvements. New City Improvements shall also be City-owned improvements. Tenant Improvements shall be Tenant-owned improvements until the expiration or earlier termination of this Agreement at which time title to such improvements shall vest in City. Any improvements to or alterations of City-owned improvements made by Tenant, whether constructed pursuant to the requirements established in Section 3.3.4, or Section 7.2 of this Agreement, shall be City-owned improvements.

3.3.4 Tenant Improvement Scope

3.3.4.1. General Requirements – See Exhibit M.

3.3.4.2. Parcel B57.5

(a) Scope

i. Wharf - One component of the Project is for Tenant to rehabilitate a section of the existing wharf by removing and replacing approximately 120 linear feet of concrete and asphalt/concrete decking on Parcel B57.5. In addition, approximately 42 concrete piles each approximately 24 inches in diameter shall be installed in this same area to improve the structural and seismic stability and provide a greater load capacity to this section of the wharf. These improvements will allow research vessels to utilize cranes for loading and unloading within this 120 linear foot wharf area.

ii. Building Improvements - Building improvements will include a 2,500 square foot building suitable for lectures, learning space and events. Building will include restroom and kitchen facility for light food service. The roof of the building will slope to the wharf for a scenic outside amphitheater-style seating with 325-person capacity where students and visitors can attend outdoor lectures, demonstrations and exhibitions. Additional timber seating may be installed between the building and the wharf. The public shall have access to Parcel B57.5 with unobstructed views of the waterfront, as well as the ability to observe the research and museum vessels docked at the wharf.

(b) Schedule – Tenant to complete Parcel B57.5 improvements within 24 months from the effective date of the Agreement.

(c) Required Minimum Investment – Tenant shall invest no less than 80% of the estimated project cost of $4.6 million in Parcel B57.5.

3.3.4.3. Parcels B58, B59, B60, B61A

(a) Scope

i. Warehouses 58-60 - Develop leasable space for subtenants who qualify to occupy the warehouses at Berths 58-60 with water-dependent and ocean-related activities. Improvement of up to 120,000 square feet of the existing 180,000 square feet shall be required to meet code requirements for the expected subtenants including but not limited to: New electrical service, electrical

rooms and distribution, Upgraded interior and exterior lighting, New cold water system, New fire alarm system, Provisions for trailer hook-up within the sheds for office use, Modular restroom facilities, Modular ramp and stair systems for ADA access to each subtenant space, Modular storefront, Modular trailers, Chain link walls between subtenant spaces, New guardrails along loading dock, Signage and environmental graphics displays, Parking, Exterior seating, New landscaping.

ii. Public Promenade - Tenant shall provide Public Promenade improvements for the entire north to south length of Parcels B58-60 andB61A, including integration into Parcels B57, and if applicable Parcels B70 and B71.

(b) Schedule

i. Warehouses 58-60 - Tenant shall complete all required abatement, remediation and improvements within 24 months of effective date of the Agreement, provided that after the Parties evaluate the remediation scope of work, the parties shall meet and confer in good faith no later than six (6) month following the effective date of the Agreement to determine if the project completion date referenced in Section 3.3.4.3(b)(i) requires adjustment. Any such schedule adjustment of one year or less is subject to approval by the Board in the form of an amendment to the Agreement with no further action required by the Los Angeles City Council.

ii. Public Promenade – Tenant's concept design for the Public Promenade shall be completed in adherence to the San Pedro Waterfront Design Guidelines no later than December 31, 2023. Tenant's construction of the Public Promenade shall be completed no later than December 31, 2026.

(c) Required Minimum Investment - Tenant shall invest no less than 80% of the estimated project cost of $15 million in Parcels B58, B59 and B60.

3.3.4.4. Parcel B57 and B61B

(a) Scope

i. Demolish and remove 3,640 square foot facade on the north end of transit shed Warehouse 57.

ii. Redevelop the 46,500 square foot transit shed Warehouse 57, including upgrades necessary to meet City of Los Angeles Building Code requirements, including but not limited to, seismic, electrical, and fire life safety system standards for the

Permitted Uses established in Section 4.1 of the Agreement. City shall be responsible for the wharf and/or sea wall improvements to the extent required in Section 3.3.1.3(c)(i) and Section 3.3.5.2. Tenant shall install renewable energy systems, including to the extent feasible, solar panels.

iii. Install within the redeveloped warehouse any infrastructure, furniture, tanks, accessories and facilities necessary to conduct world class marine research. Business incubator/accelerator laboratory facilities, university classrooms, associated office and storage space may be developed within Parcel B57 or Parcels B56A and B56B.

iv. State-of-the-art saltwater and life support system to serve Parcels B56A, B56B and B57, with the ability to expand to serve future parcels as they are developed.

v. A Public Promenade consistent with the San Pedro Waterfront Design Guidelines along the entire length of Parcel B57 fronting 22nd Street, Signal Street and the wharf fronting the East Channel.

vi. Public restrooms accessible to Public Promenade users.

(b) Schedule – Tenant shall complete construction of improvements described in Section 3.3.4.4(a) within five (5) years from the public issuance of City's Improvements bid package which results in an award of a construction contract for either the Signal Street improvements or the Berth 57 wharf improvements, whichever is earlier.

(c) Required Minimum Investment - Tenant shall invest no less than 80% of the estimated project cost of $35 million in Parcel B57.

3.3.4.5. Parcels B56A and B56B

(a) Scope

i. A signature building, certified as Leadership in Energy & Environmental Design (LEED) gold standard, to house an interpretive center, with a minimum of 5,000 square feet dedicated to marine research interpretive exhibits open to the public and public restrooms accessible to both interpretive center and public promenade users.

ii. A public promenade consistent with the San Pedro Waterfront Design Guidelines along the entire length of Parcel 1A fronting 22nd Street, and portions of the head of East Channel not blocked by the interpretive center building.

(b) Schedule – Tenant shall complete the improvements for Parcels B56A and B56B within five (5) years from the public issuance of a bid package for New City Improvements referenced in Section 3.3.5.3(a).

(c) Required Minimum Investment - Tenant shall invest no less than 80% of the estimated project cost of $50.3 million in Parcels B56A and 56B.

3.3.4.6. Parcels B70 and B71

(a) Scope

i. General Project Scope. Upgrade all or a portion of the existing approximately 700 linear feet of timber and concrete wharf fronting Parcel B71 or Parcels B70 and B71 along the Main Channel for vessel berthing related to new development for marine research and business incubator/accelerator laboratory facilities, marine/port related government facilities, university classrooms, associated office and storage space. Expansion of the state-of-the-art saltwater and life support system to serve Parcel B71 or Parcels B70 and B71.

ii. Public Promenade - Tenant shall provide Public Promenade improvements for the entire north to south length of Parcels B58-60, B61A, B61B and including integration into Parcels B57, and B70 and B71.

(b) Schedule

i. General Project Scope – Schedule will be determined no later than December 31, 2024.

ii. Public Promenade – Tenant shall complete the concept design for the Public Promenade which design shall be completed no later than December 31, 2023. Tenant shall complete the construction of the Public Promenade no later than December 31, 2026.

(c) Required Minimum Investment

i. One Parcel Acceptance - Tenant shall invest no less than 80% of the estimated project cost of $98 million in Parcel B71.

ii. Two Parcel Acceptance - Tenant shall invest no less than 80% of the estimated project cost of $196 million in Parcels B70 and B71.

3.3.5 New City Improvements Scope

3.3.5.1. Parcels B57.5, B58, B59, B60

(a) Reimbursement for Remediation – On the authority of the Executive Director and subject to reimbursement process established in Exhibit M, City shall reimburse up to a maximum of $6 million subject to the reimbursement allocation conditions established in Section 3.3.6.1 for Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to construction of Tenant Improvements referenced in Section 3.3.4.3. Tenant shall notify City in writing within sixty (60) days of the date Tenant determines that remediation costs are estimated to exceed $6 million. City and Tenant shall schedule a meeting within thirty (30) days of such written notice to discuss opportunities and strategies to complete the Tenant Improvements referenced in Sections 3.3.4.2 and 3.3.4.3 in consideration of Tenant's finding.

3.3.5.2. Parcel B57

(a) Berth 57 Wharf Improvements – City shall expend up to $10.2 million in construction and soft costs for wharf and/or sea wall improvements which scope of work shall not include seismic improvements to the existing sea wall. The Parties shall agree to a final scope of work as a condition of acceptance referenced in Section 3.2.1.3(c).

(b) Signal Street Improvements - City shall expend up to $5.42 million in construction and soft costs for Signal Street improvements south of 22nd Street which shall only include the complete width of Signal Street adjacent to the eastern boundary line of Parcel B57. The Parties shall agree to a final scope of work as a condition of acceptance referenced in Section 3.2.1.3(c).

(c) Reimbursement for Remediation – Upon the authority of the Executive Director and subject to reimbursement process established in Exhibit M, City shall reimburse Tenant up to a maximum of $6 million for Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to construction of Tenant Improvements referenced in Section 3.3.4.4.

3.3.5.3. Parcels S22, B56A and B56B

(a) 22nd Street Realignment – City shall expend up to $9.04 million in construction and soft costs for a road realignment project of 22nd Street to add approximately 1.05 acres to the parcels fronting 22nd Street, and do so in coordination with Tenant's construction project referenced in 3.3.4.5(a). The Parties shall agree to a final scope of work no later than December 31, 2023 as a condition of acceptance referenced in Section 3.2.1.3(d).

(b) Reimbursement for Remediation – Upon the authority of the Executive Director and subject to the reimbursement process established in Exhibit M, City shall reimburse for Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to Tenant's construction of the Tenant Improvements referenced in Section 3.3.4.5. The maximum reimbursement pursuant to this subsection shall be the remainder, if any, of the funds not expended under Section 3.3.5.2(c). Tenant shall notify City in writing within sixty (60) days of the date Tenant determines that remediation costs referenced in Section 3.3.5.2(c) and 3.3.5.3(b) are estimated to exceed $6 million. City and Tenant shall schedule a meeting within thirty (30) days of such written notice to discuss opportunities and strategies to complete the Tenant Improvements referenced in Section 3.3.4.4 and 3.3.4.5 in consideration of Tenant's finding.

3.3.5.4. Parcels B70 and B71

(a) Remediation – Tenant acknowledges that Parcels B70 and B71 have known soil and groundwater contamination. Tenant further acknowledges that Tenant has reviewed the soil and groundwater reports related to Parcels B70 and B71 provided to the Los Angeles Regional Water Quality Control Board by the City. City shall remediate soils and groundwater on Parcels B70 and B71to standards established by the Los Angeles Regional Water Control Board for commercial uses. City shall complete such remediation activities within five (5) years of Tenant's acceptance of Parcels B70 and B71 pursuant to Section 3.2.1.3(e) and triggering Section 3.3.6.4. In the event soil and groundwater remediation requires significant additional time, or the Regional Water Control Board remediation standards are modified, City shall notify Tenant in writing within ninety (90) days of such determination. City and Tenant shall schedule a meeting within thirty (30) days of such written notice, to discuss opportunities and strategies to move the Project forward in consideration of the soil and groundwater remediation issues identified.

3.3.6 City Improvement's Conditions Precedent.

3.3.6.1. Parcels B57.5, B58, B59, B60. Reimbursement for Remediation of Environmentally Regulated Material including addressing soil, groundwater, hazardous building materials.

(a) In compliance with the Remediation Reimbursement Process in Exhibit M, City shall reimburse Tenant up to six million dollars ($6,000,000) of Tenant's actual costs for remediation addressing soil, groundwater and hazardous building materials related to Existing City Improvements and New Tenant Improvements. Tenant shall complete the required abatement within 24 months of the effective date of the Agreement. Following Tenant's evaluation of the scope of remediation work allowable under this section, the Parties shall meet and confer in good faith no later than six (6) months following the effective date of the Agreement to determine if the project completion dates referenced in Sections 3.3.4.2(b) and 3.3.4.3(b)(i) require adjustment, which shall be subject to the approval process

described in Section 3.3.4.3(b)(i). Tenant shall be eligible for reimbursement in phases, subject to the Executive Director's determination that Tenant has completed the following conditions:

i. Tenant shall be reimbursed up to one million five hundred thousand dollars ($1,500,000) upon completion of Parcels B58-B60 Tenant Improvements in accordance with Section 3.3.4.3(b)(i) and submission by Tenant to City of documentation showing actual costs paid for the remediation;

ii. Tenant shall be reimbursed up to one million five hundred thousand dollars ($1,500,000) upon completion of Parcel B57.5 Tenant Improvements in accordance with Section 3.3.4.2(b) and submission by Tenant to City of documentation showing actual costs paid for the remediation;

iii. After payment under subsections (i) and (ii) herein, any remaining amount of the six million dollars ($6,000,000) may be paid upon Tenant's execution of the construction contract for Parcel B57 Tenant Improvements, which shall include a performance bond for the project, said payment conditioned on Tenant's acceptance of Parcel B57 in accordance with Section 3.2.1.3(c) and submission by Tenant to City of documentation showing actual costs paid for the remediation.

3.3.6.2. Parcel B57. Berth 57 Wharf and Signal Street Improvements.

(a) City's Design Work Conditions Precedent

i. Tenant shall document payment of at least $3.4 million in design services for Parcel B57.

ii. Tenant shall document it has Committed Capital in the amount of $8.75 million (25% of $35 million) or 25% of the APP estimated project costs, but in no event Committed Capital less than $7 million.

(b) City's Construction Work Conditions Precedent

i. Tenant shall complete Parcels B57.5, B58, B59, and B60 Tenant Improvements in accordance with Sections 3.3.4.2 and 3.3.4.3.

ii. Tenant shall document it has Committed Capital in the amount of at least $26.25 million (75% of $35 million) or 75% of the APP estimated project costs but in no event less than $21 million.

iii. Tenant shall execute a construction contract for Parcel B57 Tenant Improvements which includes a Performance Bond.

(c) City's Environmental Remediation Reimbursement Conditions Precedent

i. Tenant shall document its actual costs paid for remediation of the Premises at Parcel B57.

ii. Tenant shall complete Parcels B57 Tenant Improvements.

3.3.6.3. Parcels S22, B56A and B56B. 22nd Street Realignment and Environmental Remediation Reimbursement.

(a) City's 22nd Street Realignment Design Work Conditions Precedent:

i. Tenant shall document its design investment in Parcels S22, B56A and B56B totaling at least $5 million.

ii. Tenant shall document it has Committed Capital in the amount of at least of $12.575 million (25% of $50.3 million) or 25% of the APP estimated project costs but in no event less than $10.06 million.

iii. Tenant shall complete construction of Parcels B57.5, B58, B59, and B60 Tenant Improvements in accordance with Sections 3.3.4.2 and 3.3.4.3

iv. Tenant executes construction contract for Parcel B57 Tenant Improvements including Performance Bond.

(b) City's 22nd Street Realignment Construction Work Condition Precedent:

i. Tenant shall document it has Committed Capital in the amount of at least $37.725 million (75% of $50.3 million) or 75% of the APP estimated project costs but in no event less than $30.18 million.

(c) City's Environmental Remediation Reimbursement Conditions Precedent

i. Tenant shall document its actual costs paid for remediation of the Parcels at S22, B56A and B56B.

ii. Tenant shall complete Parcels S22, B56A, and B56B Tenant Improvements.

3.3.6.4. Parcels B70 and B71

(a) City's Remediation Condition Precedent

i. Tenant meets all Acceptance requirements set forth in Section 3.2.1 including but not limited to submission of a conceptual Design Proposal including a business plan for Parcels B70 and B71, or only for B71, by December 31, 2023 with an estimated cost of $98 million (1 parcel proposal) to $196 million (both parcels proposal) in compliance with Section 3.2.1.3(e).

ii. The Parties shall agree on compensation terms and schedule by December 31, 2024 including applicable rent credits, if any, associated with public access improvements planned by Tenant.

3.4 Renovation Fund.

3.4.1 Renovation Fund Creation and Use. No later than the tenth (10th) year after the Effective Date of Original Lease No. 904, Tenant shall establish and maintain a reserve fund (the "Renovation Fund") to provide funding for the revitalization, renovation and upgrading to the Demised Premises as further described herein. Tenant and City agree and acknowledge that the Renovation Fund shall be used for capital or other expenditures to maximize the attractiveness and aesthetics of portions of the Demised Premises that are publicly accessible and viewable, including without limitation building exteriors, excluding, however, any saltwater systems for which Tenant shall separately provide maintenance funds. The Renovation Fund shall not be utilized to fund the cost of periodic, recurring or ordinary expenditures, repairs or replacements that keep the Demised Premises in a good, operating condition, all of which costs shall be separately funded by Tenant and which are intended to be subject to Section 8. Tenant shall utilize the Renovation Fund to revitalize, renovate and upgrade the publicly accessible and viewable areas and structures at a minimum interval of, and no later than 20, 30 and 40 years after the Effective Date of the Original Lease No. 904.

3.4.2 Renovation Fund Investment Requirements. Initially upon creation of the Renovation Fund, the Tenant shall annually deposit into the Renovation Fund the lesser of: (i) two percent (2%) of its Gross Receipts for the Compensation Year (as defined in Section 5) for the year preceding that in which the deposit is due, or (ii) One Hundred Thousand Dollars ($100,000). On the tenth year following completion of all Tenant Improvements on Parcel B71, set forth in Section 3.3.4, issuance of a certificate of use or occupancy by City of Los Angeles Building and Safety Department, or Tenant otherwise places the property into use, other than for purposes of completing Tenant Improvements detailed in Section 3.3.4, whichever occurs first, the maximum annual deposit to the Renovation Fund established in (ii) above shall be increased to One Hundred Fifty Thousand Dollars ($150,000). On the tenth year following completion of all Tenant Improvements on both Parcels B70 and B71, set forth in Section 3.3.4, issuance of the certificate of use or occupancy by City of Los Angeles Building and Safety Department for both Parcels B70 and B71, or Tenant otherwise places both Parcels B70 and B71 into use, other than for purposes of completing Tenant Improvements detailed in Section 3.3.4, whichever occurs

first, the maximum annual deposit to the Renovation Fund established in (ii) above shall be increased to $200,000. All interest and earnings on the Renovation Fund shall be added to the Renovation Fund. The Renovation Fund shall be an account established with a reputable financial institution acceptable to the Executive Director into which deposits shall be made by Tenant pursuant to this Section 3.4. Any monies remaining in the Renovation Fund at the end of a Compensation Year shall remain in the Renovation Fund for use in future years and shall not reduce the annual deposit requirement.

3.4.3 Renovation Fund Reporting Requirements. Starting at the fifth year after the creation of the Renovation Fund and no less than every five years thereafter, Tenant shall provide to the City a status report of the Renovation Fund which shall include but not be limited to reporting the fund investment location(s), the fund amount, prior application of funds for Demised Premises renovation and a forecast of future fund use.

3.5 Premises Subject to Tariff. Tenant accepts this Agreement and shall undertake the Permitted Uses set forth in Section 4.1 on the Demised Premises subject to each and every of the terms and conditions provided in this Agreement, and to each and every of the rates, terms and conditions of Tariff No. 4 of City's Harbor Department as it now exists or may be amended or superseded ("Tariff"). Tenant represents and warrants that it has received, read and understands the rates, terms and conditions of Tariff and covenants that, at all times during the term of this Agreement, it shall maintain a complete and current Tariff at the address set forth in Section 16.9. Except as otherwise set forth in this Agreement, Tenant is contractually bound by all Tariff rates, terms and conditions as if the same were set forth in full herein. City in its sole and absolute discretion shall determine if a conflict exists between a provision of this Agreement and a Tariff provision. In the event of such conflict, this Agreement shall at all times prevail.

3.6 Reservations. This Agreement and the Premises are and shall be at all times subject to the reservations listed below and additional reservations City may reasonably require after the Effective Date, of which Tenant shall receive advance written notice, for which Tenant shall receive no compensation unless otherwise provided.

3.6.1 Utility or other Rights-of-Way. Rights-of-way for sewers, pipelines (public or private), conduits for telecommunications, electric, gas, and power lines, as may from time to time be determined to be necessary by the Board, including the right to enter upon, above, below or through the surface to construct, maintain, replace, repair, enlarge or otherwise utilize the Premises for such purpose, without compensation or abatement of rent and with as minimal interference with the Permitted Uses as possible. If the Board makes such determination of necessity, City shall issue a written right of entry or other entitlement to the applicable third-party requiring it and/or its parent to name Tenant as an additional insured on any insurance policies required by City and to defend and indemnify Tenant from and against any claims, demands, actions, proceedings, losses, liens, costs and judgments of any kind and nature whatsoever, including expenses incurred in defending against legal action that arise from or are related to such third-party's entry onto the Premises.

3.6.2 Streets and Highways. Rights-of-way for streets and other highways and for railroads and other means of transportation which are apparent from a visual inspection of the Premises or which shall have been duly established or which are reserved herein. At the time of

the Effective Date of the Original Lease No. 904, the Premises contain non-functional rail lines that will remain non-functional and may be removed by Tenant or City as part of Tenant's or City's Improvements. The City hereby reserves the right to construct and install passenger red car rail lines in the Signal Street right-of-way as generally depicted in Exhibit A.

3.6.3 Prior Exceptions. All prior exceptions, reservations, grants, easements, leases or licenses of any kind whatsoever that appear of record in the office of the Recorder of Los Angeles County, California, or in the official records of City or any of its various departments.

3.6.4 Mineral Rights Excluded. All minerals and mineral rights of every kind and character now known to exist or hereafter discovered, including, without limiting the generality of the foregoing, oil, gas and water rights, together with the full, exclusive and perpetual rights to explore for, remove and dispose of said minerals, or any part thereof, from the Premises, without, however, the right of surface entry on the Premises, as long as such rights do not materially interfere with the Permitted Uses.

3.6.5 Homeland Security. Access, temporary occupancy and other rights reasonably necessary to comply with homeland security or related requirements of local, state and federal law enforcement agencies or City's Harbor Department. City reserves the right to install, maintain and operate on the Premises equipment related to homeland security and/or public safety with seventy-two (72) hours' prior written notice to Tenant.

3.6.6 Environmental Initiatives. Access, temporary occupancy and other rights reasonably necessary to comply with environmental initiatives and/or policies of City, local, state and federal agencies or the Harbor Department, provided that the exercise of such rights do not materially interfere with the Permitted Uses.

3.6.7 Telecommunication Equipment. Access, temporary occupancy and the right of City or third-parties selected by City in its sole and absolute discretion to install, operate, maintain and repair telecommunication equipment, without compensation to Tenant unless otherwise agreed to in writing by City. City shall minimize any interference with the Permitted Uses to the extent possible.

3.7 Inspection by Tenant.

Tenant has inspected the Premises in contemplation of occupying them for the Permitted Uses set forth in Section 4.1 and acknowledges and agrees that:

(a) The Premises are suitable for the Permitted Uses. No individual of or affiliated with City has made any representation or warranty with respect to the Premises, or improvements existing or planned, unless the nature and extent of such representation or warranty is described in writing and attached hereto.

(b) With respect to the Demised Premises, including the City's Improvements delivered by City and in Tenant's possession, any modification, improvement, or addition to the Demised Premises and any equipment installation required by the City Fire Department, City Department of Building and Safety, Air

Quality Management District, Regional Water Quality Control Board, United States Coast Guard, Environmental Protection Agency, Department of Homeland Security or any other local, regional, state or federal agency in connection with Tenant's undertaking of the Permitted Uses shall be constructed or installed at Tenant's sole cost and expense unless such modification, improvement or addition is part of the New City Improvements required to be constructed by City pursuant to this Agreement.

(c) If, prior to taking possession of any Parcel as contemplated in this Agreement, Tenant discovers any site condition that was previously unknown with respect to a particular Parcel that it disapproves, then Tenant shall promptly inform City in writing of such condition. City shall respond in writing to Tenant within ninety (90) days with either a proposed resolution of the site condition or notify Tenant that City will not correct such site condition. City and Tenant will negotiate in good faith to find mutually acceptable resolutions to any previously unknown unsatisfactory site condition identified by Tenant, however, failure to reach a resolution shall not result in a declaration of default of either Party by the other. Board approval of any resolution that requires a monetary contribution from the City in excess of the financial commitments required by this Agreement shall be required.

3.8 Executive Director-Authorized Additions to Premises. Addition or deletion of Premises for which Tenant is charged, not to exceed a cumulative total of ten percent (10%) of the originally designated Premises in Section 3.1, may be made by mutual agreement of the Executive Director and Tenant, so long as such change in area is not a temporary use of substitute premises as set forth in Tariff Item 1035 (or its successor) or not temporary as determined by City in its sole reasonable discretion. Such addition or deletion shall be by written amendment and shall specify appropriate adjustments in rent and shall not require approval by the Board or Council unless the modification involves an amount in excess of $150,000 per year, in which case prior Board approval shall be required. The Executive Director shall revise and replace Section 3, Premises, Exhibit A, Exhibit B, and Section 5, Compensation, as necessary.

3.9 Radio Equipment. Tenant shall coordinate with City's Harbor Department prior to installing any radio or telecommunications equipment to ensure that frequencies do not interfere with public safety communications or radio frequencies.

3.10 City Right of Inspection. City's authorized representatives shall have access to the Premises at any and all reasonable times for fire and police/homeland security purposes, to investigate any incidents involving personal injury or property damage, and to investigate and delineate soil, water or sediment contamination, or for any other purpose incidental to the rights and/or duties of City. City's authorized representatives shall have access to the Premises at any and all reasonable times upon at least twenty-four (24) hours' prior written notice to determine whether or not Tenant is complying with the terms and conditions of this Agreement or to investigate and delineate soil, water or sediment contamination that does not pose an immediate threat to the health and safety of people or the Premises. The right of inspection hereby reserved to City shall impose no obligation on City to make inspections to ascertain the condition of the Premises, and shall impose no liability upon City for failure to make such inspection.

3.11 Parking.

3.11.1 Exclusive Parking Rights. Tenant shall have exclusive parking rights within Parcels B57 and B57.5 of the Demised Premises. Any parking spaces otherwise located along streets adjacent to the Premises shall be open and available for use by the public at large. Tenant shall operate any parking areas within the Demised Premises in a manner designed to efficiently utilize such parking areas for the use of Tenant and its invitees in order to minimize the number of Tenant's employees', subtenants' and invitees' use of off-site parking.

3.11.2 Non-Exclusive Parking Rights. Notwithstanding the foregoing paragraph, the City shall authorize Tenant, at no rental charge to Tenant, the shared, non-exclusive use of the improved parking lot located at 210 East 22nd Street which will be available to other tenants and the public at large; provided however, that Tenant use of this parking lot shall be subject to the same parking fees, if any, as may be charged to other tenants and the public at large

3.11.3 Relocation of Parking Areas. City is developing a comprehensive San Pedro Waterfront Parking Management Plan ("SPWPMP"). Following the Board's approval of the SPWPMP, City, through written notice provided by the Executive Director and without further action of the Board or Council, has the right, but not the obligation, to substitute reasonable new parking requirements regarding the Demised Premises and surrounding off-Premises parking lots consistent with such SPWPMP. Upon the Executive Director's transmittal to Tenant of such new written parking requirements, such new requirements shall be incorporated in this Agreement.

Notwithstanding the foregoing, at all times during the term of this Agreement, Tenant agrees to ensure that parking on the Demised Premises remains consistent with the SPWPMP. City and Tenant shall work together in good faith to implement any measures or recommendations of the SPWPMP or its successor parking management plans.

3.12 Cooperation. City and Tenant agree to work cooperatively with one another to complete the Project as set forth in this Agreement, to further the vision of the Project and fulfill their obligations under the Agreement. Such cooperation may include, but not be limited to: 1) cooperation and coordination regarding design, planning and construction of City and Tenant improvements, including assisting with permitting agencies as appropriate and collaborating in an effort to minimize overall City and Tenant construction costs and schedules; 2) cooperation and coordination regarding grant, tax credit and other similar applications for capital improvements; 3) collaboration and coordination to expeditiously resolve issues within each Party's purview; 4) cooperation and collaboration regarding design of, and public workshops for, the Public Promenade Tenant Improvements; and 5) cooperation and coordination regarding Tenant obtaining access to Parcel(s) to perform due diligence related activities prior to acceptance of a Parcel(s) pursuant to Section 3.2.1.

Section 4. Uses.

4.1 Permitted Uses. The Premises shall be used for construction, operation and maintenance of academic, governmental, non-profit and for-profit marine research and

educational facilities; marine-related, water-dependent business incubator and/or accelerator(s); marine-related, water-dependent businesses testing or developing new technologies and products or performing ocean, weather and greenhouse gas monitoring and research activities; an engagement center; and Public Promenade.

Ancillary uses such as cafés, gift shops, fundraising and other events and activities directly related to the marine research facilities and educational activities and intermittent filming activities shall also be permitted.

Additionally, other uses not expressly described herein, as long as such uses are for the benefit of the primary uses or generally advance the promotion and accommodation of maritime commerce, navigation and fishery, or specifically advance and promote the Los Angeles Waterfront and/or Port of Los Angeles as a visitor destination, including special events/activities provided that Tenant meets all requirements for any such special events/activities and receives prior written approval from the Executive Director, which may not be unreasonably withheld. These may be subject to restrictions, limitations, and conditions as may be imposed by the Executive Director or designee. All Permitted Uses shall be consistent with the State Tidelands Act as defined herein.

Tenant may enter into agreements for use of the Demised Premises, consistent with the terms of this Agreement, and as approved by the Board pursuant to Section 13.4.

4.2 Limitations on Use. Tenant shall not use or allow the Demised Premises or any part thereof to be used for purposes other than the Permitted Uses in Section 4.1 without the prior written approval of the Board (which approval may be withheld by the Board in its sole and absolute discretion), and subject to such restrictions, limitations and conditions as may be imposed by the Board. Tenant's personnel, volunteers, subtenants and their personnel and volunteers, invitees and other personnel shall not reside on the Demised Premises or use the Demised Premises for any type of overnight accommodations at any time, except for personnel sleeping on vessels while they are temporarily berthed at the facility and youth sleepovers at the interpretive center.

4.3 Compliance with Applicable Laws. At all times in its use and occupancy of the Demised Premises and in its conduct of operations thereon, Tenant shall comply with all applicable federal, state, county, City or government agency laws, statutes, ordinances, standards, rules, requirements or orders in force on the Effective Date or thereafter enacted, promulgated or issued ("Applicable Laws"). In addition to the foregoing, Tenant shall comply immediately with any and all directives issued by the Executive Director or his or her authorized representative under authority of any such law, statute, ordinance, rule or regulation. City shall comply with Applicable Laws when entering the Premises or dealing with Tenant.

4.4 Increased Insurance Risks. Following the Effective Date, should an event occurring in or about the Demised Premises cause either cancellation or increased rates with respect to any insurance that City may have on the Demised Premises or on adjacent premises, or cause either cancellation or increased rates with respect to any other insurance coverage for the Demised Premises or adjacent premises, upon receipt of written notice from City that cancellation of insurance or increased insurance rates is threatened or has occurred, Tenant

immediately shall take appropriate steps to ensure that City is not adversely affected. In City's sole reasonable discretion, such steps may include Tenant: correcting the condition; providing any necessary insurance; paying the increased cost of City's insurance; and/or indemnifying City against any uninsured or underinsured loss on a claim.

4.5 Waste or Nuisance. Tenant shall not use the Demised Premises in any manner that constitutes waste or nuisance.

4.6 State Tidelands Act. This Agreement, the Premises and Tenant's use and occupancy of the Demised Premises thereof shall at all times be subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929, (Stats. 1929, Ch. 651), as amended, and Article VI of the Charter of the City of Los Angeles relating to such lands. Tenant shall not undertake any use of the Demised Premises, even a Permitted Use, which is or will be inconsistent with such limitations, conditions, restrictions and reservations.

4.7 Load Limits. Tenant shall allow no loading in excess of load limits shown in Exhibit D without the prior written consent of the Harbor Department, which consent may be provided by a Harbor Engineer's Permit or a Heavy Lift Permit. Upon receipt of a notice from City that the load limits on Exhibit D have been exceeded, Tenant immediately shall take all appropriate steps to correct such condition and, irrespective of such notice, shall, as between City and Tenant, be solely responsible for any cost, expense or damage resulting therefrom. If, as a result of New City Improvements made during the Term of this Agreement, the load limits, as shown in Exhibit D, are modified, Exhibit D shall be revised to Exhibit D-1 and so forth numerically as load limits are modified during the Term of the Agreement. Modified exhibits shall be transmitted to Tenant and shall list the new load limits. Upon City's transmittal to Tenant, each such issued Exhibit D-# shall be deemed to: (i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit D-#.

4.8 Temporary Assignments. By issuing this Agreement, City does not grant to Tenant the sole or exclusive right to use the Premises. Any portion of the Demised Premises, excepting the engagement center located at Parcels S22, B56A and B56B and occupied by Tenant, not being used, in whole or in part, by Tenant or if City requires the Demised Premises on a project or emergency basis, the Executive Director shall have the right, subject to Tenant's consent (which consent shall not be unreasonably withheld), to make temporary assignments to other persons, firms and/or corporations to use the Demised Premises, or any part thereof, as provided in the Tariff. Any direct charges accruing against Tenant from the use of the Demised Premises by a temporary user, and the allocated costs of utilities which Tenant furnishes to such temporary user, shall be paid by such temporary user, directly or indirectly, to Tenant. City and Tenant agree to negotiate in good faith regarding any other terms and conditions of such temporary assignments.

4.9 Wilmington Truck Route. City and Tenant acknowledge that Tenant does not directly control the trucks serving the Premises. However, Tenant shall make its best efforts

to notify truck drivers, truck brokers and trucking companies that trucks serving the Demised Premises must confine their route to the designated Wilmington Truck Route of Alameda Street and Harry Bridges Boulevard; Figueroa Street from Harry Bridges Boulevard to "C" Street; and Anaheim Street east of Alameda Street. Exhibit E attached hereto is a copy of the Wilmington Truck Route, and may be modified from time to time at the sole and absolute discretion of the Executive Director with written notice to Tenant.

4.10 Tenant to Supply Necessary Labor and Equipment. Tenant shall, at its sole cost and expense, provide all equipment and labor necessary for Tenant to undertake the Permitted Uses; provided, however, that nothing contained herein shall prevent Tenant from using such equipment as may be installed by City at the Premises upon the payment to City of all applicable charges.

4.11 Maintenance Areas. Tenant shall not conduct or permit any maintenance of mobile or portable equipment on the Demised Premises except in full compliance with all Environmental Laws, Port Environmental Policies, and Mitigation Measures as hereinafter defined.

4.12 Liens. Except where contested by Tenant in good faith in a court of competent jurisdiction, and except for non-delinquent liens arising from taxes or tax assessments, Tenant shall keep the Premises free from liens of any kind or nature arising out of its use and/or occupancy of the Demised Premises, including any liens arising out of any labor performed for or materials furnished to or on behalf of Tenant on the Demised Premises. Tenant agrees that it will at all times defend and indemnify City from and against all claims for labor or materials in connection with the construction, erection or installation of improvements made by Tenant upon the Demised Premises, or from additions or alterations made thereto, or the repair of the same, by or at the direction of Tenant, and the costs of defending against any such claim, including reasonable attorneys' fees. If a mechanic's or other similar lien arising out of Tenant's rights to use and/or occupancy of the Demised Premises shall at any time be filed against City's interest in the Premises, which is not contested by Tenant in good faith in a court of competent jurisdiction, Tenant shall cause the same to be discharged of record within thirty (30) days after the date of filing the same or otherwise free the Premises from such claim or lien and any action brought to foreclose such lien or Tenant shall promptly furnish City with a bond in the amount of the lien plus twenty-five percent (25%) thereof issued by a surety company acceptable to the Executive Director, securing City against payment of such lien and against any and all loss or damage whatsoever in any way arising from the failure of Tenant to discharge such lien.

4.13 Covenant to Open and Operate.

4.13.1 Project Operations and Maintenance. Tenant covenants to develop and open for business or to the public each Parcel of the Demised Premises consistent with the procedures and schedules established in Section 3.3.4. Tenant further covenants that Tenant and its subtenants shall operate and maintain the Demised Premises in accordance with Exhibit F and other applicable provisions of this Agreement, and consistent with and in the manner of a premier world-class research and educational facility, and do so in a continuous and uninterrupted basis, recognizing that periodic and temporary vacancies may occur in subleased spaces.

4.13.2 Operation Hours. When Tenant deems it necessary for use of the Demised Premises as described herein, Tenant may operate the facilities on a twenty-four (24) hours per day, seven (7) days per week basis.

4.13.3 Covenant to Maintain Facility. Tenant further covenants that Tenant shall invest its project revenues for capital and other expenditures to operate, revitalize, update and/or reposition the Project as may be necessary from time to time to maximize the Project's goals and position as a premier world-class marine research and educational facility, as more fully set forth in Section 5.2.4.

4.14 Supervision of Business Practices.

4.14.1 Generally. The nature and manner of conducting any and all business activities on the Demised Premises shall be subject to reasonable regulation by the Board. In the event such business is not conducted in a reasonable manner as determined by the Board, it may direct that corrective action be taken by Tenant or its subtenants to remedy such practices and upon failure to comply therewith within thirty (30) days of Tenant receiving such written notice, or as otherwise reasonably agreed to by the Parties, the Board may declare this Agreement terminated pursuant to the procedures established in Section 9.1 of this Agreement.

4.14.2 Non-Discrimination. Pursuant to the provisions of Section 608 of the City Charter and the Tidelands and Submerged Lands Grant referred to in Section 4.6 of this Agreement, Tenant, or its subtenants shall use the Demised Premises in such a manner so that there shall be no discrimination made, authorized or permitted in the rates, tolls or charges or in the facilities provided for any use or service in connection therewith.

4.14.3 Standards. Tenant shall conduct its business and cause the businesses of its subtenants upon the Demised Premises to be conducted in a first-class manner. Tenant shall furnish and maintain a standard of service at least equal to that of the better class of similar businesses providing similar services and facilities in the City of Los Angeles and adjacent communities during the entire term of this Agreement.

4.14.4 Board Review of Rates and Prices. The Board reserves the right to inspect the schedule of rates and prices for services performed and facilities provided upon the Demised Premises. The Executive Director shall inform Tenant in writing that a rate or price has been questioned as unreasonable and Tenant shall be given a reasonable opportunity to confer with the Executive Director to justify the rate or price. In the event that Tenant and Executive Director are unable to agree upon the reasonableness of the rate or price or a new rate or price, the matter shall be presented to the Board to determine the appropriate rate or price for the service performed or facility provided and such rates or prices shall be modified by Tenant as directed by the Board.

Section 5. Compensation.

5.1 Definitions.

5.1.1 Compensation Year. "Compensation Year" shall mean each twelve (12) month period, commencing on the Effective Date of the Agreement or an anniversary thereof during the Term on the Agreement.

5.1.2 Tariff Charges. "Tariff Charges" shall mean all charges due and owing by Tenant under the Tariff on account of Tenant's use and occupancy of the Demised Premises.

5.1.3 Initial Compensation Period. "Initial Compensation Period" shall mean the period commencing on the Effective Date of the Original Lease No. 904.

5.1.4 Interim Compensation Period: "Interim Compensation Period" shall mean the period commencing the date Tenant first takes possession of Parcels B58-B60 and B61A, or a portion thereof, as established in Exhibit B pursuant to Section 3.2.1.3(b) and ends on the initiation of the Final Compensation Period.

5.1.5 Final Compensation Period: "Final Compensation Period" shall mean the period commencing on the anniversary of the second (2) year following the effective date of the Agreement.

5.1.6 CPI. "CPI" shall mean the Consumer Price Index for All Items, All Urban Consumers for the Los Angeles-Riverside-Orange County, California area, 1982-84=100 as published by the U.S. Department of Labor, Bureau of Labor Statistics, or a successor index selected by Executive Director in his or her sole reasonable discretion.

5.1.7 Gross Receipts. "Gross Receipts" as used in this Agreement means: (a) the gross amounts paid to Tenant by all occupiers of the Demised Premises, including but not limited to subtenants, licensees and concessionaires (but not the total gross income received by such occupiers); (b) Equity or Royalty Income paid to Tenant; (c) the gross selling price of all food and beverage, parking fees, film production revenues, admission fees, special event rental fees, and all sales from businesses operated directly by the Tenant and associated with on-site activities whether for cash or on credit; (d) membership fees from persons or entities that are not occupiers of the Demised Premises; (e) donations; and (f) grants; (g) tax credits; and (h) other financial sources, but exclusive of: (i) retail sales taxes, excise taxes and other direct taxes on consumers, or similar taxes imposed by governmental entities on the sale of merchandise or services; (ii) proceeds from the sales of fixtures, equipment, or other property that is not stock in trade; and (iii) cash or credit refunds to customers.

5.1.8 Equity or Royalty Income. "Equity or Royalty Income" shall mean monies paid to the Tenant based upon equity, royalty, or other similar agreements Tenant maintains with any entities that utilize the Demised Premises during the Term of this Agreement, including but not limited to subtenants, partners, researchers, businesses, and public or private academic institutions.

5.1.9 Minimum Annual Rent. "Minimum Annual Rent" shall mean the monetary sum, in U.S. Dollars, Tenant shall pay to City for its use and occupancy of the Demised Premises per Compensation Year, excluding Tariff Charges. Minimum Annual Rent shall automatically be modified to reflect Tenant taking possession of Parcels pursuant to Section 3.2.1 of this Agreement.

5.2 Compensation Required of Tenant.

5.2.1 Compensation Obligation. On and after the Effective Date of the Original Lease No. 904, and as consideration for the rights granted in this Agreement, Tenant shall pay compensation to City, in the manner herein described, without prior demand, abatement, deduction or setoff, as more particularly set forth in Sections 5.2.2, 5.2.3, 5.2.4, 5.2.5, 5.3 and 5.4 of this Agreement. Notwithstanding the provisions of Section 3.5, Tenant's obligation to pay rent to City for the use of the Demised Premises shall be as prescribed in this Agreement. In the event of conflict between the provisions of this Section 5 and the provisions of the Tariff, this Agreement shall at all times prevail.

5.2.2 Non-Monetary Compensation. Tenant shall provide to the City the "Non-Monetary Compensation" services and public benefits established in Exhibit F, in general and as applicable to each Parcel possessed by the Tenant pursuant to Section 3.2.1 of this Agreement, beginning in the Initial Compensation Period. City and Tenant agree that modification to Exhibit F over the Term of this Agreement may result in adjustments up or down to the Minimum Annual Rent established in Section 5.4.

5.2.3 Percentage Rent. Tenant shall pay to City as "Percentage Rent" fifty percent (50%) of Equity or Royalty Income, as defined in Section 5.1, beginning in the Initial Compensation Period. Percentage Rent, if any, shall be due within thirty (30) days after the end of each Compensation Year based on the Equity or Royalty Income collected for that Compensation Year. Tenant shall not be allowed to utilize Rent Credits to pay Percentage Rent.

In the event that equity, royalty, or other similar agreements Tenant maintains with any entities that utilize the Demised Premises during the Term of this Agreement extend beyond the Term of this Agreement, this Section 5.2.3 and the Percentage Rent payments required herein shall survive expiration or earlier termination of this Agreement until such time as equity, royalty, or other similar agreements Tenant maintains expire or otherwise terminate.

5.2.3.1. Gross Receipts. Tenant shall maintain Gross Receipt records and report Gross Receipt's to the City annually.

(a) Tenant shall furnish or caused to be furnished to City a statement of the annual Gross Receipts of Tenant, with Equity or Royalty Income separately detailed for each equity or royalty income agreement held by the Tenant, whether or not any income was paid pursuant to such agreements, during the Compensation Year, within sixty (60) days after the close of each Compensation Year. Such statements shall be in a form acceptable to the Executive Director as well as a written statement signed and certified to be true and correct by Tenant's duly authorized officer or by Tenant's certified public accountant showing in reasonable detail the elements and

amount of Gross Receipts during the preceding year, together with the calculation(s) used by Tenant to determine the amount of Percentage Rent due to the City.

(b) Books and Records. For a period of five (5) years following the submittal of its certified annual statement for each Compensation Year, Tenant must keep and maintain full and accurate accounting books and records relative to transactions from the Demised Premises in accordance with generally accepted accounting principles consistently applied. The accounting books and records kept and maintained by Tenant for audit purposes must include all records, receipts, journals, ledgers and documents reasonably necessary to enable City or its auditors to perform a complete and accurate audit of Gross Receipts in accordance with generally accepted accounting principles.

(c) Audits. In addition to and not as a substitute for the audit rights provided by Section 14, City, at any time within five (5) years after receipt of any certified annual statement for each Compensation Year and on not less than thirty (30) days' prior written notice to Tenant, may cause an audit to be made of Gross Receipts and all of Tenant's records and accounting books necessary (in City's sole reasonable discretion) to audit such items. Tenant shall make such books and records available for the audit at the Demised Premises. If such audit discloses an underpayment by Tenant, Tenant shall immediately pay City the amount of such underpayment with interest (the amount of which shall be determined by Tariff Item No. 270) which shall accrue from the date the payment should have been made through and including the date of payment. If such audit discloses an overpayment of Percentage Rent, Tenant shall be entitled to a credit in the amount of the overpayment against the next payment(s) of Percentage Rent due, unless the audit was for the last year of the term of this Agreement or any holdover, in which event City shall refund to Tenant the overpayment within sixty (60) days following the date of the finalization of the audit.

5.2.4 Tenant Reinvestment of Gross Receipts. Beginning in the Initial Compensation Year, Tenant shall reinvest all Gross Receipts into the Project at the Demised Premises, consistent with the responsibilities and purposes established for AltaSea at the Port of Los Angeles in this Agreement. Tenant's compliance with this section shall be subject to audit by City pursuant to the terms of this Agreement, including Section 14.

5.2.5 Minimum Annual Rent. Tenant shall pay in advance to the City "Minimum Annual Rent" during the Interim and Final Compensation Periods in the amounts set forth in Sections 5.3 and 5.4, in equal quarterly installments on the first day of each calendar quarter.

5.3 Interim Compensation Period Minimum Annual Rent.

5.3.1 Parcels B58-B60 and B61A Interim Compensation Period Rent. Tenant shall pay the Minimum Annual Rent established below for Interim Compensation Period for Parcel B58-B60 and B61A, or portions thereof, accepted by Tenant pursuant to Section 3.2.1.3(b). The Minimum Annual Rent shall be prorated for the remainder of the Compensation Year during which Minimum Annual Rent first becomes due. During the Interim Compensation

Period, upon the date of Tenant's possession of Parcels B58-B60 and B61A, or portions thereof pursuant to Section 3.2.1.3(b), Tenant shall pay Minimum Annual Rent to the City as calculated by the City based upon a rental rate of $0.10 per square foot per year for water area and $0.42 per square foot per year for warehouse space. The warehouse rental rate includes the adjacent paved land and wharf area of Parcels B58-B60 and B61A. The square footage of the water and warehouse area in Tenant's possession shall be multiplied by the $0.10 and $0.42 per square foot per year rental rate, respectively, to establish the Interim Compensation Period Minimum Annual Rent. Tenant shall concur with the City's calculation of the rental area square footage. Tenant shall not receive any additional rental discount for any public areas for Parcel B58-B60 and B61A areas.

5.4 Final Compensation Period Minimum Annual Rent.

Minimum Annual Rent on Demised Premises shall begin on the earlier of: (i) the date Tenant Improvements are required to be completed pursuant to Section 3.3.4; (ii) a certificate of use or occupancy is issued by City of Los Angeles Building and Safety Department for the Tenant Improvements for a specific parcel; or (iii) Tenant otherwise places the property into use, other than for purposes of completing Tenant Improvements detailed in Section 3.3.4. During the Final Compensation Period, Minimum Annual Rent will be calculated at the beginning of each Compensation Year and will include the combined amount of Minimum Annual Rent for all Parcels required to pay Minimum Annual Rent in that Compensation Year. For those Parcels for which Minimum Annual Rent first becomes due in the Compensation Year, Minimum Annual Rent for such Parcels shall be prorated from the date due to the end of the Compensation Year.

5.4.1 Parcel B56A and B56B. No Minimum Annual Rent shall be charged for Parcel B56A and B56B provided the Tenant complies with Exhibit F.

5.4.2 Parcel B57.5. No Minimum Annual Rent shall be charged for Parcel B57.5 provided the Tenant complies with Exhibit F.

5.4.3 Parcel S22. No Minimum Annual Rent shall be charged for Parcel S22 provided the Tenant complies with Exhibit F.

5.4.4 Parcel B57. Minimum Annual Rent for Parcel B57 shall be $24,242, provided the Tenant complies with Exhibit F.

5.4.5 Parcels B58-B60 and B61A. Minimum Annual Rent for Parcel B58-B60 and B61A shall be $75,600, provided the Tenant complies with Exhibit F.

5.4.6 Parcel B61B: Minimum Annual Rent for Parcel B61B shall be $29.

5.4.7 Parcels B70-B71. Minimum Annual Rent for Parcels B70-B71 (or any combination thereof) shall be established and approved by the Board and City Council prior to Tenant taking possession of the Parcels pursuant to this Agreement.

5.4.8 Parcels with Minimum Annual Rent Pending. Tenant agrees and recognizes that the location, condition, circumstances, and planned facilities at Parcels B70-B71

differ significantly from those of Parcels B56A, B56B, B57, B57.5, B58, B59, B60, B61A, and B61B.Tenant agrees and recognizes that the basis of the Minimum Annual Rent established for Parcels B56A, B56B, B57, B57.5, B58, B59, B60, B61A, and B61B may not be applicable to establishing Minimum Annual Rent for Parcels B70 and B71 in the future.

5.4.9 Use of Rent Credits. Rent Credits established pursuant to Section 5.8 of this Agreement for specific Parcels may be used to pay Minimum Annual Rent, other than past due Minimum Annual Rent, for the Demised Premises upon Rent Credit effectiveness and until the Rent Credits are completely utilized or upon expiration or earlier termination of this Agreement.

5.5 Rent Adjustments.

5.5.1 CPI Adjustments.

5.5.1.1. Except as established for the Interim Compensation Period Minimum Annual Rent in Section 5.5.1.2, on July 1 of the first Compensation Year following the Final Compensation Period (which date and subsequent anniversaries shall be referred to individually as "Adjustment Date"), and annually thereafter, the Minimum Annual Rent shall be adjusted (in no event downward) to yield an Adjusted Minimum Annual Rent. Such Adjusted Minimum Annual Rent shall be equal to the product obtained by multiplying the Minimum Annual Rent (without regard to any temporary abatement or reduction of Compensation then or previously in effect pursuant to the provisions of this Agreement) by a fraction, the numerator of which is the CPI on the Adjustment Date and the denominator of which is the CPI in July of the Compensation Year preceding the Compensation Year in which the Adjustment Date occurs. CPI will have a three percent (3%) cap for each adjustment year.

5.5.1.2 Parcels B58-B60 and B61A Interim Compensation Period Minimum Annual Rent. CPI adjustments as detailed in Section 5.5.1.1 shall begin on the July 1 of the first Compensation Year following the interim Compensation Period (which date and subsequent anniversaries shall be referred to individually as "Interim Rent Adjustment Date"), and annually thereafter.

5.5.1.3. The formula illustrating the computation applicable to Section 5.5.1.1 is as follows:

$$\text{Adjusted Surface Land Rent} = \text{Current Surface Land Rent} \times \frac{\text{July CPI of current year}}{\text{July CPI of previous year}}$$

5.5.2 Five-Year Rate Adjustments.

5.5.2.1. In addition to and not as a substitute for the CPI adjustments required by Section 5.5.1, on every fifth anniversary of the Effective Date of Original Lease No. 904, the then-applicable compensation established pursuant to Sections 5.2, 5.3 and 5.4 shall be adjusted (in no event downward), with such adjustments established by order of the Board. The five-year periods in which such adjusted rates shall apply shall be referred to as "Adjusted 5-Year Periods."

5.5.2.2. Not fewer than nine (9) months before the commencement of each Adjusted 5-Year Period, Tenant and City shall undertake best efforts to negotiate and mutually agree upon the compensation that shall apply at the commencement of each such period. In establishing compensation, City and Tenant may consider, but shall but not be limited to, the following factors:

(a) Basis of Annual Minimum Rent established for each Parcel in the previous compensation reset.

(b) Rent charged to other nonprofit entities located within the harbor district boundaries for buildings dedicated to public education and open to the public a minimum of 8-hours days per day, five (5) days a week.

(c) Tenant's actual delivery and performance of the services and public benefits set forth in Exhibit F, as updated to reflect the Parcels in Tenant's possession pursuant to Section 3.2.1.

(d) The actual amount of Tenant reinvestment of Gross Receipts into the Project pursuant to Section 5.2.4.

(e) Review of Tenant's annual tax filings for the prior five (5) year period.

(f) City and Tenant capital investments.

(g) Tenant's utilization of the Demised Premises for business incubator purposes as measured by square footage allocated for such purposes and/or the amount of Equity or Royalty Income paid by Tenant to City during the prior five (5) year period.

(h) Tenant's compliance with all provisions and conditions of this Agreement.

5.5.2.3. If, despite best efforts, City and Tenant are unable to mutually agree upon such compensation, the Compensation shall be adjusted in the following manner: (i) City may, upon written notice from the Executive Director, establish such value at amounts not to exceed one hundred fifty percent (150%) of the Minimum Rent in effect at the end of the fifth Compensation Year of the five-year period preceding the Adjusted 5-Year Period, which shall be paid in the same manner as provided herein until completion of the procedure set forth below or (ii) either City or Tenant upon written notice to the other may, no sooner than nine (9) months prior to the commencement of the upcoming Adjusted 5-Year Period, initiate commencement of the process set forth below ("Appraisal Process").

(a) City and Tenant shall utilize best efforts to agree upon, within ten (10) calendar days following the commencement of the Adjusted 5-Year Period, a single appraiser to determine the value of the as-is, fee simple interest of the Demised Premises (including total property, land and/or improvements) based upon the existing use as set forth in Exhibit G hereto ("Market Rent"), which appraiser shall possess the

qualifications set forth on the attached Exhibit H. Such appraiser's determination shall be binding upon the Parties and shall be retroactive to the commencement of the applicable 5-year period. Fees and costs incurred for such appraisal shall be borne equally by City and Tenant. The appraiser will be retained by City and Tenant will reimburse City for half of the fees and costs within fifteen (15) days of submission of an invoice therefor.

(b) If, despite best efforts, City and Tenant cannot agree upon such single appraiser within such ten (10) calendar days, City and Tenant shall, within sixty (60) calendar days after the expiration of such ten (10) calendar day period, appoint one appraiser each to determine Market Rent pursuant to Exhibit G and shall provide written notice of such appointment to the other Party, which notice shall summarize or attach the retained appraiser's qualifications and certify that such appraiser has been retained to determine Market Rent pursuant to Exhibit G.

(c) If City and Tenant appoint appraisers within such sixty (60) day period, such two appraisers so appointed shall be directed to use good faith efforts to separately determine Market Rent pursuant to Exhibit G within ninety (90) calendar days of the expiration of the aforementioned sixty (60) day period. The appraisal generated on behalf of City shall be referred to as "City Appraisal," and shall be generated at City's sole cost and expense. The appraisal generated on behalf of Tenant shall be referred to as "Tenant Appraisal," and shall be generated at Tenant's sole cost and expense. City and Tenant thereafter shall exchange appraisals. If the determinations of the City Appraisal and the Tenant Appraisal are within ten percent (10%) of one another, the Market Rent shall be the average of the two and shall be binding upon the Parties.

(d) If either Party fails to appoint an appraiser and provide the required written notice thereof within such sixty (60) calendar day period, the one appraiser appointed shall be directed to determine Market Rent pursuant to Exhibit G and such appraiser's determination shall be binding upon the Parties and shall be retroactive to the commencement of the applicable 5-year period. The Party which fails to appoint an appraiser shall bear the fees and costs of the appraisal.

(e) If the determination of Market Rent of the two appraisers differs by more than ten percent (10%), then the two appraisers shall choose a third appraiser possessing the qualifications set forth on Exhibit H within thirty (30) calendar days thereafter who shall not make an independent determination of Market Rent, but rather shall determine only which, the City Appraisal or the Tenant Appraisal, is closest to that third appraiser's estimate of Market Rent, and Market Rent shall be equal to the then-applicable amount so determined in the appraisal selected by such third appraiser. If the two appraisers fail to select a third appraiser within such time, the determination of Market Rent shall be submitted to final and binding arbitration at the request of either City or Tenant before one arbitrator appointed by the American Arbitration Association ("AAA") at Los Angeles, California acting pursuant to AAA's Arbitration Rules for the Real Estate Industry last in effect at the time a request for arbitration is filed. The arbitrator shall review at minimum Exhibit G, and copies of the City

Appraisal and the Tenant Appraisal, but shall not make an independent determination of Market Rent, but rather shall determine only which, the City Appraisal or the Tenant Appraisal, is closest to the arbitrator's estimate of Market Rent, and Market Rent shall be equal to the then-applicable amount so determined in the appraisal selected by such arbitrator. Such determination of the arbitrator shall be binding on the Parties and shall be retroactive to the commencement of the applicable 5-year period. Fees and costs incurred by such arbitrator and/or AAA shall be borne equally by City and Tenant.

5.6 Additional Rent.

5.6.1 Definition of Additional Rent. In addition to any other consideration under this Agreement, including without limitation any Minimum Annual Rent, Tenant shall pay to City all Additional Rent, as listed below, when due. Minimum Annual Rent and Additional Rent shall collectively be referred to herein as "Rent". All Rent shall be paid to City at the address to which notices to City are given pursuant to Section 5.7.2, below, or at such other place as City may from time to time designate. Tenant shall not be allowed to utilize Rent Credits to pay Additional Rent.

5.6.2 Tariff. Tenant shall pay City for any applicable Tariff Charges as Additional Rent.

5.6.3 Taxes and Impositions.

(a) Tenant shall timely pay all Taxes imposed with respect to this Agreement, the use or the operation of the Demised Premises, including, without limitation, any documentary or other transfer or sales taxes, property or possessory interest taxes and any City of Los Angeles Business Tax applicable to the use and operation of the Demised Premises. City reserves the right, without being obligated to do so, to pay the amount of any such Taxes not timely paid by Tenant, and the amount so paid by City shall be deemed Additional Rent hereunder, due and payable by Tenant immediately upon demand by City.

(b) Tenant hereby agrees to pay as Additional Rent such assessments, fees and charges as shall be set by the Board in the Tariff and that shall be reasonable and not unjustly discriminatory.

(c) Notwithstanding this Section 5.6.3, Tenant does not waive its right to seek relief from a court of competent jurisdiction to the extent that such Tax, assessment, fee or charges are contrary to Applicable Law.

5.6.4 Utilities and Services. Tenant shall be liable for and shall pay all charges for services furnished to the Demised Premises, including, without limitation, heat, power, telephone, water, light, janitorial services, security services and trash collection services, and any other services in connection with its occupancy of the Demised Premises, including, without limitation, deposits, connection fees or charges and meter rentals required by the supplier of any such service. If any such services are not separately metered or billed to Tenant, Tenant shall pay

a reasonable proportion, to be determined by City, of all charges jointly metered or billed. There shall be no abatement of rent and City shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond City's reasonable control or in cooperation with governmental request or directions. To the extent such utilities and services are provided by City, payment for same shall be Additional Rent.

5.6.5 Rent for Non-permitted Uses. Use of the Demised Premises for purposes not expressly permitted herein may result in additional charges, including charges required by the Tariff, as it may be amended or superseded. Imposing additional charges and receiving Additional Rent for non-permitted uses shall not waive City's rights to declare a default or limit City's remedies under this Agreement and at law.

5.6.6 Rent on New Tenant Improvements. To the extent that Tenant builds new improvements which are not owned by the City, or makes improvements to City owned improvements, as set forth in Section 3.3.4 and Exhibit M, Tenant shall not be charged Rent for the rental value thereof unless, and until, title to such improvements revert to City pursuant to the terms of this Agreement or by operation of law.

5.6.7 City Reimbursements. Tenant shall be liable for and shall pay to City as Additional Rent all expenditures made by the City related to the performance of work or payments made pursuant to fulfilling any Tenant responsibilities not otherwise made by Tenant, including but not limited to, those obligations set forth in Sections 6.2 and 7.8.

5.7 Requirements Applicable to Tenant's Payment of Rent.

5.7.1 Tenant's Obligation to Pay; No Right of Set-Off. Tenant's obligations to pay Rent and Non-Monetary Compensation to City according to the terms and conditions of this Section 5 shall be absolute and unconditional and shall be unaffected by any circumstance, including, without limitation, off-set, counterclaim, recoupment, defense or other right which Tenant may have against City other than offset for the Rent Credits provided for in Section 5.8.

5.7.2 Payments. Tenant shall render its payments at the Harbor Department Administration Building or any other place that City from time to time may designate in writing. Payment shall be made in U.S. Dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds.

5.7.3 Proration of Payments. If any payment by Tenant is for a period shorter than one calendar month, the compensation for that fractional calendar month shall accrue on a daily basis for each day of that fractional month at a daily rate equal to 1/365 of the total annual compensation. All other payments or adjustments that are required to be made under the terms of this Agreement and that require proration on a time basis shall be prorated on the same basis.

5.7.4 Labor Disturbance. If, by reason of strikes, other labor disputes, lockouts, or other work stoppages of which Tenant did not directly or indirectly cause and/or to which Tenant is not a party ("labor disturbance"), occurring at any of the Demised Premises and lasting more than (30) days, Tenant is prevented from making substantial use of Demised Premises to undertake the Permitted Uses, the rent for the period during which the labor

disturbance occurs shall be proportionately adjusted, commencing the thirty-first (31st) day after commencement of such labor disturbance, provided Tenant has, prior to such date, given City written notice of such labor disturbance, and such reduction shall be applicable from and after said thirty-first (31st) day until Tenant is able to make substantial uses of the Demised Premises to undertake the Permitted Uses.

5.7.5 Delinquent Payments. Payments required to be made by this Section 5 which have not been paid within ten (10) calendar days of the date such payments are due ("grace period") shall be subject to a service charge assessed as simple interest at the rate of 1/30 of two percent (2%) of the amount remaining unpaid each day. Tenant acknowledges that it knows the day of the month its payments hereunder are due and that the grace period commences from the date such payments are due to be made, not the date of City's invoice, if any. City has the unqualified right, upon thirty (30) days' prior written notice to Tenant, to change the level of the delinquency service charge.

5.8 Rent Credits.

5.8.1 In consideration of Tenant's redevelopment of the historic eligible warehouses and development of a waterfront Public Promenade on the Premises, as set forth in Section 3.3.4, Tenant shall be entitled to "Rent Credits" in the amounts established in subsections (a) though (d) below subject to 1) submission of evidence of the expenditure and completion of the improvement, 2) justification that the expenditure relates to improvements referenced in subsections (a) through (d) below and 3) justification that the expenditure applies to improvements that restore Existing City Improvements to be marketable for future tenants or new Public Access Infrastructure that provides the public the benefit of access. Artistic or cultural installations and improvements are eligible for Rent Credits, but not to exceed 2 percent of the total project expenditure of any individual project described in subsections (a) through (d) below. Items listed in Exhibit M are representative of the type of improvements that are applicable for Rent Credits. Expenditures made by Tenant for the purpose of other Tenant Improvements as set forth in Section 3.3.4 shall not be eligible for Rent Credits. The maximum Rent Credits available to the Tenant are established below and will not be further adjusted for inflation during the Term of this Agreement.

(a) Parcels S22, B56A and B56B shall have a maximum Rent Credit of sixteen million dollars ($16,000,000). Upon completion of redevelopment of the site and development of the Public Promenade as set forth in Section 3.3.4, Tenant shall submit documentation detailing actual Tenant expenditures for development of the Public Promenade. The Executive Director shall review the Tenant documentation to ensure only applicable Public Promenade costs are included. The lesser of the maximum Rent Credit for Parcels S22, B56A and B56B or actual Tenant expenditures for development of the Public Promenade shall be certified in writing by the Executive Director to Tenant.

(b) Parcels B58-B60 and B61A shall have a maximum Rent Credit of fifteen million ($15,000,000). Upon completion of redevelopment of Warehouses 58-60 and development of the Public Promenade as set forth in Section 3.3.4, Tenant shall submit documentation detailing actual Tenant expenditures for development of the

Public Promenade and redevelopment of Warehouses 58-60. The Executive Director shall review the Tenant documentation to ensure only redevelopment of Warehouses 58-60 and Public Promenade costs are included. The lesser of the maximum Rent Credit for Parcels B58-B60 and B61A or actual Tenant expenditures for redevelopment of potentially historic Warehouses 58-60 and development of the Public Promenade shall be certified in writing by the Executive Director to Tenant.

(c) Parcel B57 shall have a maximum Rent Credit of thirty-five million dollars ($35,000,000) for redevelopment of the historic eligible Warehouse 57 at Berth 57. Upon completion of the development of the Public Promenade and redevelopment of Warehouse 57 as set forth in Section 3.3.4, Tenant shall submit documentation detailing actual Tenant expenditures for those specific activities. The Executive Director shall review the Tenant documentation to ensure only applicable redevelopment and Public Promenade costs are included. The lesser of the maximum Rent Credits for Parcel B57 or actual Tenant expenditures for redevelopment of the site and the Public Promenade shall be certified in writing by the Executive Director to the Tenant.

(d) Parcel B57.5 shall have a maximum Rent Credit of four million and six hundred thousand ($4,600,000) for reinforcing the existing wharf within Parcel B57.5 and construction of a building and amphitheater that will provide access to the public.

5.8.2 Rent Credits shall become effective for use, consistent with the requirements of this Section 5.8, upon completion of all Tenant Improvements for the specified parcels, as set forth in Section 3.3.4, and issuance of a certificate of use or occupancy by City of Los Angeles Building and Safety Department or Tenant otherwise places the property into use, other than for purposes of completing Tenant Improvements detailed in Section 3.3.4. Rent Credit submission shall be made annually if applicable. Within thirty (30) days following the end of the Compensation Year, Tenant shall submit their request for Rent Credits which are proposed to become effective in the preceding Compensation Year. This submission should coincide with Tenant's Non-Monetary Compensation Report referenced in Exhibit F. Upon certification and approval of Rent Credits by the Executive Director pursuant Section 5.8.1, Rent Credits shall be applied retroactively to the date all Tenant Improvements for the specified parcels were completed and a certificate of use or occupancy was issued by City of Los Angeles Building and Safety Department or Tenant otherwise placed the property into use, other than for purposes of completing Tenant Improvements detailed in Section 3.3.4.

5.8.3 Tenant may only utilize Rent Credits to pay Minimum Annual Rent established in Sections 5.3 and 5.4 of this Agreement during the Term of this Agreement. Rent Credits may not be used by Tenant to pay: (i) past due Minimum Annual Rent; (ii) Percentage Rent pursuant to Section 5.2.3 (iii) Additional Rent pursuant to Section 5.6; or (iv) holdover rent pursuant to Section 2.3.

5.8.4 All Rent Credits shall expire upon expiration or earlier termination of this Agreement. Tenant shall not be entitled to payment of any unused or unapplied Rent Credits.

In no event shall any unused Rent Credits give rise to any obligation of City to pay unused Rent Credits to Tenant, its successors, assigns or affiliates, if any.

Section 6. Tenant's Environmental Obligations During Term of Agreement.

6.1 Definitions.

6.1.1 Environmentally Regulated Material. "Environmentally Regulated Material" shall mean any hazardous or toxic substance, material, or waste at any concentration that is or becomes regulated by the United States, the State of California, or any local or governmental authority having jurisdiction over the Demised Premises. Environmentally Regulated Material includes but is not limited to:

(a) Any "hazardous substance" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") (42 U.S.C. Sections 9601-9675) in its present or successor form;

(b) "Hazardous waste" as that term is defined in the Resource Conservation and Recovery Act of 1976 ("RCRA") (42 U.S.C. Sections 6901-6992k) in its present or successor form;

(c) Any pollutant, contaminant, or hazardous, dangerous, or toxic chemical, material or substance, within the meaning of any other applicable federal, state, or local law, regulation, ordinance or requirement (including consent decrees and administrative orders imposing liability or standard of conduct concerning any hazardous, dangerous or toxic waste, substance or material, now or hereinafter in effect);

(d) Radioactive material, including any source, special nuclear, or byproduct material as defined in 42 U.S.C. Sections 2011-2297g-4 in its present or successor form;

(e) Asbestos in any form or condition;

(f) Polychlorinated biphenyls ("PCBs") and substances or compound containing PCBs; and

(g) Petroleum products.

6.1.2 Environmental Laws. "Environmental Laws" shall mean the environmental laws and implementing regulations which are a subset of the Applicable Laws defined in Section 4.3 and which are applicable to the Demised Premises and/or Tenant's use and/or occupancy thereof, in their form as of the Effective Date or as subsequently amended, or as may be promulgated during the term of this Agreement or any holdover. Such Environmental Laws include but are not limited to:

(a) CERCLA and its implementing regulations;

(b) RCRA and its implementing regulations;

(c) The federal Clean Water Act (33 U.S.C. Sections 1251-1376, et seq.) and its implementing regulations;

(d) The California Porter Cologne Water Quality Control Act (California Water Code, Division 7) and its implementing regulations;

(e) The federal Clean Air Act (42 U.S.C. Sections 7401-7601) and its implementing regulations;

(f) The California Clean Air Act of 1988 and its implementing regulations;

(g) The state Lewis Air Quality Act of 1976 and its implementing regulations; and

(h) Any other applicable federal, state, or local law, regulation, ordinance or requirement (including consent decrees and administrative orders imposing liability or standard of conduct) now or hereinafter in effect which concerns Environmentally Regulated Material, the Demised Premises and/or Tenant's use and/or occupancy thereof.

6.1.3 Term Release. "Term Release" shall mean a spill, discharge or any other type of release of Environmentally Regulated Material that occurs on the Demised Premises during the term of this Agreement or any holdover, whether caused by Tenant or a third-party (other than invitees under a temporary assignment pursuant to Section 4.8 or third-parties whose access to the Demised Premises has been requested by City pursuant to Section 3.6, that contaminates or threatens to contaminate City's Improvements, adjacent harbor waters, soil, sediment, groundwater or air of the Demised Premises or of adjacent premises (including soil, sediment, groundwater or air of those adjacent premises).

6.1.4 Term Contamination. "Term Contamination" shall mean all contamination of improvements, adjacent harbor waters, soil, sediment, groundwater or air of the Demised Premises or of adjacent premises (including soil, sediment, groundwater or air of those adjacent premises) resulting from all Term Releases.

6.1.5 Term Characterization Work Plan. "Term Characterization Work Plan" shall mean the written work plan submitted by Tenant to City, the sufficiency of which is subject to City's reasonable approval, that details all work (including sampling and analysis) necessary to generate a written characterization of the nature and extent of contamination (including contamination of air, soil and water) caused by a Term Release or Term Releases and that includes detailed programs for sampling and chemical analysis of soil and groundwater, which programs shall conform with Environmental Laws, accepted principles of environmental science, established regulatory protocols and the Port of Los Angeles "Site Characterization Guidance Manual" as it exists as of the Effective Date or as it may be subsequently amended ("Site Characterization Guidance Manual"). Tenant acknowledges receipt of a copy of such Manual.

Following the Effective Date, Tenant shall be solely responsible for obtaining and maintaining the current version of the Site Characterization Guidance Manual.

6.1.6 Term Characterization Report. "Term Characterization Report" shall mean the written report submitted by Tenant to City, the sufficiency of which is subject to City's reasonable approval, that details all findings made as a result of performing the Term Characterization Work Plan and that conforms with the Site Characterization Guidance Manual.

6.1.7 Term Remediation Action Plan. "Term Remediation Action Plan" shall mean the written plan submitted by Tenant to City, the sufficiency of which is subject to City's reasonable approval, that addresses remediation of all contamination caused by Environmentally Regulated Material in soil, harbor waters, groundwater and sediment as identified in the Term Characterization Report, that conforms with Tenant's obligations as set forth below in Section 6.2 and that includes a discussion of remedial action alternatives for restoration of the Demised Premises and a timetable for each phase of restoration. The Term Remediation Action Plan shall comply with Environmental Laws, established regulatory protocols, accepted principles of environmental science and the Site Characterization Guidance Manual.

6.2 Tenant Responsibility for Term Contamination.

6.2.1 Remediation. Tenant shall remediate or cause the remediation of any Term Releases by removing or effecting the removal of all contaminated soil, water, groundwater, sediment or other material it may place or may have placed on site such that the Demised Premises are left (a) at the levels established in Exhibit I or (b) in an environmental condition that fully complies with the guidelines of, orders of, or directives of the applicable governmental agency(ies) that has/have assumed jurisdiction, if any, whichever of the two is stricter, and free of encumbrances, such as deed or land use restrictions, except for those that may be imposed as a result of the presence of Environmentally Regulated Material despite Tenant's compliance with the foregoing requirement. As between City and Tenant, Tenant shall bear sole responsibility for all Term Contamination and any costs related thereto.

6.2.2 Tenant Responsibility; Indemnity. Except for conditions of the Demised Premises that existed prior to the date of Tenant possession of a Parcel pursuant to Section 3.2.1 or conditions of the Demised Premises resulting from invitees under a temporary assignment pursuant to Section 4.8 or third-parties whose access to the Demised Premises has been requested by City pursuant to Section 3.6, Tenant bears sole responsibility for full compliance with any and all Applicable Laws regarding the use, storage, handling, distribution, processing, and/or disposal of Environmentally Regulated Material, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any improvements on the Demised Premises, on the user of the land, or on the user of the improvements. Except for conditions of the Demised Premises that existed prior to the date of Tenant possession of a Parcel pursuant to Section 3.2.1 or conditions of the Demised Premises resulting from invitees under a temporary assignment pursuant to Section 4.8 or third-parties whose access to the Demised Premises has been requested by City pursuant to Section 3.6, Tenant agrees that any claims, damages, fines or other penalties asserted against or levied on City and/or Tenant as a result of noncompliance with any Applicable Laws shall be the sole responsibility of Tenant and that Tenant shall indemnify and hold City harmless from any and all

such claims, damages, fines and penalties, as well as any costs expended to defend against such claims, damages, fines and penalties, including attorneys' fees. City shall provide Tenant with sixty (60) days' notice to comply with any claims, damages, fines and penalties. If Tenant has not complied with such claims, damages, fines and penalties, or if Tenant has not requested a meet and confer to discuss compliance within such sixty (60) days, then City, at its sole option, may pay such claims, damages, fines and penalties resulting from Tenant's noncompliance with any of the aforementioned authorities and Tenant shall indemnify and reimburse City for any such payments, which shall accrue as Additional Rent pursuant to Section 5.6. As between Tenant and City, City shall indemnify and hold Tenant harmless from any and all such claims, damages, fines and penalties, including attorney's fees, that result from the Baseline Condition, or conditions of the Premises resulting from invitees under a temporary assignment pursuant to Section 4.8 or third-parties whose access to the Premises has been requested by City pursuant to Section 3.6.

6.2.3 Baseline Condition; Baseline Report. City and Tenant acknowledge and agree that they have reviewed and approved the document attached hereto as Exhibit I, which document constitutes the written depiction of the environmental condition of specified Parcels of the Premises on the Effective Date ("Baseline Condition") and which hereinafter shall be referred to as the "Baseline Report" and the reports and studies that the City and Tenant agree will be utilized to establish the Baseline Conditions for the remaining Parcels. City and Tenant acknowledge and agree that following the Effective Date of the Original Lease No. 904, Tenant will take possession of Parcels over a several year period and that Exhibit I will be updated with a written depiction of the environmental condition of each Parcel added to the Demised Premises ("Baseline Condition") based upon the reports and studies identified in Exhibit I.

(a) Executive Director shall provide Tenant an updated Exhibit I following Tenant's request for acceptance of a Parcel pursuant to Section 3.2.1, or upon completion of New City Improvements, if any, whichever is later, which establishes the Baseline Condition for the Parcel to be possessed by Tenant. Tenant shall have 30 days to review and approve the updated Exhibit I or notify the City that Tenant, at its sole cost and expense, intends to supplement the Baseline Condition with additional testing and analyses. City shall cooperate with Tenant to provide access to Parcels for such additional testing and analyses. Tenant shall submit testing and analyses results to the City. Executive Director shall provide an updated Exhibit I incorporating Tenant test and analyses results for the Parcel to be possessed by Tenant. Tenant shall have thirty (30) days to review and approve the updated Exhibit I. Failure to approve the updated Baseline Condition within said thirty (30) day period shall be deemed approval of the updated Baseline Condition and the updated Exhibit I.

(b) Upon Tenant's approval of the updated Exhibit I incorporating the Baseline Condition of Parcels accepted by Tenant, the Executive Director shall issue an exhibit labeled Exhibit I-1 and so forth numerically as Tenant accepts Parcels over the Term of the Agreement. Said revised Exhibit shall be transmitted to Tenant. Upon City's transmittal to Tenant, each such issued Exhibit I-# shall be deemed to: (i) be incorporated into this Agreement without further action of Board, Council, or Tenant; and (ii) supersede any earlier iterations of Exhibit I-#.

6.2.4 Prior Use. City and Tenant acknowledge that prior to the Tenant taking possession of a Parcel pursuant to Section 3.2.1 the Premises were occupied by users under entitlements separate from this Agreement ("Prior Occupancy") and others and that as a result of such prior use and occupancy, the Demised Premises on the date the Tenant takes possession of a Parcel pursuant to Section 3.2.1 possess levels of contamination depicted in the Baseline Report ("Existing Contamination"). As to City, Tenant bears no responsibility for Existing Contamination, unless otherwise provided for herein.

6.2.5 Rebuttable Presumption. Tenant acknowledges and agrees that a presumption shall exist that any contamination not specifically depicted and analyzed in Exhibit I constitutes Term Contamination for which, as between City and Tenant, Tenant is solely responsible. City shall provide written notice of the existence of any such contamination to Tenant. Tenant may rebut such presumption by providing to City, within ninety (90) days of City's written notice, evidence demonstrating that such contamination is not Term Contamination. Otherwise, such presumption shall be deemed confirmed making Tenant solely responsible for such contamination. Whether any information submitted by Tenant rebuts the aforementioned presumption shall be within City's discretion, exercised reasonably and in good faith. This provision shall survive the expiration or earlier termination of this Agreement.

6.3 Environmentally Regulated Material on Demised Premises.

Tenant shall not cause or permit any Environmentally Regulated Material to be generated, brought onto, handled, used, stored, transported from, received or disposed of (hereinafter sometimes collectively referred to as "handle" or "handled") in or about the Demised Premises, except for: (i) limited quantities of standard office and janitorial supplies containing chemicals categorized as Environmentally Regulated Material; (ii) Environmentally Regulated Material necessary for Tenant to undertake the Permitted Uses, and set forth in Tenant's Environmental Compliance Program as set forth in Section 6.5.2; and (iii) Environmentally Regulated Material handled in conformity with Tenant's ECP as referenced in Section 6.5.2. Tenant shall handle all such Environmentally Regulated Material in strict compliance with Environmental Laws in effect during the term of this Agreement or any holdover.

6.4 Tenant Obligations In the Event of a Term Release.

6.4.1 Duty to Remediate. Upon occurrence of a Term Release, Tenant, at its sole cost and expense, shall initiate and complete the procedure set forth below in Sections 6.4.2 through 6.4.11. The Executive Director may alter, supplement or delete any of the procedures set forth in Sections 6.4.2 through 6.4.11 at his or her sole reasonable discretion.

6.4.2 Reporting Obligations to City. Immediately, to facilitate emergency or other response, and in accordance with Environmental Laws and in no event later than fourteen (14) calendar days following its discovery of the Term Release, Tenant shall provide a written report to City that details all known information regarding such release and any resultant contamination, which information shall include but not be limited to: (i) the date, time and specific location of the release; (ii) the specific type and quantities of materials released; (iii) the cause(s) or suspected cause(s) of the release; (iv) photographs of the release and any and all

equipment or fixtures involved; (v) corrective action taken or planned to be taken by or on behalf of Tenant to address the cause or suspected cause of the release; and (vi) the names and contact information of individuals and entities acting for or on behalf of Tenant to address the release, including environmental consultants.

6.4.3 Corrective Action. According to a schedule prescribed in writing by the Executive Director or the applicable governmental agency with jurisdiction, Tenant shall make or cause to be made any and all necessary corrective actions to address the cause or suspected cause of the Term Release, including but not limited to equipment repairs and/or replacements.

6.4.4 Reporting Obligations to Regulatory Agencies. Within thirty (30) calendar days following its discovery of the Term Release, Tenant shall provide written notification of the Term Release and any resultant contamination to all applicable regulatory agencies as required by Environmental Laws, with copies of such notification(s) to City;

6.4.5 Use of Consultants. Within thirty (30) calendar days following its discovery of the Term Release, Tenant shall provide written notification to City of the consultant(s), if any, Tenant plans to utilize in connection with the Term Characterization Work Plan. Such written notification shall set forth the names of the individuals forming the consultant team, and their qualifications. City shall approve such consultants in its sole reasonable discretion.

6.4.6 Term Characterization Work Plan. Subject to any schedule or protocol required by any governmental agency with jurisdiction which schedule or protocol shall take precedence over these Sections 6.4.6 through and including 6.4.11, within thirty (30) calendar days following City's approval of Tenant's consultant, Tenant shall submit the Term Characterization Work Plan to City for its written approval. Provided Tenant delivers to City a complete Term Characterization Work Plan as hereinabove required, City shall use its best reasonable efforts to expeditiously approve or disapprove such plan. Tenant shall provide additional information upon request of City if City deems the Term Characterization Work Plan inadequate.

6.4.7 Testing and Investigation. Within forty-five (45) calendar days following City's transmittal of its written approval of the Term Characterization Work Plan, Tenant shall commence and complete investigation and testing in accordance with the plan, and shall provide to City the results of such investigation and tests as they become available.

6.4.8 Term Characterization Report. Within one hundred twenty (120) calendar days following City's written approval of the Term Characterization Work Plan, Tenant shall submit the Term Characterization Report to City for its written approval. Tenant shall provide additional information upon request of City if City deems the Term Characterization Report inadequate. Concurrently, Tenant shall submit a report detailing all corrective action taken by Tenant to address the cause or suspected cause of the Term Release. Tenant shall supplement such corrective action if so requested by City.

6.4.9 Term Remediation Action Plan. If so requested in writing by the Executive Director, within sixty (60) calendar days following such request, Tenant shall prepare

at its sole cost and expense and submit to City for its approval the Term Remediation Action Plan, together with a list of the consultants Tenant proposes to execute such plan and such consultants' qualifications (both organizationally and broken down by consultant team member), both of which City shall approve in its sole reasonable discretion. Provided Tenant delivers to City a complete Term Remediation Action Plan, City shall use its best efforts to approve or disapprove such plan in a timely manner. Tenant shall provide additional information upon request of City if City deems the Term Remediation Action Plan inadequate.

6.4.10 Completion of Work. Within a timeframe reasonably established and communicated to Tenant by City following City's written approval of the Term Remediation Action Plan, Tenant shall complete or cause the completion of all work contemplated by the Term Remediation Action Plan. If, in the sole and absolute determination of the Executive Director, such contamination resulting from the Term Release cannot be remediated on site to the satisfaction of City, Tenant shall remove and properly dispose of all soil, water, groundwater, sediment or other material contaminated by the Term Release and, in the cases of soil or sediment contamination, replace same with clean soil or material suitable to City.

6.4.11 Approval of Work. The adequacy of Tenant's execution of any Term Remediation Action Plan shall be within the sole reasonable discretion of the Executive Director. Tenant shall notify the Executive Director in writing when it believes it has completed all work contemplated by the Term Remediation Action Plan. If, upon investigation, the Executive Director reasonably concludes that additional tasks must be fulfilled in order to complete all work contemplated by the Term Remediation Action Plan, Tenant shall complete such tasks forthwith. Upon fulfillment of such tasks, Tenant again shall notify the Executive Director in writing, which will re-initiate the approval process for execution of a Term Remediation Action Plan.

6.4.12 City's Right to Remediate. If Tenant fails to wholly or partially fulfill any obligation set forth in the preceding Sections 6.4.2 through 6.4.11, City may (but shall not be required to) take all steps it deems necessary to fulfill such obligation. Any action taken by City shall be at Tenant's sole cost and expense and Tenant shall indemnify and pay for and/or reimburse City for any and all costs (including any administrative costs) City incurs as a result of any such action it takes. Any such costs shall accrue as Additional Rent in Section 5.6.

6.5 Environmental Compliance.

6.5.1 Generally. In its use and occupancy of the Demised Premises, Tenant shall comply (and shall immediately halt and remedy any incident of non-compliance) with: (a) Environmental Laws; (b) all applicable environmental policies, rules and directives of City's Harbor Department ("Port Environmental Policies") as set forth on Exhibit K-A hereto; and (c) the environmental mitigation measures ("Mitigation Measures") and Mitigation Monitoring and Reporting Program set forth collectively in Exhibit K-B hereto.

6.5.2 Environmental Compliance Program. Tenant shall establish and thereafter observe and maintain a written program to facilitate such compliance in accordance with the format and content and other requirements set forth in Exhibit K, which program shall be referred to as the "Environmental Compliance Program" or "ECP." Tenant shall submit its

ECP to the Executive Director within six (6) months of taking possession of the first Parcel(s) pursuant to Section 3.2 for review and approval. Tenant shall update its ECP from time to time as may be necessary, and within thirty (30) days thereof, as a result of (i) Tenant taking possession of a Parcel pursuant to Section 3.2, or (ii) as soon as Tenant introduces Environmentally Regulated Material to the Demised Premises not previously listed in the ECP. Tenant shall submit any updated ECP to the Executive Director. Executive Director's review and approval of any such ECP shall not relieve Tenant of its obligations pursuant to this Section 6.5.

6.5.3 Revision of Mitigation Measures. Following the Effective Date, upon mutual written agreement of Board and Tenant, Exhibit K-B may be revised and replaced by Exhibit K-B-1 and so forth numerically as modified during the Term of the Agreement. Modified exhibits shall be transmitted to Tenant. Upon City's transmittal to Tenant, each such issued Exhibit K-B-# shall be deemed to: (i) be incorporated into this Agreement without further action of Council; and (ii) supersede any earlier iterations of Exhibit K-B-#.

6.6 Environmental Audits. Tenant shall perform annual written audits of its ECP. The results of such audits shall be maintained on Demised Premises for review by City. City shall have the right to conduct, at its sole cost and expense, periodic audits of Tenant's compliance with the ECP and management of Environmentally Regulated Material. Tenant shall provide access to backup materials supporting the ECP necessary for City to conduct such audits. City shall provide Tenant with copies of any written reports or results of such audits promptly upon completion of such documents.

6.7 Waste Disposal. In discharging its obligations under this Section 6, if Tenant disposes of any soil, material or groundwater contaminated with Environmentally Regulated Material, within thirty (30) days of Tenant's receipt of original documents, Tenant shall provide City copies of all records, including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. The name of the City of Los Angeles, the Port of Los Angeles or the City's Harbor Department shall not appear on any manifest document as a generator of such material.

6.8 Laboratory Testing. In discharging its obligations under this Section 6, Tenant shall perform any tests using a State of California Department of Health Services certified testing laboratory or other similar laboratory of which City shall approve in writing. By signing this Agreement, Tenant hereby irrevocably directs any such laboratory to provide City, upon written request from City, copies of all of its reports, test results, and data gathered. As used in this Section 6.8, "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of the Tenant.

6.9 Survival of Obligations. Except as otherwise provided in this Section 6, this Section 6 and the obligations herein shall survive the expiration or earlier termination of this Agreement.

Section 7. Improvements.

7.1 City Construction Obligations and New City Improvements.

7.1.1 Plans and Specifications. City, in consultation with Tenant, shall prepare plans and specifications for the construction, erection and installation of New City Improvements referenced, listed and described in Section 3.3.5.

7.1.2 Following the Parties' agreement on conceptual scope of New City Improvements as described in Section 3.3.5 any plans and specifications for construction, erection and installation of New City Improvements on the Premises shall be submitted to Tenant for review and comment related solely to adherence to agreed scope of City Improvements. Tenant shall have ten (10) business days from submittal by City of the 80% design plans and specifications to provide written comments on the design plans and specifications or state that the design plans and specifications meet Tenant's needs. If Tenant does not provide any comments within this time period, the design plans and specifications shall be deemed acceptable to Tenant. City and Tenant agree to discuss in good faith any comments or changes submitted by Tenant, which shall not, however, exceed an additional ten (10) business days.

City shall consult with Tenant regarding any design plans and specifications for construction, erection and installation of City's Improvements not located on the Premises (e.g. public right-of-way and street improvements).

7.1.3 Construction and Delivery of New City Improvements. City warrants and represents that it shall construct and deliver New City Improvements consistent with the plans and specifications developed in accordance with Section 7.1.1 and 7.1.2 and as set forth in Section 3.3.5.

7.2 Tenant Alteration of Premises or Construction of New Improvements.

7.2.1 Tenant Improvements. Tenant shall deliver Tenant Improvements as set forth in Section 3.3.4 and Exhibit M. Tenant shall comply with all provisions in this Section 7 for all required Tenant Improvements.

7.2.2 Alterations Require City Authorization. Tenant acknowledges City's interest in controlling the manner in which physical changes are made to the Demised Premises after the Effective Date and covenants that it shall make no improvements, alterations, additions or changes to the Demised Premises including but not limited to the construction of works or improvements or the changing of the grade of the Demised Premises ("Alteration") nor construction of Tenant Improvements, if any, without obtaining City's prior written authorization to undertake such Alteration or new construction.

7.3 Authorization Procedure. Tenant shall obtain City's prior written authorization to undertake an Alteration or construct a Tenant Improvement according to the following procedure:

7.3.1 Application for Discretionary Projects. If Tenant desires to undertake an Alteration, or construct a new Tenant Improvement, Tenant shall submit to City a complete Application for Discretionary Projects that attaches a complete set of drawings, plans, and specifications reflecting the proposed Alteration. Such drawings, plans and specifications shall be prepared and stamped by a licensed engineer registered in the State of California. Tenant bears sole responsibility for the completeness of such submittal.

7.3.2 Harbor Engineer Authority; Harbor Engineer's General Permit. The Harbor Engineer shall have the right to require changes to the drawings, plans and specifications Tenant submits in connection with such Application for Discretionary Projects, and may require additional environmental review for compliance with CEQA and NEPA or other Harbor Department requirements. If Harbor Engineer orders such a change and Tenant believes that such a change will have any detrimental effect on the structural integrity of the works, project or improvements, or increase any hazard to life or property, Tenant shall immediately notify him/her. If Tenant fails to provide such notification, the drawings, plans and specifications shall be treated for all purposes as if they had been originally prepared by Tenant, as changed. Harbor Engineer's approval of Tenant's submittal, if any, will be reflected by issuance of a Harbor Engineer's General Permit.

7.3.3 Non-Harbor Department Permits. Tenant acknowledges that, in addition to obtaining a Harbor Engineer's General Permit, Tenant additionally may be required to obtain permits and authorizations with respect to the proposed Alteration from City, federal and state bodies ("Non-Harbor Department Permits"), the issuance of which City's Harbor Department does not control. In any event, obtaining the Harbor Engineer's General Permit and any Non-Harbor Department Permits necessary to undertake the proposed Alteration is and shall be the sole responsibility of Tenant. Pursuant to Section 4.3, every Alteration made by Tenant shall conform with Applicable Laws, as well as with the plans and specifications as approved by Harbor Engineer.

7.3.4 Condition Precedent for Harbor Engineer's Permit. Tenant acknowledges that issuance of the Harbor Engineer's General Permit by City's Harbor Department shall be conditioned upon Tenant's demonstration that it has obtained all other permits and authorizations with respect to the proposed Alteration or new Tenant Improvement as may be required by entities other than City's Harbor Department.

7.3.5 Completion of Construction; As-Built Plans. Upon completion of all work necessary to construct the Alteration, or new Tenant Improvement, Tenant shall provide City with written confirmation that such work conformed with all permits issued, and "as-built" plans and/or drawings for such work in a form acceptable to Harbor Engineer. Tenant acknowledges that City may perform inspections of the Alteration or new Tenant Improvement to ensure that such Alteration or new Tenant Improvement conformed with the permits issued. Tenant shall undertake any corrective measures reasonably requested by City as a result of such inspections.

7.4 Notice of Commencement and Completion of Work. Tenant shall give advance written notice to Harbor Engineer of the date it will commence any construction. Within thirty (30) days of completion of construction, Tenant shall provide written notice to Harbor Engineer of the date of such completion, copies of "as-built" plans for such construction, copies of all permits issued in connection with such construction and copies of all documentation issued in connection with such completed construction, including but not limited to inspection reports and certificates of occupancy.

7.5 Cost of Project Administrative Obligations.

7.5.1 Environmental Review. Tenant shall reimburse City for all costs and expenses incurred by City after the Effective Date of this Agreement for legally mandated environmental impact reviews, analysis, and document preparation for Tenant's proposed Improvements, including but not limited to, compliance with the National Environmental Policy Act and the California Environmental Quality Act.

7.5.2 Permits. Tenant, at its sole cost and expense, shall obtain all permits necessary for such construction and shall require by contract that its construction contractors and subcontractors comply with all applicable federal, state, regional, and local statutes, ordinances, rules and regulations.

7.6 Cost of Construction. All construction by Tenant pursuant to this Section 7 shall be at Tenant's sole cost and expense. Tenant shall keep the Demised Premises, including the improvements constructed, and the Premises arising from Tenant's rights, free and clear of liens for labor and materials and shall hold City harmless from any responsibility in respect thereto.

7.7 Property of Tenant and Subtenants. All property brought onto the Premises by Tenant, or in the care, custody or control of Tenant, or by Tenant's subtenants to undertake the Permitted Uses or otherwise shall be and remain the property of Tenant, or its subtenants subject to the terms and conditions contained herein, and shall be there at the sole risk of Tenant. Tenant hereby waives all claims against City with respect to such property, except for injury or damage to such property caused by City's sole negligence or willful misconduct.

7.8 Utilities and Underground Structures.

7.8.1 Generally. Tenant shall maintain on the Demised Premises as-built drawings that identify the precise position of any pipelines, utilities or improvements of any type Tenant places on the Demised Premises, or which are placed on the Demised Premises by others and accepted by Tenant for use of the Demised Premises, whether placed above or below ground. Upon twenty four (24) hours' written notice by the Harbor Department, Tenant shall undertake at its sole cost and expense whatever measures are reasonably necessary, including subsurface exploration for any utilities or any other substructure placed on the Demised Premises by Tenant, or placed by others and accepted by Tenant for use on the Demised Premises, to precisely locate the position of such items if the Harbor Department considers the as-built drawings as insufficient to locate such items. Tenant agrees any work necessary to locate such items or any damage which may result from the location being incorrectly described, whether incurred by Tenant or City, shall be borne exclusively by Tenant. Exploration and preparation of all documentation recording the location of lines or structures shall be completed within the time specified in said notice, which shall be commercially reasonable. The subsurface exploration shall verify the vertical as well as horizontal location of all utilities and substructures. Documentation reflecting the results of said exploration shall be filed with the Harbor Engineer.

If Tenant neglects, fails or refuses within the time specified in said notice to begin or fails to prosecute diligently to complete the work of locating any pipeline or any other substructure

under Tenant's control or servicing Tenant's operation within the Demised Premises granted herein, the City shall have the right to enter onto the Demised Premises and perform the work designated in the notice. All subsurface exploration required by the provisions contained herein whether performed by Tenant or City shall be performed at Tenant's expense. In addition, Tenant agrees to bear the cost of any and all damage of whatever nature caused by any act, omission, or negligence of the City and any and all of its boards, officers, agents, consultants, and employees in the performance of said subsurface exploration as required by this provision. Tenant shall be solely responsible for City costs associated with the rights set forth in this Section 7.8.1 and shall pay City, as Additional Rent, within thirty (30) days of receiving an invoice for payment from City. Work performed by City or City's contractors under this provision does not alter Tenant's obligation to maintain the Demised Premises in a safe condition, both during and after completion of the work.

7.8.2 Rules Governing Utilities and Pipelines. After installation, and in any event for the duration of this Agreement, Tenant shall comply with all Applicable Laws, regulations and rules regarding utilities and pipeline testing and inspection requirements.

7.8.3 Relocation of Utilities. At any time during the term of this Agreement, the Board shall have the right to make any such change in the route or location of any utilities constructed or maintained on the Demised Premises by Tenant pursuant to the authority of this Agreement as may be required or made necessary for the progress of harbor development or the performance of any work or improvement within the jurisdiction of the Board. If the Board shall determine that any such change or relocation is necessary, the Board shall give at least ninety (90) days' written notice to Tenant and the work of removal and relocation shall be completed within such time after said written notice as shall be fixed in said notice. The cost of any such removal and relocation shall be borne by Tenant.

If Tenant neglects, fails or refuses within the time specified in said notice to begin or fails to prosecute diligently to complete the work of locating any utilities or any other substructure placed on the Demised Premises by Tenant, or placed by others and accepted by Tenant for use on the Demised Premises, the Harbor Department shall provide written notice to Tenant which shall specify such neglect, failure or refusal. Upon delivery of the notice specifying Tenant's neglect, failure or refusal, Tenant shall have such time as is reasonably necessary to cure such neglect, failure or refusal so long as Tenant commences the cure with such thirty (30) day period and thereafter diligently prosecutes such cure to completion. If Tenant fails to cure in a timely and diligent manner, City shall have the right to enter the Demised Premises to identify the precise location of any utilities or improvements of any type that Tenant has placed on the Demised Premises, whether placed above or below ground. Tenant shall be solely responsible for City costs associated with the rights set forth in this Section 7.8.3 and shall pay City, as Additional Rent, within thirty (30) days of receiving an invoice for payment from City. Work performed by City or City's contractors under this provision does not alter Tenant's obligation to maintain the Demised Premises in a safe condition, both during and after completion of the work.

7.9 Tenant's Cost. Any modification, improvement or addition to the Demised Premises and any equipment installation required by the City Fire Department, City Department of Building and Safety, Air Quality Management District, Regional Water Quality Control

Board, United States Coast Guard, Environmental Protection Agency, Department of Homeland Security or any other local, regional, state or federal agency in connection with Tenant's undertaking of the Permitted Uses shall be constructed or installed at Tenant's sole cost and expense.

7.10 Signs. Notwithstanding the rights granted to Tenant under Section 15, Tenant shall not erect or display, or agree to be erected or displayed, on the Demised Premises, or upon works, buildings and improvements made by Tenant, any advertising matter of any kind, including signs, without first obtaining the written consent of the Executive Director and a Harbor Engineer's General Permit. Tenant shall post, erect and maintain on the Demised Premises such signs as the Executive Director may direct.

Section 8. Maintenance and Repair.

8.1 Tenant Obligations to Maintain. Except for those matters included in the City's maintenance and repair obligations as described in Section 8.8 below, Tenant, at its sole cost and expense, shall keep and maintain the Demised Premises and all buildings, works and improvements of any kind thereon, including the improvements existing on those portions of the Demised Premises and Existing and New City Improvements as depicted on Exhibit C (and as this Exhibit may be modified from time to time), in good and substantial repair and condition and shall be responsible for and perform all necessary inspection, maintenance and repair thereof, including preventive maintenance, using materials and workmanship of similar quality to the original improvements. Tenant shall obtain any permits, including but not limited to those issued by City, necessary for such maintenance and repair. City shall reimburse Tenant for any repairs made necessary by use of the Demised Premises by a temporary user pursuant to Section 4.8.

8.2 Tenant Failure to Maintain. If Tenant fails to make any repairs or to perform required maintenance within thirty (30) days after receipt of notice from City to do so, City may, but shall not be obligated to, make such repairs or perform such maintenance. Tenant shall reimburse City, as Additional Rent, all of City's costs (as defined in Section 8.3) within thirty (30) days after receipt of City's invoice for work performed. In the event Tenant shall commence such repairs and diligently prosecute the same to completion or shall begin to perform the required maintenance within the thirty (30) day period, City shall refrain from commencing or prosecuting further any repairs or performing any required maintenance until the work has been completed by Tenant. Tenant shall thereafter pay on demand, as Additional Rent, City's costs incurred pursuant to this Section 8.2 prior to Tenant's commencement of repair or maintenance. The making of any repairs or the performance of maintenance by City, which is the responsibility of Tenant, shall in no event be construed as a waiver of the duty or obligation of Tenant to make future repairs or perform required maintenance as herein provided.

8.3 Definition of City's Costs.

"City's costs" for purposes of this Section 8 shall include, in City's sole reasonable discretion, the cost of maintenance or repair or replacement of property neglected, damaged or destroyed, including direct and allocated costs for labor, materials, services, equipment usage,

and other indirect or overhead expenses arising from or related to maintenance, repair or replacement work performed by or on behalf of City.

8.4 Litter and Debris. Tenant, at its sole cost and expense, shall provide sufficient dumpsters or other like containers for trash collection and disposal and keep the Demised Premises free and clear of rubbish, debris, graffiti, and litter at all times. Tenant shall perform periodic inspections and cleaning of the storm water catch basins (including filters), maintenance holes, and drains, maintaining the submerged land underlying the water berthing area at the Demised Premises free and clear of debris from the wharf and from vessels, and cargo loading and unloading operations of vessels berthed at said berths in connection with Tenant's undertaking of the Permitted Uses. Tenant, at its sole cost and expense, further shall keep and maintain the Demised Premises in a safe, clean and sanitary condition in accordance with all applicable federal, state, municipal and other laws, ordinances, rules and regulations.

8.5 Fire Protection Systems. All fire protection sprinkler systems, standpipe systems, fire hoses, fire alarm systems, portable fire extinguishers and other fire-protective or extinguishing systems, with the exception of hydrant systems, or appliances which have been or may be installed on the Demised Premises shall be maintained and repaired by Tenant, at its cost, in an operative condition at all times.

8.6 City Inspections. Tenant shall provide personnel to accompany City's representatives on periodic inspections of the Demised Premises to determine Tenant's compliance with this Agreement.

8.7 Services and Utilities. Unless otherwise provided for herein, Tenant shall pay all charges for services furnished to the Demised Premises or used in connection with its use and occupancy, including but not limited to heat, gas, power, telephone, light, and janitorial services, and pay all deposits, connection fees, charges and meter rentals required by the supplier, including City.

8.8 City's Maintenance Obligations.

8.8.1 Generally. City, at its sole cost and expense, shall keep, maintain and repair wharf structures on or under the Demised Premises on an "as is" basis as conditions exist at this location on the Effective Date of this Agreement at Parcels B58, B59, B60 and B61A and the structural integrity thereof to the extent that such maintenance and repairs are not required pursuant to damages caused by Tenant as described in Section 8.8.2. Notwithstanding the foregoing, use by the Tenant of Parcel B58, B59, B60 and B61A shall be on an "as is" basis as conditions exist at this location on the Effective Date of this Agreement. "Wharf Structure" for purposes of this subsection includes, without limitation, the beams, girders, piles, sea walls, retaining walls, fill material, subsurface support slabs, bulkheads and pre-stressed concrete or wood piling, joists, pile caps and timber decking (except as noted herein), and any and all mooring dolphins. The wharf structure does not include the paving or surface condition of the timber decking.

8.8.2 Damage by Tenant. Notwithstanding Section 8.8.1, if damage to any wharf structure is caused by the acts or failure to act of Tenant, its officers, agents, employees,

subtenants or invitees (including but not limited to third-party users of the Demised Premises authorized by Tenant and contractors retained by Tenant to perform work on the Demised Premises, hereinafter collectively "invitees"), Tenant shall be responsible for all costs, direct and indirect, associated with repairing the damage and the City shall have the option of requiring Tenant to make the repairs or itself making the repairs. If City makes the repairs, Tenant agrees to reimburse City, as Additional Rent, for all the City's cost of repair. All damage to the wharf structure shall be presumed to be the responsibility of Tenant and Tenant agrees to be responsible for such damage unless Tenant can demonstrate to the satisfaction of City that someone other than its officers, agents, employees or invitees caused the damage. The sufficiency of proof presented by Tenant to City shall be determined by City in its sole judgment.

8.8.3 City's Failure to Maintain. If Tenant believes that City has failed to perform any maintenance or repairs to the wharf structure, Tenant shall provide written notice to the Executive Director which shall specify such failure. Upon receipt of the notice specifying City's failure, the Parties shall meet and confer within thirty (30) days after receipt of the notice to determine the responsible Party for the maintenance or repairs indicated in Tenant's written notice. In the event that City agrees to undertake any such maintenance or repairs, City shall have such time as is reasonably necessary to complete the work. If the Parties cannot agree as to whether City has failed to perform pursuant to this section within thirty (30) days after the meet and confer, or after such additional time as is reasonably necessary to determine whether a failure has occurred, Tenant's sole remedy shall be in accordance with Section 9.7.

Section 9. Default and Termination.

9.1 Tenant's Default. The occurrence of any of the following shall constitute a default by Tenant under this Agreement:

(a) Tenant's failure to pay when due any rent required to be paid under this Agreement if the failure continues for three (3) days after written notice of the failure from City to Tenant;

(b) Tenant's failure to perform any other obligation under this Agreement, if Tenant fails to commence to cure the failure within thirty (30) days after delivery of written notice of the failure from City to Tenant, or if the failure continues for ninety (90) days after delivery of such notice;

(c) Tenant's abandonment of the Demised Premises, including but not limited to Tenant's absence from the Demised Premises for three (3) consecutive days (excluding Saturdays, Sundays, and California legal holidays) while in default of any provision of this Agreement;

(d) To the extent permitted by law:

i. A general assignment by Tenant or any guarantor of the Agreement for the benefit of the creditors without written consent of City;

ii. The filing by or against Tenant, or any guarantor, of any proceeding under an insolvency or bankruptcy law, unless (in the case of an involuntary proceeding) the proceeding is dismissed within sixty (60) days;

iii. The appointment of a trustee or receiver to take possession of all or substantially all the assets of Tenant or any guarantor, unless possession is unconditionally restored to Tenant or that guarantor within thirty (30) days and the trusteeship or receivership is dissolved;

iv. Any execution or other judicially authorized seizure of all or substantially all the assets of Tenant located on the Demised Premises, or of Tenant's interest in this Agreement, unless that seizure is discharged within thirty (30) days;

v. The undertaking of an unreasonable or improper use on the Demised Premises;

vi. Tenant's failure to complete Tenant Improvements as set forth in Section 3.3.4 and in compliance with the terms and conditions of this Agreement;

vii. Tenant's failure to deliver and provide the Non-Monetary Compensation as set forth in Section 5.2.2.

9.2 Replacement of Statutory Notice Requirements. When this Agreement requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notices required by Code of Civil Procedure Section 1161 or any similar or successor statute. If City serves a statutory notice pursuant to Code of Civil Procedure Section 1161 et seq. to declare Tenant's default, City may proceed to obtain a judgment and/or order for possession and/or for any other remedy available at law and/or equity without further notice. When a statute requires service of a notice in a particular manner, service of that notice (or a similar notice required by this Agreement) in the manner required by Section 16.9 shall replace and satisfy the statutory service-of-notice procedures, including those required by Code of Civil Procedure Section 1162 or any similar or successor statute.

9.3 City's Remedies on Tenant's Default. On the occurrence of a default by Tenant, City shall have the right to pursue any one or more of the following remedies in addition to any other remedies now or later available to City at law or in equity. These remedies are not exclusive but are instead cumulative. Any monetary sums that result from application of this Section 9.3 shall be deemed Additional Rent.

9.3.1 Termination of Agreement. City may terminate this Agreement in whole or in part and recover possession of the Premises, in whole or in part. Once City has terminated this Agreement, in whole or in part as the case may be, Tenant shall immediately surrender the Demised Premises, in whole or in part as the case may be, to City. On termination of this

Agreement, pursuant to Civil Code Section 1951.2 or its successor, City may recover from Tenant all of the following:

(a) The worth at the time of the award of any unpaid rent that had been earned at the time of the termination, to be computed by allowing interest at the rate set forth in Item 270 of the Tariff but in no case greater than the maximum amount of interest permitted by law;

(b) The worth at the time of the award of the amount by which the unpaid rent that would have been earned between the time of the termination and the time of the award exceeds the amount of unpaid rent that Tenant proves could reasonably have been avoided, to be computed by allowing interest at the rate set forth in Item 270 of the Tariff but in no case greater than the maximum amount of interest permitted by law;

(c) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term of the Agreement after the time of the award exceeds the amount of unpaid rent that Tenant proves could reasonably have been avoided, to be computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%);

(d) Any other amount necessary to compensate City for all the detriment proximately caused by Tenant's failure to perform obligations under this Agreement, including, without limitation, restoration expenses, expenses of improving the Demised Premises for a new tenant (whether for the same or similar use) brokerage commissions, and any special concessions made to obtain a new tenant; and

(e) Any other amounts, in addition to or in lieu of those listed above, that may be permitted by Applicable Law; and

(f) To the extent that Tenant fails to surrender the Demised Premises after Termination, Tenant agrees that the damages to City for such holdover shall be one hundred fifty percent (150%) of the rent payable for the last month prior to the Termination of this Agreement plus other charges payable under this Agreement, for each and every month of such holdover after Termination.

9.3.2 Continuation of Agreement in Effect. City shall have the remedy described in Civil Code Section 1951.4, which provides that, when a tenant has the right to sublet or assign (subject only to reasonable limitations), the City may continue the Agreement in effect after the tenant's breach and abandonment and recover rent as it becomes due. Accordingly, if City does not elect to terminate this Agreement on account of any default by Tenant, City may enforce all of City's rights and remedies under this Agreement, including the right to recover all rent as it becomes due.

9.3.3 Tenant's Subleases. Whether or not City elects to terminate this Agreement on account of any default by Tenant, City may:

(a) Terminate any sublease, license, concession, or other consensual arrangement for possession entered into by Tenant and affecting the Demised Premises; or

(b) Choose to succeed to Tenant's interest in such an arrangement. If City elects to succeed to Tenant's interest in such an arrangement, Tenant shall, as of the date of notice by City of that election, have no further right to, or interest in, the rent or other consideration receivable under that arrangement.

9.4 Form of Payment After Default. If Tenant fails to pay any amount due under this Agreement within ten (10) days after the due date or if Tenant draws a check on an account with insufficient funds, City shall have the right to require that any subsequent amounts paid by Tenant to City under this Agreement (to cure a default or otherwise) be paid in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to City, or other form approved by City despite any prior practice of accepting payments in a different form.

9.5 Acceptance of Rent Without Waiving Rights. City may accept Tenant's payments without waiving any rights under this Agreement, including rights under a previously served notice of default. If City accepts payments after serving a notice of default, City may nevertheless commence and pursue an action to enforce rights and remedies under the previously served notice of default.

9.6 City's Default. City's failure to perform any obligation under this Agreement, if City fails to commence to cure the failure within thirty (30) business days after delivery of written notice of the failure from Tenant to City, or if the failure continues for ninety (90) days after delivery of such notice unless the failure is such that cannot be cured in ninety (90) days in which case if City fails to diligently cure within a reasonable amount of time.

9.7 Tenant's Remedy on City Default. Tenant's sole remedy for a City default shall be to seek specific performance in a court of competent jurisdiction.

9.8 Damage or Destruction of Improvements.

9.8.1 Insured Damages. If during the Term, any buildings, structures or improvements on the Demised Premises are partially or totally destroyed from a risk covered by the insurance described in Section 12, thereby rendering the Demised Premises partially or totally inaccessible or usable, Tenant must restore the Demised Premises to the extent of the available insurance to substantially the same level of usability for the Permitted Uses as they were immediately before the damage or destruction.

9.8.2 Uninsured Damages. If, during the Term, improvements on the Demised Premises are partially or totally destroyed from a risk not covered by the fire and extended coverage insurance described in Section 12, thereby rendering the Demised Premises partially or totally inaccessible or unusable, such damage or destruction shall not automatically terminate the Agreement. If, however, the cost or restoration exceeds ten percent (10%) of the full replacement value of improvements, as said value existed immediately before such damage or destruction, Tenant may, at Tenant's option, terminate this Agreement by giving City written notice within sixty (60) days from the date of the damage or destruction. If Tenant elects to terminate as above

provided, Tenant may remove from the Demised Premises at its sole cost and expense any cranes, moveable equipment and the like, at its election. Tenant otherwise shall be obligated, unless otherwise directed in writing by City, to demolish all remaining damaged improvements, remove all debris and remediate all Term Contamination as provided in Section 11, at Tenant's sole cost and expense. If Tenant fails to exercise its right to terminate this Agreement, this Agreement shall continue in full force and effect for the remainder of the Term and Tenant shall restore the Demised Premises to substantially the level of usability as they were immediately before the damage or destruction.

Section 10. Force Majeure.

Notwithstanding anything to the contrary in this Agreement, any prevention, delay or stoppage due to strikes; lockouts; labor disputes or shortages; acts of God; inability to obtain labor, materials or reasonable substitutes therefor; governmental or regulatory actions; civil commotions; fire or other casualty; transportation or delivery delays; blocked access rights; acts of a public enemy; war; terrorism; severe weather; tsunami; flood; or earthquake and other causes beyond the reasonable control of the Party obligated to perform (each, an "Event of Force Majeure"), shall, except with regard to either Party's obligation to reimburse the other Party that has already accrued, excuse the performance of such Party for a period equal to any such prevention, delay or stoppage and, therefore, if this Agreement specifies a time period for performance of an obligation of either Party, that time period shall be extended by the period of any delay in such Party's performance caused by an Event of Force Majeure, so long as the non-performing Party diligently attempts to cure the non-performance caused by the Event of Force Majeure. In the event of the happening of any such contingencies, the Party delayed by an Event of Force Majeure shall immediately give the other Party written notice of such contingency, specifying the cause for delay or failure, and such notice from the Party delayed shall be prima facie evidence that the delay resulting from the causes specified in the notice is excusable. The Party delayed by an Event of Force Majeure shall use reasonable diligence to remove the cause of delay, and if and when he contingency which delayed or prevented the performance of a Party shall cease or be removed, the Party delayed shall notify the other Party immediately, and the delayed Party shall recommence its performance of the terms, covenants and conditions of this Agreement. Notwithstanding the foregoing, the term of this Agreement shall not exceed fifty (50) years in length from the effective date of Original Lease No. 904 regardless of the existence of any Event of Force Majeure.

Section 11. Restoration and Surrender of Premises.

11.1 Tenant's Restoration Obligations. On or before the Expiration Date, or any sooner termination of this Agreement, other than by termination pursuant to Section 9 of this Agreement, unless otherwise excused in writing by the Executive Director, Tenant shall be obligated to, as directed by City in its sole and absolute discretion, quit the Premises and surrender possession of the Demised Premises leaving all Demised Premises improvements depicted on Exhibit C as said Exhibit may be modified from time to time during the term of the Agreement (including but not limited to City's and Tenant's Improvements) in good and usable condition, said condition to be consistent with a first class marine research facility of similar age as repaired, maintained and upgraded as required by Section 3.4, Section 4.13, and Section 8. If the condition of the Demised Premises is upgraded during the term of this Agreement, Tenant

shall restore the Demised Premises to the upgraded condition, subject to normal wear and tear. Tenant agrees to remove all debris and sunken hulks from channels, slips and water areas within or fronting upon the Demised Premises not solely caused by City. Tenant expressly waives the benefits of the "Wreck Act" (Act of March 3, 1899) 33 U.S.C. Section 401 et seq. and the Limitation of Liability Acts (March 3, 1851, c. 43, 9 Stat. 635) (June 26, 1884, c. 121, Sec. 18, 23 Stat. 57) 46 U.S.C. 189 (Feb. 13, 1893, c. 105, 27 Stat. 445) 46 U.S.C. Sec. 190-196 and any amendments to these Acts if it is entitled to claim the benefits of such Acts. If City terminates this Agreement pursuant to Section 9, Tenant is also obligated to restore the Demised Premises as provided above or to pay the cost of restoration if City chooses to perform the work. In connection with the foregoing, Tenant, at its sole cost and expense, shall restore the Demised Premises (including their soil, groundwater and sediment) such that, on the Expiration Date, they will be returned to City:

(a) Free of Term Contamination (as defined in Section 6.1.4) and in at least as good of a condition as the condition depicted in the Baseline Report. As between City and Tenant, Tenant shall bear sole responsibility for Term Contamination and any costs related thereto;

(b) Free of any encumbrances including but not limited to deed or land use restrictions as a result of any Term Release (as defined in Section 6.1.3) and/or any liens (UCC, federal or state tax or otherwise) on the Demised Premises or on fixtures or equipment, or personal property left on the Demised Premises;

(c) Free of all personal property placed on the Demised Premises by Tenant or any sub-tenant, including furniture, fixtures or equipment; and

(d) At the option of the City, free of all above- and below-ground works, structures, utilities, improvements and pipelines of any kind, including the saltwater system (collectively referred to as "Structures"), placed on the Demised Premises by Tenant except permanent buildings constructed by Tenant on Parcels B56A, B56B, B57, B70 and B71 and public space areas. If the Demised Premises have been improved by a prior tenant or by both City and a prior tenant, then such Structures which are left on the Demised Premises at Tenant's request or for Tenant's benefit shall also be the responsibility of Tenant except as may be otherwise specified by this Agreement.

11.2 Restoration Procedure. Tenant, at its sole cost and expense, shall initiate and complete the procedure set forth below in Sections 11.2.1 through 11.2.4 and comply with any other conditions reasonably imposed by the Executive Director. Provided that Tenant discharges its obligations under this Section 11.2 expeditiously and in good faith, City shall reasonably endeavor to ensure that such discharge disturbs as little as reasonably possible Tenant's undertaking of the Permitted Uses. The Executive Director may alter or delete any of the procedures set forth in Sections 11.2.1 through 11.2.4 at his or her sole and absolute discretion.

11.2.1 Site Excavation Plan. Not later than two (2) years before the Expiration Date and sooner if requested in writing by the Executive Director, Tenant shall submit to City a

written plan hereinafter referred to as the "Site Vacation Plan," the sufficiency of which is subject to City's reasonable approval, that includes:

(a) If a Term Release has occurred or is reasonably suspected, a work plan detailing all work (including sampling and analysis) necessary to generate a written characterization of the nature and extent of contamination (including contamination of air, soil and water) on the Demised Premises and that includes detailed programs for sampling and chemical analysis of soil and groundwater, which programs shall conform with applicable Environmental Laws, accepted principles of environmental science, established regulatory protocols and the Site Characterization Guidance Manual identified in Section 6.1.5. Such work plan shall be developed with specific reference to determining the then-current environmental condition of the Demised Premises as compared to the condition of the Demised Premises as set forth in the Baseline Report (as defined in Section 6.2.3) and whether any instances of unremediated Term Contamination (as defined in Section 6.1.4) exist. Such work plan shall identify all consultants Tenant intends to use to generate the written characterization. City shall approve such consultants in its sole reasonable discretion;

(b) If a Term Release has occurred or is reasonably suspected, a work plan detailing all work necessary to obtain, at Tenant's sole cost and expense, environmental and other entitlements (pursuant to CEQA, the National Environmental Protection Act ("NEPA") and any other applicable Environmental Laws) necessary to undertake the work contemplated by Section 11.2.1(a);

(c) A description of all liens on the Demised Premises, Improvements, Structures, and/or on fixtures and/or equipment or personal property intended to be left on the Demised Premises following the Expiration Date;

(d) A description of all claims, causes of action, orders or enforcement actions then pending against or in connection with the Demised Premises, the undertaking of the Permitted Uses, and/or this Agreement;

(e) All work including but not limited to demolition, grading and disposal, necessary to remove Improvements or Structures. Tenant shall identify any contractors or consultants proposed to undertake such work, which shall be approved by City in its sole reasonable discretion; and

(f) A written schedule with milestones acceptable to City in its sole reasonable discretion under which entitlements pursuant to Section 11.2.1(b) will be obtained and operations on the Demised Premises will be ramped-down in advance of their cessation on the Expiration Date and the Demised Premises will be readied for turnover to the City on the Expiration Date.

11.2.2 Preliminary Site Closure Report. If a Term Release has occurred or is reasonably suspected, Tenant shall, following City's written approval of Tenant's Site Vacation Plan and not later than eighteen (18) months before the Expiration Date, or sooner if requested in writing by the Executive Director, submit to City a written report hereinafter referred to as the

"Preliminary Site Closure Report," the sufficiency of which is subject to City's reasonable approval, that includes:

(a) All findings of the characterization required by Section 11.2.1 with substance and format that conforms with the Site Characterization Guidance Manual identified in Section 6.1.5;

(b) If the characterization required by Section 11.2.1 results in a finding that Term Contamination exists, a remediation action plan to City, the sufficiency of which is subject to City's reasonable approval, that addresses remediation of all such Term Contamination and that (i) conforms with Section 11.1; and (ii) includes a discussion of remedial action alternatives for restoration of the Demised Premises and a timetable for each phase of restoration ("Expiration Remediation Action Plan"). The Expiration Remediation Action Plan shall conform with applicable Environmental Law, established regulatory protocols, accepted principles of environmental science and the Site Characterization Guidance Manual. Consultants or contractors selected by Tenant to perform such work shall be subject to City's reasonable written approval;

(c) A report detailing the status of the removal of any liens identified in connection with Section 11.2.1;

(d) A report detailing the status of any claims, causes of action, orders or enforcement actions identified in connection with Section 11.2.1; and

(e) An updated schedule with milestones acceptable to City in its sole reasonable discretion under which operations on the Demised Premises will be ramped-down in advance of their cessation on the Expiration Date and the Demised Premises will be readied for turnover to the City on the Expiration Date.

11.2.3 Commencement of Remediation. Following City's written approval of Tenant's Preliminary Site Closure Report, and not later than one (1) year before the Expiration Date, or sooner if requested in writing by the Executive Director, Tenant shall:

(a) Commence remediation of any Term Contamination in accordance with the Expiration Remediation Action Plan. Consultants or contractors selected by Tenant to perform such work shall be subject to City's reasonable written approval;

(b) Provide a report detailing the status of the removal of any liens identified in connection with Section 11.2.1;

(c) Provide a report detailing the status of any claims, causes of action, orders or enforcement actions identified in connection with Section 11.2.1; and

(d) Provide an updated schedule with milestones acceptable to City in its sole reasonable discretion under which entitlements pursuant to Section 11.2.1(b) will be obtained and operations on the Demised Premises will be ramped-down in

advance of their cessation on the Expiration Date and the Demised Premises will be readied for turnover to the City on the Expiration Date.

11.2.4 Completion of Remediation. Not later than six (6) months before the Expiration Date, or sooner if requested in writing by the Executive Director, Tenant shall have:

(a) Completed the remediation required by the Expiration Remediation Action Plan, and have submitted to City a report certified by the consultant(s) performing the remediation confirming same;

(b) Resolved and removed all liens identified in connection with Section 11.2.1 to the reasonable satisfaction of City;

(c) Resolved all claims, causes of action, orders or enforcement actions identified in connection with Section 11.2.1 to the reasonable satisfaction of City and any governmental agencies with jurisdiction over such claims, causes of action, orders or enforcement actions;

(d) Obtained, at its sole cost and expense, all necessary entitlements pursuant to Section 11.2.1(b); and

(e) Submitted an updated schedule with milestones acceptable to City in its sole reasonable discretion under which operations on the Demised Premises will be ramped-down in advance of their cessation on the Expiration Date and the Demised Premises will be readied for turnover to the City on the Expiration Date.

11.2.5 Adequacy of Remediation. Subject to orders or directives issued by any regulatory agency with jurisdiction which orders or directives shall take precedence over this Section 11.2.5, the adequacy of Tenant's compliance with the Expiration Remediation Action Plan requirements shall be within the sole reasonable discretion of City. Tenant shall notify the Executive Director in writing when it believes it has completed all work contemplated by the Expiration Remediation Action Plan.

11.3 Restoration Indemnity. In addition to and not as a substitute for any remedies provided by this Agreement or at law or equity, Tenant shall defend, indemnify and hold harmless City from any and all claims and/or causes of action brought against City and from all damages and costs which arise out of or are related to:

(a) Claims brought by holders of liens on the Premises, Improvements, Structures, and/or on fixtures and/or equipment or property left on the Demised Premises following the Expiration Date; and

(b) Claims, causes of action, orders or enforcement actions pending against or in connection with any portion of the Demised Premises of which Tenant has taken possession pursuant to Section 3.2 of this Agreement, the Permitted Uses and/or this Agreement.

Such indemnity is intended to and shall survive the expiration or earlier termination of this Agreement.

11.4 Relocation Assistance. Nothing contained in this Agreement shall create any right in Tenant or any subtenants for relocation assistance or payment from City upon expiration or termination of this Agreement (whether by lapse of time or otherwise) or upon the early termination resulting from breach of Section 3 requirements including but not limited to acceptance, possession or delivery of Tenant Improvements. Tenant acknowledges and agrees that it and any subtenants shall not be entitled to any relocation assistance or payment pursuant to the provisions of any state or federal law, including Title 1, Division 7, Chapter 16 of the California Government Code (Sections 7260 et seq.), or any subsequent enactment, with respect to any relocation of its business or activities upon the expiration of the term of this Agreement or upon its earlier termination or upon the termination of any holdover.

11.5 Demolition of Improvements; Acceptance of Improvements. If Tenant's Improvements are required to be removed under the terms of this Agreement and are not removed on or before the earlier to occur of the date of the termination of this Agreement or the Expiration Date, City shall have the right, but not the obligation, to remove and/or demolish same and restore the Demised Premises at Tenant's cost. In that event, Tenant agrees to pay to City, upon demand, City's costs (as defined in Section 8.3) of any such removal or demolition or restoration, but only to the same level required of Tenant hereunder. Notwithstanding the foregoing, City reserves the right to accept any works, buildings or other improvements upon the Demised Premises, including a change in the grade thereof, constructed or altered pursuant to this Section 11 in lieu of restoration of the Demised Premises to their condition prior to such construction or Alteration.

Section 12. Indemnity and Insurance.

12.1 Indemnity.

12.1.1 Generally. Except as may arise from the sole negligence or willful misconduct of City, Tenant shall at all times relieve, indemnify, protect and save harmless City and any and all of its boards, officers, agents and employees from any and all claims and demands, actions, proceedings, losses, liens, costs and judgments of any kind and nature whatsoever, including cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), for death of or injury to persons, or damage to property, including property owned by or under the care and custody of City, and for civil fines and penalties that may arise from or be caused directly or indirectly by:

(a) Any dangerous, hazardous, unsafe or defective condition of, in or on the Demised Premises, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Demised Premises by Tenant, its officers, agents, employees, subtenants, licensees or invitees;

(b) Any operation conducted upon or any use or occupation of the Demised Premises by Tenant, its officers, agents, employees, subtenants, licensees or invitees under or pursuant to the provisions of this Agreement or otherwise;

(c) Any act, error, omission, willful misconduct or negligence of Tenant, its officers, agents, employees, subtenants, licensees or invitees, regardless of whether any act, omission or negligence of City, its officers, agents or employees contributed thereto;

(d) Any failure of Tenant, its officers, agents or employees to comply with any of the terms, conditions and obligations of this Agreement or any applicable federal, state, regional, or municipal law, ordinance, rule or regulation; or

(e) The conditions, operations, uses, occupations, acts, omissions or negligence referred to in subsections (a) through (d) above, existing or conducted upon or arising from the use or occupation by Tenant or its invitees on any other premises within the "Harbor District," as defined in City's Charter.

12.1.2 City's Non-Insured Losses. Tenant also agrees to indemnify City and pay for all damages or loss suffered by City and City's Harbor Department, including but not limited to damage to or loss of City property, to the extent not insured by City, and loss of City revenue from any source, caused by or arising out of the conditions, operations, uses, occupations, acts, omissions or negligence referred to in this Section 12.1. The term "persons" as used in this Section 12.1 shall include, but not be limited to, officers and employees of Tenant.

12.1.3 Term Contamination Losses. Tenant shall also indemnify, defend and hold City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution of the value of the Demised Premises, damages for loss or restriction on use of rentable or useable space or of any amenity of the Demised Premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Agreement term as a result of Term Contamination for which Tenant is otherwise responsible for under the terms of this Agreement. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean up, remedial, removal or restoration work required by any federal, state or local governmental agency because of Term Contamination present in the soil or groundwater on or under the Demised Premises.

12.1.4 **Existing Soil Conditions at Parcels B58, B59, B60 and B61A**. City and Tenant acknowledge that certain proposed Tenant improvements at Parcels B58, B59, B60 and B61A will be placed on existing Uncertified Fill or new fill placed on top of existing uncertified fill soils. The purpose of this Section 12.1.4 is to meet requirements of the Los Angeles Department of Building and Safety ("LADBS") for the issuance of building permits so Tenant may proceed with improvements at Parcels B58, B59, B60 and B61A on uncertified fill without being required by LADBS to add pilings or perform other extraordinary work within the uncertified soil. If after the effective date of this Agreement, the actions described herein are not satisfactory to LADBS for the issuance of permits for improvements to be made without pilings or other extraordinary soils work, Landlord and Tenant shall meet and confer in good faith to resolve such issue so as to allow the construction to proceed as intended by this Agreement. The parties agree that any time or scheduling delays experienced by either party, resulting directly or indirectly from decisions and actions taken by LADBS, may be considered an Event of Force

Majeure pursuant to Section 10 of this Agreement. In order for the development of Parcels B58, B59, B60 and B61A to proceed on uncertified fill, City and Tenant hereby agree to the following:

(a) Tenant undertakes and agrees to defend, indemnify and hold harmless City, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Tenant's employees and agents, or harm, damage, or destruction of any kind of any property of either party hereto or of third parties, arising in any manner or caused by, either directly or indirectly, Landlord's issuance of the letter required by sub-section 12.1.4 (d), the issuance of any applicable and resulting permit(s), any and all work performed pursuant to such permit(s), and any settlement of soil resulting from any and all work performed at Parcels B58, B59, B60, or B61A.

(b) Tenant shall require that any sublease or other occupancy granted to authorized Subtenants or other permitted occupants of Parcels B58, B59, B60 or B61A includes a hold harmless provision for the benefit of the City as provided for in Section 12.1.4(a). Any such hold harmless provision shall not relieve Tenant of its obligations to City pursuant to Section 12.1.4(a).

(c) Prior to the issuance of any permit for construction or improvements at Parcels B58, B59, B60 or B61A, Tenant shall submit a letter from a certified structural engineer to LADBS, affirming that the proposed work to be covered under the proposed permit can be supported by the existing warehouse floor and/or the existing uncertified fill or new fill placed on top of the existing uncertified fill.

(d) Within ten (10) business days of the effective date of this Agreement, Tenant shall acknowledge by signature and the Executive Director shall sign and submit three originals of the letter in Exhibit R to LADBS. Upon execution of the letter by all three entities, one original shall remain with LADBS and one original shall be distributed to each of the parties to this Agreement. The parties agree that the sample letter in Exhibit R may be replaced with a three-party original executed letter without further approval by either party.

12.1.5 Survival of Obligations. The indemnity obligations in this Section 12.1 shall survive the expiration or earlier termination of this Agreement and shall apply regardless of the active or passive negligence of City and regardless of whether liability without fault or strict liability is imposed or sought to be imposed on City.

12.2 Insurance. Tenant shall procure and maintain at its expense and keep in force during the times indicated the following insurance:

12.2.1 General Requirements. Insurance procured by Tenant at any time during the term of this Agreement shall include the following features:

(a) Notice of Cancellation. Each insurance policy shall provide that it will not be cancelled or reduced in coverage until after the Harbor Department's Risk Manager has been given a ten (10) days' written notice of cancellation for nonpayment of premium and a thirty (30) days' written notice of cancellation for any other reason.

(b) Acceptable Evidence and Approval of Insurance. Electronic submission is the required method of submitting Tenant's insurance documents. Track4LA® is the City's online insurance compliance system. Tenant's insurance broker or agent shall obtain access to Track4LA@at http://track4la.lacity.org/ and follow the instructions to register and submit the appropriate proof of insurance on Tenant's behalf. In the event that Tenant or its broker or agent experiences any difficulties using Track4LA®, Tenant shall contact a Harbor Department representative.

(c) Renewal of Policies. Prior to the expiration of each policy, Tenant shall show through submitting to Track4LA® that the policy has been renewed or extended or, if new insurance has been obtained, submit the appropriate proof of insurance to Track4LA®. If Tenant neglects or fails to secure or maintain the required insurance, or if Tenant fails to submit proof of insurance as required above, the City's Harbor Department may, at its option and at the expense of Tenant as Additional Rent, obtain such insurance for Tenant.

(d) Modification of Coverage. The Executive Director, at his or her discretion, based upon recommendation of independent insurance consultants to City, may request that Tenant increase or decrease amounts and types of insurance coverage required hereunder at any time during the term hereof by giving ninety (90) days' prior written notice to Tenant. The modification of coverage will occur no less than every five years of the term to insure that the coverage amounts are consistent with industry standards at the time of the modification for the Permitted Uses of the Demised Premises.

(e) Accident Reports. Tenant shall report in writing to the Executive Director within fifteen (15) days after it, its officers or managing agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of Fifty Thousand Dollars ($50,000) to property, occurring upon the Demised Premises, or elsewhere within the Harbor District, if Tenant's officers, agents or employees are involved in such an accident or occurrence while undertaking the Permitted Uses. Such report shall contain to the extent available: (1) the name and address of the persons involved; (2) a general statement as to the nature and extent of injury or damage; (3) the date and hour of occurrence; (4) the names and addresses of known witnesses; and (5) such other information as may be known to Tenant, its officers or managing agents.

12.2.2 Insurance Required. Prior to taking possession of any Parcel or portion thereof, Tenant shall provide written evidence to the Harbor Department's Risk Manager, pursuant to Section 16.9 of this Agreement, that Tenant, and/or any subtenants where applicable, shall have in effect at the time of taking possession of such Parcel(s) or portion thereof, and shall maintain during the Term of the Agreement, the following amounts and types of insurance. Further, Tenant shall update such insurance throughout the Term of the Agreement as Parcels are added to the Demised Premises so that the Demised Premises is continually insured in the following amounts and types of insurance during the Term of the Agreement.

(a) Commercial General Liability. Commercial general liability insurance, including contractual liability, auto liability and property damage insurance written by an insurance company authorized to do business in the State of California, or approved by the California Department of Insurance as a surplus lines insurer eligible to do business in California, rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if a Best's Rating is not available) with Tenant's normal limits of liability, but not less than Five Million Dollars ($5,000,000) for injury or death to one or more persons arising out of each accident or occurrence and Five Million Dollars ($5,000,000) for property damage for each accident or occurrence. Tenant shall also procure and maintain at its expense and keep in force at all times during the term of this Agreement automobile insurance with limits of liability not less than Five Million Dollars ($5,000,000) covering injuries or death resulting from each accident or claim arising out of any one claim or accident. Where Tenant, Tenant's sublessees, licensees or invitees provides or dispenses alcoholic beverages, Host Liquor Liability coverage shall be provided as above. Where Tenant, Tenant's sublessees, licensees or invitees provide pyrotechnics, Tenant shall obtain, or require such sublessees, licensees or invitees to obtain, Pyrotechnics Liability as provided above. Said limits shall provide first dollar coverage except that the Executive Director may permit a self-insured retention or self-insurance in those cases where, in his or her judgment, such retention or self-insurance is justified by the net worth of Tenant. The retention or self-insurance provided shall provide that any other insurance maintained by the Department shall be excess of Tenant's insurance and shall not contribute to it. In all cases, regardless of any deductible or retention, said insurance shall contain a defense of suits provision and a severability of interest clause.

The submitted policy shall, in addition, provide the following coverage either in the original policy or by endorsement substantially as follows:

"Notwithstanding any inconsistent statement in the policy to which this endorsement is attached, or any endorsement or certificate now or hereafter attached hereto, it is agreed that City, the Board, their officers, agents and employees, are additional insureds hereunder, and that coverage is provided for all operations, uses, occupations, acts and activities of the insured under Lease No. 904 and under any amendments, modifications, extensions or renewals of said Lease regardless of whether such operations, uses, occupations, acts and

activities occur on the Demised Premises or elsewhere within the Harbor District.

The policy to which this endorsement is attached shall provide a ten (10) days' prior written notice of cancellation for nonpayment of premium, and a thirty (30) days' prior written notice of cancellation for any other reasons to the Harbor Department's Risk Manager;

The coverage provided by the policy to which this endorsement is attached is primary coverage and any other insurance carried by City is excess coverage;

In the event of one of the named insureds incurring liability to any other of the named insureds, this policy shall provide protection for each named insured against whom claim is or may be made, including claims by other named insureds, in the same manner as if separate policies had been issued to each named insured. Nothing contained herein shall operate to increase the company's limit of liability; and

Notice of occurrences or claims under the policy shall be made to the Risk Manager of City's Harbor Department with copies to the City Attorney's Office."

(b) Fire Legal Liability. In addition to and concurrently with the aforesaid insurance coverage, Tenant shall also secure and maintain, either by an endorsement thereto or by a separate policy, fire legal liability insurance with a minimum limit of Two Hundred Fifty Thousand Dollars ($250,000), covering legal liability of Tenant for damage or destruction to the works, buildings and improvements owned by City provided that said minimum limits of liability shall be subject to adjustments by the Executive Director to conform with the deductible amount of the fire insurance policy maintained by the Board, with waiver of subrogation in favor of Tenant so long as permitted by the Board's fire insurance policy, upon thirty (30) days' prior written notice thereof to Tenant at any time during the term of this Agreement. Said policy shall include an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents and employees as additional insureds, a 10-days' notice of cancellation for nonpayment of premium, and a 30-days' notice of cancellation for any other reasons.

(c) Ocean Marine Liability. Tenant shall ensure that Tenant or any subtenant procures and/or maintains insurance against claims for injuries to persons or damages to property which may arise from or in connections with Tenant or subtenant's operations. The cost of the insurance shall be borne by Tenant or subtenant. The coverage shall be written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if Best's Rating is not available). Coverage shall include, but not be limited to:

i. Hull and machinery coverage up to the value of the vessel(s);

ii. Protection and Indemnity coverage with combined single limits of Five Million Dollars ($5,000,000) per occurrence for bodily injury, illness, death, loss of or damage to the property of another, and Jones Act risks or equivalent thereto internationally.

iii. Ship repairer's legal liability to cover loss, damage or expenses to any property temporarily in the Tenant's care, custody or control.

Coverage shall contain a defense of suits provision and a severability of interest clause. Each policy shall also contain an additional insured endorsement (CG 2010 or equivalent) naming the City of Los Angeles Harbor Department, its officers, agents, and employees as Primary additional insureds, a 10-days' notice of cancellation for nonpayment of premium, and a 30-days' notice of cancellation for any other reasons.

(d) All Risk Property Insurance. Upon completion of any Tenant Improvements, Tenant shall secure, and shall maintain at all times during the term of this Agreement, All Risk Property insurance that requires the Tenant to insure the works, structures and improvements erected by Tenant on the Demised Premises on an "All Risk" basis equal to full replacement cost of the property with no coinsurance clause. Coverage shall include a "Loss Payee" endorsement where losses payable under this policy shall be adjusted with the named insured and paid to the "City of Los Angeles Harbor Department" as its interests may appear. Additionally, evidence of Business Interruption and Extra Expense insurance in such amounts as will cover all rent and other monies payable to the Harbor Department and will reimburse Tenant for direct and indirect loss of earnings due to a covered peril for a period of at least twelve (12) months.

Said policy shall include a 10-days' notice of cancellation for nonpayment of premium, and a 30-days' notice of cancellation for any other reasons.

(e) Workers' Compensation. Tenant shall secure the payment of compensation to employees injured while performing work or labor necessary for and incidental to performance under this Agreement in accordance with Section 3700 of the Labor Code of the State of California. Tenant shall file with the City one of the following: 1) a certificate of consent to self-insure issued by the Director of Industrial Relations, State of California; 2) a certificate of Workers' Compensation insurance issued by an admitted carrier; or 3) an exact copy or duplicate thereof of the policy certified by the Director or the insurer. Such documents shall be filed prior to delivery of Demised Premises. Where Tenant has employees who are covered by the United States Longshore and Harbor Workers' Compensation Act, Tenant shall furnish proof of such coverage to the City. It is suggested that Tenant consult an insurance professional of its choosing to determine whether its proposed operation methods will render its employees subject to coverage under such Act. All Workers' Compensation insurance submitted to City shall include an endorsement providing that any carrier paying benefits agrees to waive any right of subrogation it may have against City.

(f) Environmental Impairment Liability Insurance. Should Tenant's operations involve the storage or use of any type of hazardous materials or pollutants, the Tenant or any subtenant will be required to maintain environmental impairment liability insurance which shall include coverage for bodily injury, property damage, including third-party claims for on-site and off-site bodily injury and property damage, clean-up and defense, with a limit of at least Five Million Dollars ($5,000,000) per occurrence, which is to remain in effect at least five (5) years after the termination of the Agreement.

12.2.3 Additional Insurance Requirements Related to Design and Construction. In addition to the foregoing insurance requirements in Section 12.2.2, Tenant shall procure and maintain the following insurance for any design and/or construction period.

(a) Professional Liability. Tenant is required to provide Professional Liability insurance with respect to negligent or wrongful acts, errors or omissions, or failure to render services in connection with the professional services to be performed during the term of this Agreement. This insurance shall protect against claims arising from professional services of the insured, or by its employees, agents, or contractors, and include coverage (or no exclusion) for contractual liability.

Tenant and/or its contractors or consultants providing professional services, shall have professional liability insurance in the amount of Two Million Dollars ($2,000,000), which covers work to be performed pursuant to this Agreement and keep such insurance or its equivalent in effect at all times during performance of said work and until two (2) years following issuance of a certificate of occupancy, and in cases where a certificate of occupancy is not required, until two (2) years following construction completion. Policies shall include a 10-days' notice of cancellation for nonpayment of premium, and a 30-day notice of cancellation for any other reasons. Notice of occurrences of claims under the policies for this Agreement shall be made to the City Attorney's Office with copies to Risk Management.

(b) All Risk Builder's Risk Insurance/Installation Floater.

i. Except as provided in Section (b)(ii) below, Tenant shall, at the Tenant's own expense, provide all risk builder's risk insurance covering loss, damage or destruction of property, including material in transit and stored on and off site, satisfactory to the City, in an amount at least equal to the value of the construction and materials on hand. Tenant shall keep such policy in force until a certificate of use or occupancy is issued by City of Los Angeles Building and Safety Department for any Tenant Improvement. Acceptable evidence of coverage shall name the City, its boards, officers, agents and employees as an additional named insureds and as loss payee as its interest may appear.

ii. Tenant need not provide all risk builder's risk insurance for fills; excavations; rock work; concrete or masonry walls and bulkheads retaining earth; foundations entirely below ground or in earth fill; pipe,

sewer systems, conduit, and electric light and power systems entirely below ground or submerged; ballast and grading for railroad tracks on or in earth; pavements, sidewalks and pits on solid earth or in fill outside of buildings; incombustible poles, area lighting and metal fencing not attached to exterior or interior of buildings. Tenant is not relieved of the obligation to rebuild these improvements when damaged.

iii. An installation risk or "floater" policy, written to cover only specific types of equipment during construction, may be provided to cover damage to work or high valued equipment or materials.

12.2.4 Right to Self-Insure. Upon written approval by the Executive Director, Tenant may self-insure if the following conditions are met:

(a) Tenant has a formal self-insurance program in place prior to execution of this Agreement. If a corporation, Tenant must have a formal resolution of its board of directors authorizing self-insurance.

(b) Tenant agrees to protect the City, its boards, officers, agents and employees at the same level as would be provided by full insurance with respect to types of coverage and minimum limits of liability required by this Agreement.

(c) Tenant agrees to defend the City, its boards, officers, agents and employees in any lawsuit that would otherwise be defended by an insurance carrier.

(d) Tenant agrees that any insurance carried by Department is excess of Tenant's self-insurance and will not contribute to it.

(e) Tenant provides the name and address of its claims administrator.

(f) Tenant submits its most recently filed 10-Q and its 10-K or audited annual financial statements for the three most recent fiscal years prior to the Executive Director's consideration of approval of self-insurance and annually thereafter.

(g) Tenant agrees to inform Department in writing immediately of any change in its status or policy which would materially affect the protection afforded Department by this self-insurance.

(h) Tenant has complied with all laws pertaining to self-insurance.

Section 13. Tenant Transfers of Interest in Agreement.

13.1 Transfers Prohibited. Other than provided for in Sections 13.4 and 13.9, and unless processed and approved strictly in accordance with this Section 13, no transfer of this Agreement, or any interest therein or any right or privilege thereunder, regardless of whether accomplished by a separate agreement, sale of stock or assets, merger or consolidation or reorganization by or of Tenant (or any entity that directly or indirectly controls or owns fifty percent (50%) or more of Tenant), or accomplished in any other manner, whether voluntary or

by operation of law, including but not limited to assignment, sublease, transfer, gift, hypothecation or grant of total or partial control, or any encumbrance of this Agreement (hereafter collectively referred to as "Transfer"), shall be valid or effective for any purpose. For purposes of this Agreement, "Transfer" also shall include the involvement of Tenant or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise) whether or not a formal assignment or hypothecation of this Agreement or Tenant's assets, which involvement results in a reduction of the net worth of Tenant (defined as the net worth of Tenant, excluding guarantors, established by generally accepted accounting principles) by an amount greater than twenty-five percent (25%) of such net worth as it was represented at the time of the execution of this Agreement, or at the time of the most recent Transfer to which City has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater. For purposes of this Section 13, the term "by operation of law" includes but is not limited to: (1) the placement of all or substantially all of Tenant's assets in the hands of a receiver or trustee; or (2) a transfer by Tenant for the benefit of creditors; or (3) transfers resulting from the death or incapacity of any individual who is a Tenant or of a general partner of a Tenant (except as provided in Section 13.9.2 below).

13.2 Procedure to Obtain Consent to Transfer. Notwithstanding the prohibition set forth in Section 13.1, if Tenant desires to undertake a Transfer, it may seek City's consent thereto. Tenant covenants that before entering into or permitting any Transfer, it shall provide to City written notice at least thirty (30) days before the proposed effective date of the Transfer. Notwithstanding the foregoing, City reserves the right to allow Tenant, on a case-by-case basis, to submit to City for City's consent Transfers that have become effective. In any event, Tenant's written request to City for consent shall hereinafter be referred to as "Transfer Notice."

13.2.1 Tenant's Transfer Notice shall contain each of the following:

(a) Specific identification of the entity or entities with whom Tenant proposes to undertake the Transfer ("Transferee");

(b) Specific and detailed description of the Transferee's entity type, ownership (including identification of all parent and subsidiary entities), background/history, nature of the Transferee's business, Transferee's character and reputation and experience in the operations proposed;

(c) Specific and detailed description of the type of Transfer proposed (e.g., assignment, sublease, grant of control, etc.) and the rights proposed to be transferred;

(d) Specific and detailed description of the operations proposed to be undertaken at the Premises by Tenant and Transferee if City consents to the Transfer which includes a breakdown of the responsibilities and duties of Tenant and Transferee;

(e) All of the terms of the proposed Transfer, including the total consideration payable by Transferee; the specific consideration (if any) payable by

Transferee in connection with the Premises and/or uses under this Agreement if the proposed Transfer is part of an acquisition or purchase that involves assets outside this Agreement; the proposed use of the Premises; the effective date of the proposed Transfer; and a copy of all documentation concerning the proposed Transfer;

(f) The proposed form of a guaranty or guaranties providing greater or substantially the same protection to City as any guaranty in effect prior to or contemporaneous with the proposed Transfer;

(g) A business plan for the Transferee including specific estimates of revenue anticipated under each of the following categories: existing contracts, contracts under negotiation and other specified sources;

(h) A general description of any planned Alterations or improvements to the Premises;

(i) A description of the worth of the proposed Transferee including an audited financial statement;

(j) Any further information relevant to the proposed Transfer that City reasonably requests; and

(k) Written authorization in a form acceptable to City allowing City to inspect and review but not to copy, at times and locations reasonably selected by City, any books and records or other information of Tenant or Transferee (or third-parties acting for or on either of their behalves) reasonably determined by City to be necessary for its assessment of Tenant's request for consent.

13.2.2 If City consents to a Transfer, the following limits apply:

(a) City does not agree to waive or modify the terms and conditions of this Agreement;

(b) Such consent does not constitute either consent to any further or other Transfer by either Tenant or Transferee or a bar disqualifying submittal of additional Transfer Notices in accordance with the terms of this Agreement following such consent;

(c) If, following such consent, Tenant remains a Party to this Agreement, Tenant shall remain liable under this Agreement and any guarantor shall remain liable under its guaranty;

(d) Such consent shall not transfer to the Transferee any option granted to the original Tenant by this Agreement unless such transfer is specifically consented to by City in writing;

(e) Tenant may enter into that Transfer in accordance with this Section 13 if: (a) the Transfer occurs within six (6) months after City's consent; (b) the

Transfer, in the sole and absolute discretion of the Executive Director, is on substantially the same terms as specified in the Transfer Notice; and (c) Tenant delivers to City promptly after execution an original executed copy of all documentation pertaining to the Transfer in a form reasonably acceptable to City;

(f) If the Transfer occurs more than six (6) months after City's consent or, in the sole and absolute discretion of the Executive Director, the terms of the Transfer materially change from those in the Transfer Notice, Tenant shall submit a new Transfer Notice under this Section 13, requesting City's consent. A material change for purposes of this Section 13 is one the terms of which would have entitled City to refuse to consent to the Transfer initially, or would cause, in the sole and absolute discretion of the Executive Director, the proposed Transfer to be more favorable to Transferee than the terms in the original Transfer Notice; and

(g) Tenant and/or Transferee, upon City's written request, shall provide proof, in a form satisfactory in the sole reasonable discretion of the Risk Manager of City's Harbor Department, demonstrating that insurance of the type and limits required by Section 12 is and shall be in full effect at all times in or around the time period in which the proposed Transfer is anticipated to occur. If requested in writing by City, Transferee shall provide a guaranty agreement in a form acceptable to City obligating Transferee to pay any uninsured or underinsured loss on a claim that, in City's sole and absolute discretion, would have been covered by insurance fully compliant with Section 12.

(h) Transferee shall execute and deliver a written acceptance of assignment in a form acceptable to City in which Transferee expressly assumes all of Tenant's obligations under the Agreement.

13.3 Factors Germane to City Consent. In evaluating any Transfer Notice, it shall not be unreasonable for City to withhold or condition its consent to a Transfer based on the following factors, among others:

(a) The net worth, financial condition and creditworthiness of the Transferee and the existence of any guaranty provided by the Transferee's parent or related entity(ies);

(b) The character, experience and reputation of the Transferee (or its operator) in operating the business contemplated by the Transfer;

(c) Whether the Transfer will negatively impact the short-term or long-term development, land use or other plans of City's Harbor Department, and whether consent to such Transfer would violate any of the legal duties of City's Harbor Department, including duties owed to other tenants;

(d) Whether the proposed Transfer is consistent with the terms and conditions of this Agreement in existence when Tenant submitted the Transfer Notice and with the laws, rules and regulations applicable to the Premises and Tenant's use thereof;

(e) Whether the information provided by Tenant in connection with Section 13.2.1 justifies such consent;

(f) The Transferee's level of commitment and specific plans to invest to improve the Premises following approval of the proposed Transfer, if any.

13.4 Permitted Transfers.

13.4.1 Subleasing Permitted. Tenant may enter any sublease, license, concession agreement, or any other similar arrangement, or extend, review, or modify or terminate any such agreement provided that such agreement does not affect or reduce any obligations of Tenant or rights of the City under this Agreement and is in compliance with the following provisions:

(a) Business Tenants (Parcels B58-B60): Tenant may enter into subleases consistent with a Business Plan and Sublease Template that are approved by the Board. Tenant must submit Transfer Notices for all subleases that are covered within the Business Plan to the Executive Director to confirm compliance with the approved Business Plan.

(b) Board approved Business Plan for Parcels B58-B60. The Tenant may submit a Business Plan, applicable to Parcels B58-B60, for consideration by the Board at any time during the Term of this Agreement. The plan shall include, but not be limited to, the following terms; (i) the sublease duration term for different types of businesses; (ii) a minimum percentage amount for Tenant to receive from subtenants for business incubator income equity and royalty sharing if applicable based on whether the entity is a startup or well established business unit; and (iii) termination rights for non-performance by subtenants. Once approved, such Business Plan shall be attached hereto as Exhibit N-1 and Sublease Template as Exhibit N-2.

(c) Subleasing to academic and government entities. Except as provided in Section (d) below, Tenant is hereby authorized to sublease for a term not to exceed ten (10) years to any California college or university, and state and federal government agencies consistent with the terms of this Agreement. All such subleases shall be submitted to the Executive Director for review for compliance with terms and conditions of this Agreement. Unless the Executive Director disapproves such subleases, or provides written comments to Tenant, within sixty (60) days of Tenant's submittal, the sublease shall be deemed approved. In the event of a disagreement between the Executive Director and Tenant regarding any such sublease, the sublease shall be processed pursuant to the procedures established in Section 13.2.

(d) Subleasing to SCMI. Tenant is hereby authorized to sublease Parcel B57 for a term not to exceed twenty-five (25) years to the Southern California Marine Institute (SCMI) provided:

(i) the Board approves the sublease document with a term not to exceed twenty-five (25) years, which approval shall occur concurrently with

approval of this Agreement, and such sublease is attached hereto as Exhibit N-3; and

(ii) Tenant and SCMI shall have three (3) years from the Effective Date of this Agreement to execute said sublease.

(e) Any proposed sublease not covered by Section 13.4.1 (a), (b), (c), or (d) that is in compliance with this Agreement and does not exceed the five (5) year term shall be subject to approval by the Executive Director, which approval shall not be unreasonably withheld.

(f) Any proposed sublease not covered by Section 13.4.1 (a), (b), (c), (d) or (e) that is in compliance with this Agreement and does exceed the five (5) year term shall be subject to the approval of the Board, which approval shall not be unreasonably withheld.

13.4.2 Non-Disturbance and Attornment. Tenant may, from time to time, request that City enter into a Non-Disturbance and Attornment Agreement with respect to any sublease. If Tenant makes such a request, Tenant shall provide City with a copy of such sublease for Board's review and approval which shall not be unreasonably withheld, delayed, or conditioned as to: (a) the financial terms of the sublease; (b) the financial capacity of the sublessee; and (c) compliance of the sublease with provisions of this Agreement, including the use restrictions. City shall not be required to enter into any Non-Disturbance and Attornment Agreement with respect to any sublease or sublessee to which the City has not been notified or consented, as applicable. City shall respond (either positively or negatively) in writing to Tenant's request within thirty (90) days of City's receipt of such request.

13.5 Charter and Administrative Code. Tenant acknowledges that this Agreement is subject to the Charter of City and the Administrative Code of City and that approval of a Transfer may require action by several separate entities, including but not limited to the Los Angeles City Council.

13.6 Tenant Remedies. If City wrongfully denies or conditions its consent, Tenant may seek only declaratory and/or injunctive relief. Tenant specifically waives any damage claims against City in connection with the withholding or conditioning of consent.

13.7 Indemnity in Favor of City. In addition to and not as a substitute for the indemnities Tenant provides to City pursuant to Section 12 of this Agreement, Tenant shall indemnify, defend and hold harmless City and any and all of its boards, officers, agents, or employees from and against any and all claims and/or causes of action of any third-party (including but not limited to Transferee) arising out of or related to a proposed Transfer.

13.8 Rent or Performance. City in its sole discretion may accept rent or performance of Tenant's obligations under this Agreement from any person other than Tenant pending approval or disapproval of a Transfer. City's exercise of discretion to accept rent or performance shall be reflected in writing.

13.9 Transfers of Ownership.

13.9.1 Ownership or Control. The transfer of more than twenty-five percent (25%) of the economic interest in Tenant or any entity that directly or indirectly controls or owns fifty percent (50%) or more of Tenant in one or more transactions, regardless of whether Tenant is a publicly or privately held entity, shall constitute a Transfer within the meaning of Section 13.1.

13.9.2 Partnerships. If Tenant is a partnership, any transfer or attempted transfer by any general partner of Tenant of more than twenty-five percent (25%) of its partnership interest in Tenant in one or more transactions shall be a prohibited Transfer within the meaning of Section 13.1. Notwithstanding the foregoing, if any transfer of a general partner's interest is due to the death of a general partner and results in the transfer to the immediate members of the general partner's family, who will be immediately and personally involved in the operation of the partnership, the City will not unreasonably withhold its consent to such transfer.

13.9.3 Guarantor. If a parent or other entity has guaranteed or otherwise secured any or all of Tenant's obligations under this Agreement and if the ownership, makeup or financial condition of such parent or other entity has, in the sole reasonable discretion of the Executive Director, materially changed at any point during the term of this Agreement, the right is reserved for City to require amendments of such guarantee, the provision of new security, or a combination thereof reasonably required by the Executive Director to maintain the level of security as provided by the original guarantee. Following the effective date, Tenant shall have a continuing obligation to notify City in writing of any and all events that do or might constitute a material change within the meaning of this Section 13.9.3.

13.9.4 The Executive Director shall have the authority, but not the obligation, to unilaterally modify the foregoing conditions based on the facts of a particular case.

13.10 Assignments for Security Purposes. The Board will consider Tenant's request to assign this Agreement to secure financing of improvements on the Premises on a case-by-case basis. Consent to assignments for security purposes will not be granted unless Tenant and its lenders satisfy the following conditions, among others, which may be reasonably imposed by the Board:

(a) Monies borrowed will be used exclusively to construct improvements on the Premises;

(b) Monies borrowed must be in a fixed amount. New borrowings or refinancings require further Board approval;

(c) The collateral covered by the security agreement securing Tenant's loan shall cover only Tenant's interest in improvements on the Premises, not the interests of City in improvements, and not any improvements or fixtures which, if removed, would leave the Premises untenantable. In this Section 13.10, "untenantable" means failing to comply with the standards described in Civil Code Section 1941.1 or its successor;

(d) Nothing in the instrument which creates the security interest in the lender shall amend, modify, or otherwise affect the rights of City under this Agreement or any guaranty;

(e) In the event the lender initiates any action to foreclose the interest of Tenant in this Agreement, the lender agrees to deliver to the Board in person or by registered mail a copy of any notice of default sent to Tenant and agrees, ten (10) calendar days in advance of any foreclosure sale, to give written notice to the Board by registered mail. Such notices shall be addressed as follows:

Board of Harbor Commissioners
c/o Director of Real Estate Division
P.O. Box 151
San Pedro, CA 90733-0151

Such notice shall specify which of the below alternative courses of action the lender will take with respect to the Agreement and any guaranty. Any and all of the below stated alternatives are contingent upon the Board's approval in accordance with the conditions in subsection (f) below. Lender may:

(1) Assume as principal all of the obligations and duties arising on or after the foreclosure conveyance date under the Agreement; or

(2) Assume as principal all of the obligations and duties arising on or after the foreclosure conveyance date under the Agreement, and hire an operator, acceptable to the Executive Director, who shall operate the Premises pursuant to the Agreement; or

(3) Assume as principal all of the obligations and duties arising on or after the foreclosure conveyance date, and thereafter reassign the Agreement with the consent of the Board by order. Notwithstanding any provision of this Agreement to the contrary, in the event the lender initiates any action to foreclose the interest of any subsequent assignee of the Agreement, the lender agrees to make the notifications and elections required herein.

The foregoing election by the lender shall be without prejudice to any rights the Board may have with respect to Tenant's default of this Agreement; provided, however, that the Board shall mail to both Tenant and lender a copy of any written notice of default in the performance of the terms and conditions of the Agreement, by registered mail, return receipt requested, addressed as follows:

(Name and Address of Tenant and lender are to
be specified by Tenant. If no lender is
specified, notice to Tenant alone is agreed to be sufficient.)

The lender shall have the option to cure such default within the time specified in such notice, provided that if such default is noncurable in nature, City shall have the right to immediately reclaim the Premises and lender shall have no further interest.

(f) Any lender proposal to transfer its interest in this Agreement or interest therein or right or privilege thereunder requires the Board's consent. The Board may withhold its consent in its reasonable discretion if the Board determines that the proposed transferee cannot meet all of the following conditions, and any other conditions which may be reasonably imposed by the Board:

(1) This Agreement shall be in full force and effect and no default shall exist or the lender shall agree in writing to cure all such defaults before the transfer.

(2) When requesting the Board's consent to such a transfer, the lender shall demonstrate that: (a) the financial condition of the proposed transferee is as sound as that of Tenant at the time this Agreement was initially entered into or as at the time of the proposed transfer - whichever provides the better financial security to the Board; (b) the proposed transferee has the requisite experience and reputation or has retained an operator with the requisite experience and reputation to operate the Premises; and (c) the proposed transfer will not unfavorably affect the revenues of the City, employment or the services available to the maritime community.

(3) Even if the Board consents to such a proposed transfer, the Board may first require that transferee and the Board agree on a new compensation for the Premises transferred. If the Board modifies the compensation, it shall take into account the Board's then current policy for setting compensation and the prevailing market conditions.

(g) The form of all instruments and documents affecting the City's interests in the Premises shall be acceptable to the Executive Director and City Attorney of City in their sole and absolute discretion.

(h) The Board shall have the authority, but not the obligation, to modify any of the foregoing conditions based on the facts of a particular case.

13.11 Tenant Name Change. Tenant shall promptly notify City in writing of any changes to its name set forth in the preamble of this Agreement.

13.12 Written Certificate. If requested in writing by the Executive Director, Tenant shall, within ten (10) days of its receipt of such written request, certify under penalty of perjury under California law whether it has or has not undertaken a Transfer.

Section 14. Recordkeeping, Inspection and Audit.

Tenant shall keep full and accurate books, records and accounts relating to its operations and programming on the Demised Premises and shall cause its contractors, operators or subtenants to keep such records. City shall have the right and privilege, through its representatives, at all reasonable times and on reasonable notice, to inspect such books, records and accounts in order to verify, without limitation, compliance with the terms and conditions of this Agreement, and the accuracy of the sums due, owing and paid to City hereunder. The right of inspection hereby reserved to City shall impose no obligation on City to make inspections to ascertain the condition of the Demised Premises, and shall impose no liability upon City for failure to make such inspection. Tenant agrees that such books, records and accounts shall be

made available to City at Tenant's offices in the City of Los Angeles. City shall protect, to the extent permitted by law, the confidentiality of any such books, records and/or accounts so inspected.

Section 15. Marks and Naming Opportunities.

15.1 City-Associated Name or Mark. A "City-Associated" name or mark, as used in this Agreement, shall mean any name or mark that (i) contains, in whole or partly, name(s) and/or mark(s) (including service marks, trademarks, names, titles, descriptions, slogans, insignias, emblems or logos) of the City of Los Angeles or any department, agency or commission thereof; and (ii) imparts the color of authority of the City of Los Angeles; and/or (iii) otherwise imparts association with or endorsement by the City of Los Angeles on any goods or services offered by Tenant under such name or mark.

15.2 Project Name Using City-Associated Name. The Project Name shall be "AltaSea at the Port of Los Angeles." Other than as allowed pursuant to this Section 15.2, no other City-Associated name or mark shall be used for the Project Name without prior approval of City.

During the term of this Agreement (a) Tenant will be the owner of the Project Name and all goodwill associated therewith, (b) Tenant shall exclusively and continuously use the Project Name for the identification, marketing, fundraising and all other uses referencing the Project, (c) Tenant shall have the sole right to commercially exploit the Project Name, including the sale or distribution of goods and products using the Project Name, notwithstanding any revenue sharing required by Section 5 and (d) Tenant shall have the right and responsibility (to the extent it determines appropriate) to institute and prosecute all disputes with third parties concerning use of the Project Name, to the extent consistent with Los Angeles City Charter Sections 271, 272 and 273, and City shall cooperate with Tenant in prosecuting such disputes and may participate in the legal proceedings at City's own expense, and (e) at termination, cancellation or expiration of this Agreement, Tenant shall immediately cease any use of the Project Name and promptly transfer, at no compensation paid by City, to City all of their legal right, title and interest in the Project Name, including goodwill, trademarks, service marks and all registrations thereof.

15.3 Exclusive Ownership of Tenant Marks During Term. During the Term, (a) Tenant shall have the exclusive right to coin or create any Non-City-Associated name or names to identify portions of the Project except Public Promenade areas but including the naming and sponsorship of Project buildings and rooms and parking spots included within the Demised Premises, and which are not in interference with the overarching use of Project Name, and to create or coin all other Non-City-Associated service marks, trademarks, names, titles, descriptions, slogans, emblems or logos used, from time to time, in connection with the Project (collectively "Tenant Marks"); and (b) the Tenant Marks and all goodwill associated therewith shall be the exclusive property of Tenant. A "Non-City-Associated" name or mark, as used in this Agreement, shall mean any name or mark that is not a "City-Associated" name or mark which is defined in Section 15.1 or the Project Name defined in Section 15.2.

In the event that Tenant seeks to coin or create any Non-City-Associated name or names to identify portions of the Public Promenade, Tenant shall submit a request for consideration by the Board.

During the Term, subject to Section 15.9, Tenant shall have the sole right to commercially exploit naming and sponsorship opportunities that arise in connection with the Project and Tenant may coin, create and/or use any name or sponsorship identity to the extent such right shall not interfere with the use of the Project Name as required by Section 15.2. Such naming and sponsorship opportunities shall be subject to the requirements herein, including but not limited to Section 15.9.

15.4 City Disclaimer of Non-City-Associated Marks. Except for City-Associated Marks and the Project Name, City disclaims any right, title or interest in or to any of the Tenant Marks by operation of this Agreement; and Tenant shall have the sole right and responsibility (to the extent it determines appropriate) to institute and prosecute all disputes with third parties concerning any Tenant Mark.

15.5 References to Tenant Marks. During the Term, City shall not use the Project Name or any other Tenant Mark, or any combination or variation of any of them, in the name of any partnership, corporation or other entity or, except as set forth in Section 15.6, in any other manner.

15.6 Publicity and Exhibits. Notwithstanding the restriction set forth in Section 15.5, during the Term, City may use the Project Name or any other Tenant Mark in (i) any press release, announcement, advertisement or other public communication, provided that such use is solely in a descriptive manner (e.g., to describe the Project as a location), and (ii) as necessary to conduct the business of the City of Los Angeles, including that of the Los Angeles Harbor Department, provided that such use is solely in a descriptive manner (e.g., to describe the Project as a location).

15.7 Effect of Lease Termination. Tenant makes no representation or warranty to City or any subsequent operator of the Project that any Tenant Mark will be available to City or such subsequent operator following the expiration or termination of this Agreement. If any sponsor or other party with whom Tenant has contracted concerning any Tenant Mark during the Term either is contractually obligated or elects to continue its relationship with the Project following the expiration or termination of this Agreement, Tenant hereby assigns and will cause the sponsor or other party to assign all of its rights to any such Tenant Mark and its rights to income from such contract or other relationship to City effective upon the Expiration Date or Termination Date, as the case may be. If any such sponsor or other party discontinues its relationship with the Project upon the expiration or termination of this Agreement, Tenant and any other sponsor or other party shall have the right to enter the Demised Premises and may remove all signs, furnishings, printed materials; emblems, slogans or other distinguishing characteristics related to such sponsor or party.

15.8 Indemnification Regarding Tenant Marks. Tenant shall Indemnify City against any claim of trademark infringement, misappropriation or similar allegation of misuse of the Project Name or any other Tenant Mark or any other City-Associated Mark as defined in this

Section 15 which occurs during the Term asserted by any third party against City, except to the extent that such claim is based upon the gross negligence or willful misconduct of City. This Section 15.8 shall survive the expiration or termination of this Agreement.

15.9 City Approval. Notwithstanding Tenant's authority to coin or create names or marks and commercially exploit such opportunities under Section 15.3, Tenant agrees that it shall not approve names, sponsorships or marks that impart notions or contain elements that put the City in a false light or that are racist, sexist, derogatory to any legally protected groups/class or unfitting for public facilities.

Tenant's naming and sponsorship opportunities provided for under this Section 15 shall not include the right to utilize names, sponsors or marks coined or created by Tenant (or its sponsors or third parties) which are in any way related to or connected with alcohol, tobacco, fire arms or adult entertainment firms, unless such use is approved by the Board at its sole discretion and in accordance with City of Los Angeles Charter Section 245 or its successor. Tenant's naming and sponsorship opportunities provided for under Section 15 shall not include the use of any persons, entities or firms that are identified on lists maintained by the Office of Foreign Assets Control of the United States Department of Treasury, the Bureau of the Industry and Security of the United States Department of Commerce or their successors, or on any other list of persons, entities or firms with which the City may not do business under applicable law including but not limited to the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List or the Debarred List.

The restrictions hereunder are not intended for City to assert creative or artistic control during the creation of names, sponsorships and marks or to frustrate the purpose of business of Tenant, but rather to ensure that use of the Demised Premises leased herein is consistent with that of a public venue leased by a governmental entity.

15.10 No Assignment or Transfer of City's Intellectual Property. Nothing in this Agreement shall be construed to transfer or assign to any party, signatory herein or not, any of the intellectual property rights of the City, including but not limited to trademark rights. Rights not expressly granted by City herein are reserved. Other than as allowed in Section 15.2 or as may be subsequently approved by City during the term of this Agreement, Tenant has no right to use any of the City-Associated marks.

Section 16. Miscellaneous.

16.1 Titles and Captions. The Parties have inserted the section titles in this Agreement only as a matter of convenience and for reference, and the section titles in no way define, limit, extend or describe the scope of this Agreement or the intent of the Parties in including any particular provision in this Agreement.

16.2 Construction of Agreement. This Agreement shall not be construed against the Party preparing the same, shall be construed without regard to the identity of the person who drafted such and shall be construed as if all Parties had jointly prepared this Agreement and it shall be deemed their joint work product; each and every provision of this Agreement shall be construed as though all of the Parties hereto participated equally in the drafting hereof; and any

uncertainty or ambiguity shall not be interpreted against any one Party. As a result of the foregoing, any rule of construction that a document is to be construed against the drafting Party shall not be applicable.

16.3 Entire Agreement; Amendments. This Agreement and all exhibits referred to in this Agreement constitute the final complete and exclusive statement of the terms of the agreement between City and Tenant pertaining to Tenant's use and occupancy of the Premises and supersedes all prior and contemporaneous understandings or agreements of the Parties. Neither Party has been induced to enter into this Agreement by, and neither Party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

16.4 Modification in Writing. This Agreement may be modified only by written Agreement of all Parties. Any such modifications are subject to all applicable approval processes set forth in City's Charter, City's Administrative Code, or elsewhere.

16.5 Exhibits. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement, whether or not actually attached. References to sections are to sections of this Agreement unless stated otherwise.

16.6 Waivers. A failure of any Party to this Agreement to enforce the Agreement upon a breach or default shall not waive the breach or default or any other breach or default. All waivers shall be in writing. The subsequent acceptance of rent by the Board shall not be deemed to be a waiver of any other breach by Tenant of any term, covenant or condition of this Agreement, other than the failure of Tenant to timely make the particular rent payment so accepted, regardless of the Board's knowledge of such other breach. No delay, failure or omission of either Party to execute any right, power, privilege or option arising from any default, nor subsequent acceptance of guarantee then or thereafter accrued, shall impair any such right, power, privilege, or option, or be construed to be a waiver of any such default or relinquishment thereof, or acquiescence therein, and no notice by either Party shall be required to restore or revive the time is of the essence provision hereof after waiver by the other Party or default in one or more instances. No option, right, power, remedy or privilege of either Party shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options or remedies given to City by this Agreement are cumulative, and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, in that the exercise of one right, power, option or remedy by City shall not impair its rights to any other right, power, option or remedy.

16.7 Joint and Several Obligations of Tenant. If more than one individual or entity comprises Tenant, the obligations imposed on each individual or entity that comprises Tenant under this Agreement shall be joint and several.

16.8 Time is of the Essence. Time shall be of the essence as to all dates and times of performance, and obligations set forth herein, whether or not a specific date is contained herein. If performance is required by the terms hereof on a Saturday, Sunday or legal holiday in California or the City, the performance shall be made on the next business day.

16.9 Notices. The Parties shall send all notices or other communication necessary under this Agreement in writing by personal service, or express mail, Federal Express, DHL, UPS or any other similar form of airborne/overnight delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, addressed to the Parties at their respective addresses as follows:

If to Tenant:

AltaSea at the Port of Los Angeles
222 W. 6th Street Suite 1010
San Pedro, CA 90731
Attn: Jenny Krusoe

and:

Timothy B. McOsker, Esq.
Glaser Weil, LLP
333 S. Hope Street Suite 2610
Los Angeles, CA 90071

If to City:

Port of Los Angeles
425 South Palos Verdes Street
San Pedro, California 90731
Attn: Executive Director
Ref: Lease No. 904

with copies to:

Los Angeles City Attorney's Office
425 South Palos Verdes Street
San Pedro, California 90731
Ref: Lease No. 904

Any such notice shall be deemed to have been given upon delivery or two business days after deposit in the mail as aforesaid. Either Party may change the address at which it desires to receive notice upon giving written notice of such request to the other Party.

16.10 Statements of Tenant as Applicant. This Agreement may be granted pursuant to an application filed by Tenant with the Board. If the application or any of the attachments thereto contain any material misstatements of fact, the Board may cancel this Agreement. Upon any such cancellation of the Agreement granted hereunder, Tenant shall forfeit any and all rights to any Parcels provided for in this Agreement and shall quit and surrender the Demised Premises as provided in Section 11.

16.11 Governing Law and Venue. This Agreement is made and entered into in the State of California and shall in all respects be construed, interpreted, enforced and governed

under and by the laws of the State of California, without reference to choice of law rules. Any action or proceeding arising out of or related to this Agreement shall be filed and litigated in the state or federal courts located in the County of Los Angeles, State of California, in the judicial district mandated by applicable court rules. If either Party files or attempts to litigate an action in violation of this Section 16.11, the other Party shall be entitled to recover reasonable costs and attorneys' fees incurred to enforce this Section 16.11.

16.12 Affirmative Action. Tenant agrees not to discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition. All assignments, subleases and transfers of interest in this Agreement under or pursuant to this Agreement shall contain this provision. The provisions of Section 10.8.4 of the Los Angeles Administrative Code as set forth in the attached Exhibit O are incorporated herein and made a part hereof.

16.13 License Fees and Taxes. Tenant shall pay all taxes and assessments of whatever character levied upon or charged against the interest of Tenant, if any, created by this Agreement in the Premises or upon works, buildings, improvements or other property thereof, or upon Tenant's operations hereunder. Tenant shall also pay all license and permit fees required for the conduct of its operations hereunder.

16.14 Possessory Interest. Tenant is aware that the granting of this Agreement to Tenant may create a possessory property interest in Tenant and that Tenant may be subject to payment of a possessory property tax if such an interest is created. Tenant acknowledges that the notice required under California Revenue and Taxation Code section 107.6 has been provided.

16.15 Severability. Should any part, term, condition or provision of this Agreement be declared or determined by any court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law, public policy, or charter, the validity of the remaining parts, terms, conditions or provisions of this Agreement shall not be affected thereby, and such invalid, illegal or unenforceable part, term, condition or provision shall be treated as follows: (a) if such part, term, condition or provision is immaterial to this Agreement, then such part, term, condition or provision shall be deemed not to be a part of this Agreement; or (b) if such part, term, condition or provision is material to this Agreement, then the Parties shall revise the part, term, condition or provision so as to comply with the Applicable Law or public policy and to effect the original intent of the Parties as closely as possible.

In the event that a material part of the Agreement, or the entire Agreement, cannot be revised so as to comply with the Applicable Law or public policy, then City and Tenant shall relieve, indemnify, protect and save harmless the other Party and any and all of their respective boards, officers, agents and employees from any and all claims and demands, actions, proceedings, losses, liens, costs and judgments of any kind and nature whatsoever, including cost of litigation (including all actual litigation costs, including but not limited to, costs of experts and consultants), and for any and all expenditures and payments made by either Party in complying with the Agreement up to the point in time when the Agreement was declared invalid, illegal or incapable of being enforced, and for any civil fines and penalties that may arise from or be

caused directly or indirectly by said declaration or determination by any court of competent jurisdiction.

16.16 Waiver of Claims. Tenant hereby waives any claim against City and the Board and its officers, agents or employees for damages or loss caused by any suit or proceedings directly or indirectly challenging the validity of this Agreement, or any part thereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or voidable or delaying the same or any part thereof from being carried out.

16.17 Attorneys' Fees. In any legal action or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to "reasonable attorneys' fees" and any other costs and expenses, including but not limited to expert fees, incurred in that proceeding in addition to any other relief to which it is entitled. The "reasonable attorneys' fees" awarded under this Section 16.17 shall be determined by calculating the hours reasonably expended by each counsel for the prevailing Party multiplied by the prevailing market hourly rate in Southern California for attorneys of comparable skill and experience.

16.18 Conflict of Interest. The Parties to this Agreement have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees, as well as the Conflict of Interest Code of City's Harbor Department. All Parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Agreement. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, City may immediately terminate this Agreement by giving written notice thereof.

16.19 Extent of Water Frontage. In case this Agreement or any improvements made hereunder or this Agreement or any part thereof shall be assigned, transferred, leased or subleased and the control thereof be given or granted to any person, firm, or corporation so that such person, firm or corporation shall then own, hold or control more than the length of water frontage permitted or authorized under Section 654(a) of the Charter of City or if Tenant shall hold or control such water frontage, then this Agreement and all rights hereunder shall thereupon and thereby be absolutely terminated, and any such attempted or purported assignment, transfer or sublease, or giving or granting of control to any person, firm or corporation, which will then own, hold or control more than such permitted or authorized length of water frontage, shall be void and ineffectual for any purpose whatsoever.

16.20 Business Tax Registration Certification. City's Office of Finance requires the implementation and enforcement of Los Angeles Municipal Code Section 21.09. This section provides that every person, other than a municipal employee, who engages in any business within the City of Los Angeles, is required to obtain the necessary Business Tax Registration Certificate and pay business taxes. The City Controller has determined that this Code Section applies to consulting firms that are doing work for the Los Angeles Harbor Department. See Exhibit P.

16.21 Service Contractor Worker Retention Policy and Living Wage Policy Requirements. The Board adopted Resolution No. 5771 on January 3, 1999, agreeing to

adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contractor Worker Retention ("SCWR"), Section 10.36 et seq. of the Los Angeles Administrative Code, as the policy of City's Harbor Department. Further, Charter Section 378 requires compliance with the City's Living Wage requirements as set forth by ordinance, Section 10.37 et seq. of the Los Angeles Administrative Code. Tenant shall comply with the policy wherever applicable. Violation of this provision, where applicable, shall entitle the City to terminate this Agreement and otherwise pursue legal remedies that may be available.

16.22 Wage and Earnings Assignment Orders/Notices of Assignments. Tenant is obligated to fully comply with all applicable state and federal employment reporting requirements for the Tenant and/or its employees. Tenant shall certify that the principal owner(s) are in compliance with any Wage and Earnings Assignment Orders/Notices of Assignments applicable to them personally. Tenant shall fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with Cal. Family Code Section 5230 et seq. Tenant shall maintain such compliance throughout the term of this Agreement.

16.23 Equal Benefits Policy. The Board adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance No. 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 et seq. of the Los Angeles Administrative Code, as a policy of City's Harbor Department. Tenant shall comply with the policy wherever applicable. Violation of the policy shall entitle the City to terminate any agreement with Tenant and pursue any and all other legal remedies that may be available.

16.24 State Tidelands Grants. This Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City", approved June 3, 1929 (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. Tenant agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

16.25 No Third Party Beneficiaries. Nothing in this Agreement shall be deemed to confer upon any Person (other than City or Tenant) any right to insist upon, or to enforce against City or Tenant, the performance or observance by either Party of its obligations under this Agreement.

16.26 Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of City and shall be binding upon and inure to the benefit of the successors and permitted assigns and subtenants of Tenant.

16.27 Disclosure Laws. Tenant acknowledges that City is subject to laws, rules and/or regulations generally requiring it to disclose records upon request, which laws, rules and/or regulations include but are not limited to the California Public Records Act (California Government Code Sections 6250 et seq.) ("Disclosure Laws"). Tenant further acknowledges

City's obligation and intent to comply with such Disclosure Laws in all respects. Notwithstanding the foregoing, in the event that City receives a request for disclosure of records in connection with this Section 16.27, City will immediately notify Tenant in writing, enclosing a copy of such request, at which point Tenant may take whatever steps deemed appropriate, including but not limited to seeking a protective or other order excusing disclosure from a court of competent jurisdiction. In the absence of such an order from a court of competent jurisdiction excusing City from its disclosure obligations, City shall undertake whatever action is necessary to comply with the requirements imposed by the applicable Disclosure Law(s). In the event that any action is filed by Tenant and/or by any requester of information where Tenant elects to challenge any disclosure, and City is named as a party to that action, Tenant shall defend and hold City and City's former, present and future boards, elected and appointed officials, employees, officers, directors, representatives, agents, departments, subsidiary and affiliated entities, assigns, insurers, attorneys, predecessors, successors, divisions, subdivisions and parents, and all persons or entities acting by, through, under or in concert with any of the foregoing harmless from any and all defense costs and judgments or settlements in any such action as well as all other losses and expenses arising out of or related to such action.

16.28 Visual Artists' Rights Act.

16.28.1 Generally. Tenant shall not install, or cause to be installed, any work of art subject to the Visual Artists' Rights Act of 1990 (as amended), 17 U.S.C. 106A, et seq., or California Civil Code Section 980, et seq., (hereinafter collectively "VARA") on or about the Demised Premises without first obtaining a waiver in writing, of all rights under VARA, satisfactory to the Board and approved as to form and legality by the City Attorney's Office, from the artist. Said waiver shall be in full compliance with VARA and shall name City as a party for which the waiver applies.

16.28.2 Prohibition. Any work of art installed, or caused to be installed, by Tenant without the prior written authorization of the Harbor Department shall be deemed a trespass, removable by City, by and through its Harbor Department, upon three (3) days written notice, all cost, expenses and liability therefor to be borne exclusively by Tenant.

16.28.3 Indemnity. Tenant, in addition to other obligations to indemnify and hold City harmless, as more specifically set forth in this Agreement, shall indemnify and hold harmless City from all liability resulting from Tenant's failure to obtain the artist's waiver of VARA and failure to comply with any portion of this Section 16.28.

16.28.4 Cumulative Remedy. The rights afforded by the City under this Section 16.28 shall not replace any other rights afforded City in this Agreement or otherwise, but shall be considered in addition to all its other rights.

16.29 Proprietary Capacity. The capacity of City in this Agreement shall be as lessor only ("Proprietary Capacity"), and any obligations or restrictions imposed by this Agreement on City shall be limited to that capacity and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the governmental capacities of City, including enacting laws, inspecting structures, reviewing and issuing permits, and all of the other legislative and administrative or enforcement functions of each pursuant to federal, State or local law

("Governmental Capacity"). Whenever not expressly otherwise stated, (a) City, when acting in its Proprietary Capacity, shall not unreasonably withhold it approvals to matters requiring its approval hereunder, (b) Tenant shall not unreasonably withhold its approval to matters requiring its approval hereunder and (c) City, when acting in its Governmental Capacity, shall be permitted to utilize its sole discretion with respect to matters requiring its approval hereunder.

16.30 Prevailing Wage. Construction work for Tenant's Improvements performed on the Demised Premises may require payment of prevailing wages. The Tenant is obligated to make that determination, and shall be bound by and comply with applicable provisions of the California Labor Code and Federal, State, and local laws related to labor. The Tenant shall indemnify and pay or reimburse the City for any damages, penalties or fines (including, but not limited to, attorney's fees and costs of litigation) that the City incurs, or pays, as a result of noncompliance with applicable prevailing wage laws in connection with the work performed for Tenant's Improvements.

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by
its Board of Harbor Commissioners

Dated: 8/23/17

By: _____
Executive Director

Attest: _____
Board Secretary

ALTA SEA AT THE PORT OF LOS ANGELES, a California public benefit corporation

Dated: 8/7/17

By _____
JEREMY KRUSOE, Executive Director
(Print Name and Title)

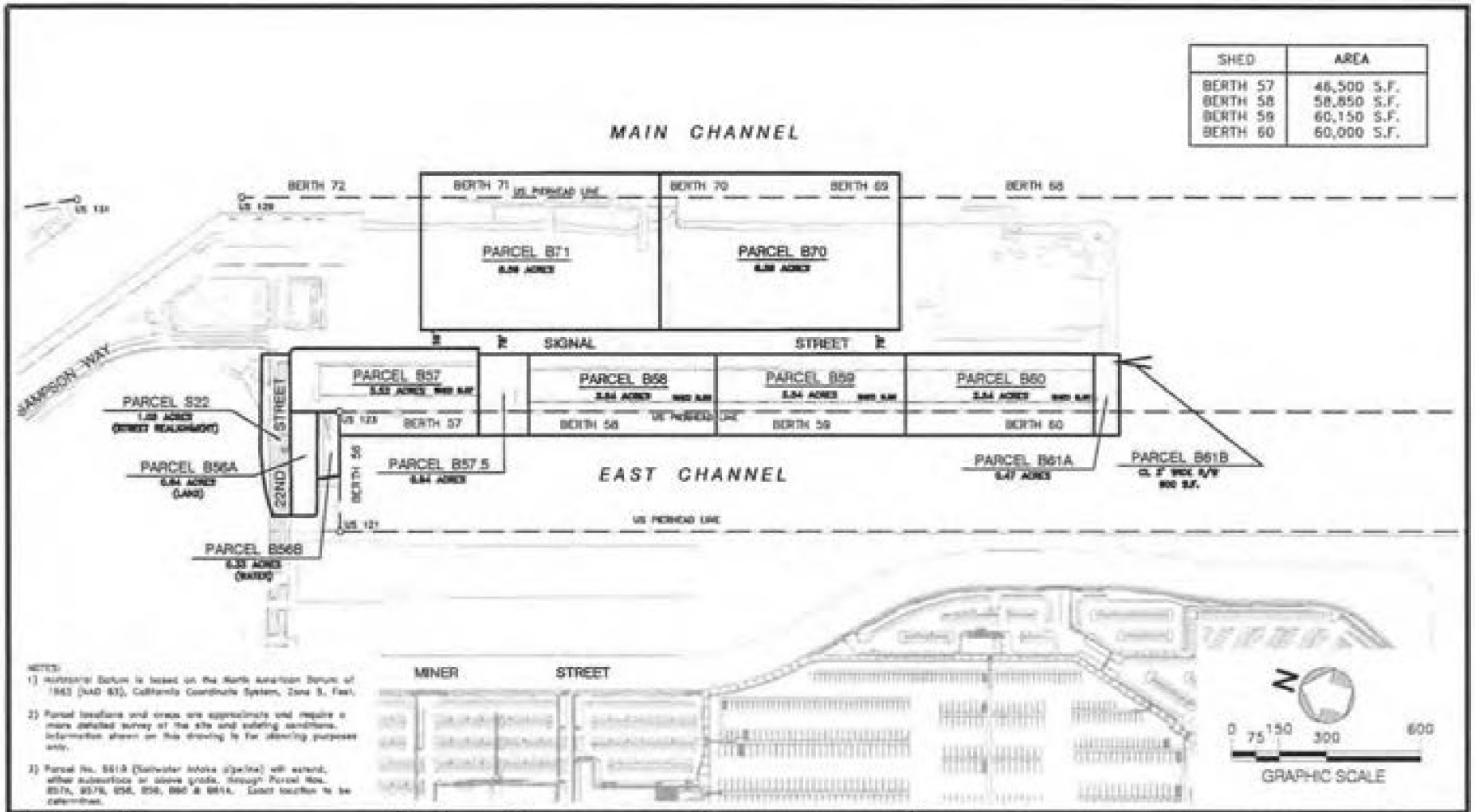
Attest: _____
Krista Swingle, Deputy Director
(Print Name and Title)

APPROVED AS TO FORM AND LEGALITY

August 8, 2017

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By _____
Heather M. McCloskey, Deputy



SHED	AREA
BERTH 57	46,500 S.F.
BERTH 58	58,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.

NOTES:
1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.
2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.
3) Parcel No. B61B (Stormwater intake pipeline) will extend either subsurface or above grade, through Parcel Nos. B57A, B57B, B58, B59, B60 & B61A. Exact location to be determined.

NO	DATE	DRAWN	REVISIONS	CHKD	APP'D
1	07/17	DRR	REVISED AND RENUMBERED PARCELS		

SCALE: 1" = 300'

DRAWN: DRR 8/13
CHECKED: C. GROSS 8/13
DESIGNED: D. RAASCH 8/13
CHIEF/BRANCH
Daryl R. Reed

RECOMMENDED FOR APPROVAL:
CHIEF OF DESIGN
ASSISTANT CHIEF HARBOR ENGINEER

APPROVED:
CHIEF HARBOR ENGINEER

Permit Map – Amended and Restated Lease No. 904

ALTASEA - MARINE RESEARCH CENTER

LA — ENGINEERING DIVISION

DRAWING NUMBER: 45640

EXHIBIT A

EXHIBIT B

Demised Premises

1. Parcels In Tenant Possession

The Demised Premises consists of the following parcels, and Existing City Improvements and completed New City Improvements thereon, that Tenant has taken possession of pursuant to the procedures and requirements established in Section 3.2 of the Agreement.

Parcel No.	Date of Possession	Latest Rent Due Date

Tenant is not in possession of any parcels.

2. Parcels Tenant Has Accepted, Pending Tenant Possession

The following is a list of parcels accepted by the Tenant pursuant to the procedures and requirements established in Section 3.2 of the Agreement, with Tenant possession pending completion of New City Improvements pursuant to Section 7.1 of the Agreement.

Parcel No.	Date Accepted	Estimated Date of Possession

Tenant has not accepted any parcels.

Exhibit B-1

THE PORT OF LOS ANGELES
425 S. Palos Verdes Street | Post Office Box 151 | San Pedro, CA 90733-0151 | TEL/TDD 310 SEA-PORT | www.portoflosangeles.org

Eric Garcetti, *Mayor, City of Los Angeles*
Board of Harbor Commissioners: Ambassador Vilma S. Martinez, *President*; David Arian, *Vice President*; Patricia Castellanos; Anthony Pirozzi, Jr.; Edward R. Renwick
Eugene D. Seroka, *Executive Director*

June 30, 2016

Ms. Jenny Krusoe
Executive Director
AltaSea at the Port of Los Angeles
222 W. 6th Street, Suite 1010
San Pedro, CA 90731

Dear Ms. Krusoe,

SUBJECT: LETTER OF DETERMINATION OF COMPLIANCE FOR INTERIM USE AND POSSESSION – SOUTHERN HALF OF BERTH/WAREHOUSE 58 AND NORTHERN 90' OF WHARF AT BERTH 59

We are in receipt of your letter dated June 21, 2016, regarding AltaSea at the Port of Los Angeles' (AltaSea) intent to accept the southern half of Berth/Warehouse 58 measuring 77,100 square feet (s.f.).

In accordance with your conversation with Rica Viola of the Waterfront and Commercial Real Estate Division on June 23, an additional 90-foot length of wharf at Berth 59 measuring 2,880 s.f. shall be added to the requested parcel to allow the removal of the protruding fasteners as indicated in Application for Port Permit No. 160601-076, and to enable the Nautilus to tie up to the bollard in this area for its upcoming visits on July 21-23 and August 13-14, 2016. These parcels, measuring a total of 79,980 s.f., are identified in "Exhibit B-1a" and "Exhibit B-1b." In accordance with Section 5.3.2 of Lease No. 904, your concurrence is requested for the calculation of the rental area square footage (enclosed).

We are also in receipt of, and have reviewed, the document entitled "Results of Environmental Investigation at Berths 58 through 60 of the City Dock No. 1 Property at the Port of Los Angles, California" dated September 9, 2014, from your consultant, Waterstone Environmental, Inc. We have determined that this document (Exhibit I-1) is suitable to serve as the baseline report for the subject parcels depicted in Exhibits B-1a and B-1b only. Possession of additional parcels will be subject to further review as provided under lease Section 6.2.3. For future applications for Port of Los Angeles projects, please take into consideration the recommendations for the removal of elevated metals, lead- and asbestos-containing building materials prior to building renovation and the stockpiling, characterizing and disposal of excavated soil with high concentrations of metals.

The Minimum Annual Rent (MAR) for the premises depicted in Exhibits B-1a and B-1b will be $26,391.60, calculated at the rates indicated in Section 5.3.2. AltaSea is currently in compliance with the requirements of Lease No. 904 and therefore, AltaSea is granted the right to take interim possession of the subject parcels on the requested date of July 5, 2016, which is the beginning of the interim compensation period.

In accordance with lease Sections 5.3.1 and 5.3.2, upon the date of AltaSea's possession of premises for Interim Use, AltaSea is required to pay the prorated MAR of $12,291.98. Please note that the next annual payment is scheduled for December 23, 2016, for the full MAR of $26,391.60. The term for the interim use will continue as provided in Section 3.2.1.3 (f).

Transmitted herewith are Exhibit B-a, which replaces Exhibit B, and Exhibits B-1a, B-1b and I-1, which are hereby incorporated and made part of Lease No. 904.

Please indicate your concurrence with the calculation of the rental area square footage by signing in the space provided below. If you have any questions or concerns, please contact Rica Viola at (310) 732-3329.

Sincerely,

Maria Blevins

FOR EUGENE D. SEROKA
Executive Director

EDS:MD:MG:RV:as
G:\DOC\RICA\1 AltaSea\B 58 Interim Use\160629 B 58.59.docx
Enclosures: Calculations of Rental Area
Exhibit B – a
Exhibit B – 1a
Exhibit B – 1b
Exhibit I-1 Results of Environmental Investigation at Berths 58-60

CONCUR:

Jenny Krusoe

Jenny Krusoe, Executive Director
AltaSea at the Port of Los Angeles

DATE: 7/5/16

Lease No. 904
Calculations for Exhibit B-1

July 5, 2016 - Interim Possession of Southern Half of Warehouse/Berth 58 and northern 90' wharf
Exhibit B-1a & B-1b

		length (ft)	width (ft)	area (sf)	$ per sf/yr	annual rent
58	warehouse & dock	300	150	45,000	$ 0.42	$ 18,900.00
	wharf	300	32	9,600	$ 0.42	$ 4,032.00
	water	300	75	22,500	$ 0.10	$ 2,250.00
				77,100		$ 25,182.00
59	wharf	90	32	2,880	$ 0.42	$ 1,209.60
		TOTAL:		**79,980**		**$ 26,391.60**
						365
					rent per day	$ 72.31

effective date of possession	5-Jul-16
end of proration date until start of new interim compensation year	22-Dec-16
days for current interim compensation period	170
partial year rent/due upon possession - July 5, 2016	**$ 12,291.98**

77,100	s.f. per 1/2 of loading dock/warehouse/berth & water
154,200	s.f. per loading dock/warehouse/berth & water
462,600	s.f. Parcel 3
10.62	total acreage

THE PORT
OF LOS ANGELES

EXHIBIT B-a

DEMISED PREMISES

1. Parcels In Tenant Possession

The Demised Premises consists of the following Parcels, Existing City Improvements and completed New City Improvements thereon that Tenant has taken possession of pursuant to the procedures and requirements established in Section 3.2 of the Agreement.

Parcel No.	Date of Possession	Latest Rent Due Date
Southern half of Warehouse/Berth 58 Northern 90' of wharf at Berth 59.	July 5, 2016	December 23, 2016

2. Parcels Tenant Has Accepted, Pending Tenant Possession

The following is a list of Parcels accepted by Tenant pursuant to the procedures and requirements established in Section 3.2 of the Agreement and for which the Executive Director has found Tenant is compliance with the terms and conditions of this Agreement necessary for Tenant Parcel acceptance as set forth in Section 3.2 of the Agreement. Tenant possession of the Parcels listed below is required, pending completion of New City Improvements pursuant to Section 7.1 and Exhibit L of the Agreement.

Parcel No.	Tenant Acceptance Date	Date City Determined Acceptance Compliance	Estimated Date of Tenant Possession

Tenant has not accepted any Parcels.

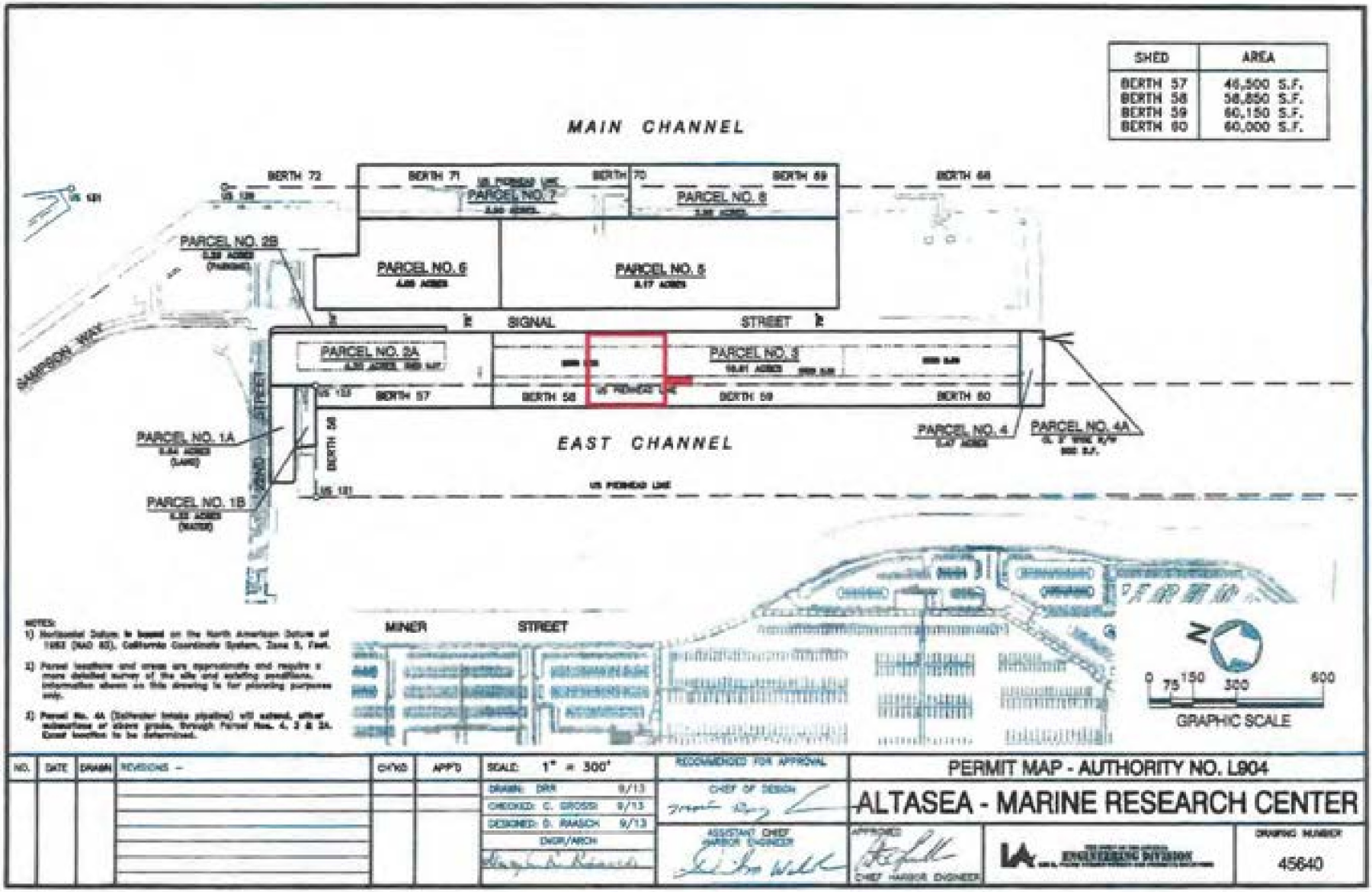

SHED | AREA
BERTH 57 | 46,500 S.F.
BERTH 58 | 58,850 S.F.
BERTH 59 | 60,150 S.F.
BERTH 60 | 60,000 S.F.
MAIN CHANNEL
BERTH 72
BERTH 71
BERTH 70
BERTH 69
BERTH 68
PARCEL NO. 7
PARCEL NO. 8
PARCEL NO. 2B
PARCEL NO. 6
PARCEL NO. 5
SIGNAL STREET
PARCEL NO. 3A
PARCEL NO. 3
BERTH 57
BERTH 58
BERTH 59
BERTH 60
HARRISON WAY
PARCEL NO. 1A
PARCEL NO. 1B
PARCEL NO. 4
PARCEL NO. 4A
EAST CHANNEL
MINER STREET
NOTES:
1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.
2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.
3) Parcel No. 4A (Saltwater intake pipeline) will extend, either subsurface or above grade, through Parcel Nos. 4, 3 & 3A. Exact location to be determined.
N
0 75 150 300 600
GRAPHIC SCALE
NO. | DATE | DRAWN | REVISIONS – | CHKD | APP'D
SCALE: 1" = 300'
DRAWN: DRR 9/13
CHECKED: C. GROSSI 9/13
DESIGNED: D. RASCH 9/13
ENGR/ARCH
RECOMMENDED FOR APPROVAL
CHIEF OF DESIGN
ASSISTANT CHIEF HARBOR ENGINEER
APPROVED
CHIEF HARBOR ENGINEER
PERMIT MAP - AUTHORITY NO. L904
ALTASEA - MARINE RESEARCH CENTER
ENGINEERING DIVISION
DRAWING NUMBER
45640

Exhibit B-1a

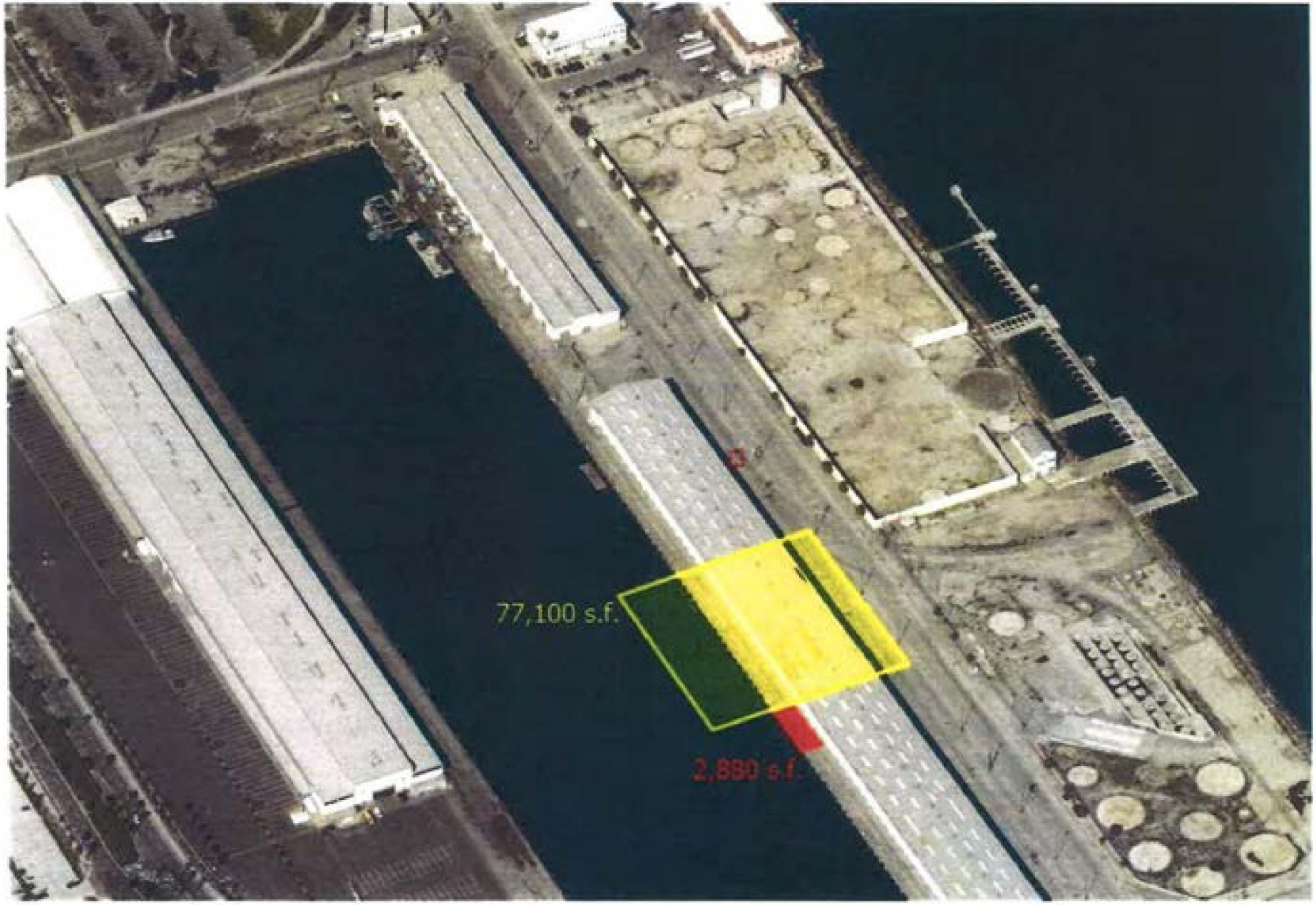


Exhibit B-1b

EXHIBIT C

Improvements

1. Existing City Improvements

A. Currently Non-Historic Existing City Improvements: Upon the Effective Date of the Agreement, the City Improvements existing on the Premises and owned by the City that are not considered historic are as follows:

a. 3,640 square foot facade on the north end of historic transit shed Warehouse 57 (north end of Parcel B57).
b. Approximately 700 linear feet of timber and concrete wharf fronting Berths 70-71 (Parcels B70 and B71)
c. 1,950 square foot, two story office building (southeast corner of Parcel B70)

B. Currently Historic Eligible Existing City Improvements: Upon the Effective Date of the Agreement, the City Improvements existing on the Premises and owned by the City that have been determined eligible for listing on the California Register of Historical Resources as follows:
a. 46,500 square foot transit shed Warehouse 57 (Parcel B57)
b. Approximately 625 linear feet of timber and concrete wharf fronting Berths 57 (western edge of Parcel B57)
c. 180,000 square foot transit shed, Warehouses 58-60 (Parcels B58-B60)
d. Approximately 1,860 linear feet of timber and concrete wharf fronting Berths 58-60 (western edge of Parcels B58-B60)
e. 5,500 square foot, two story pump house building (along eastern Parcel B71)

2. Completed New City Improvements

No New City Improvements have been completed.

3. Tenant Completed Improvements

No Tenant Improvements have been completed.

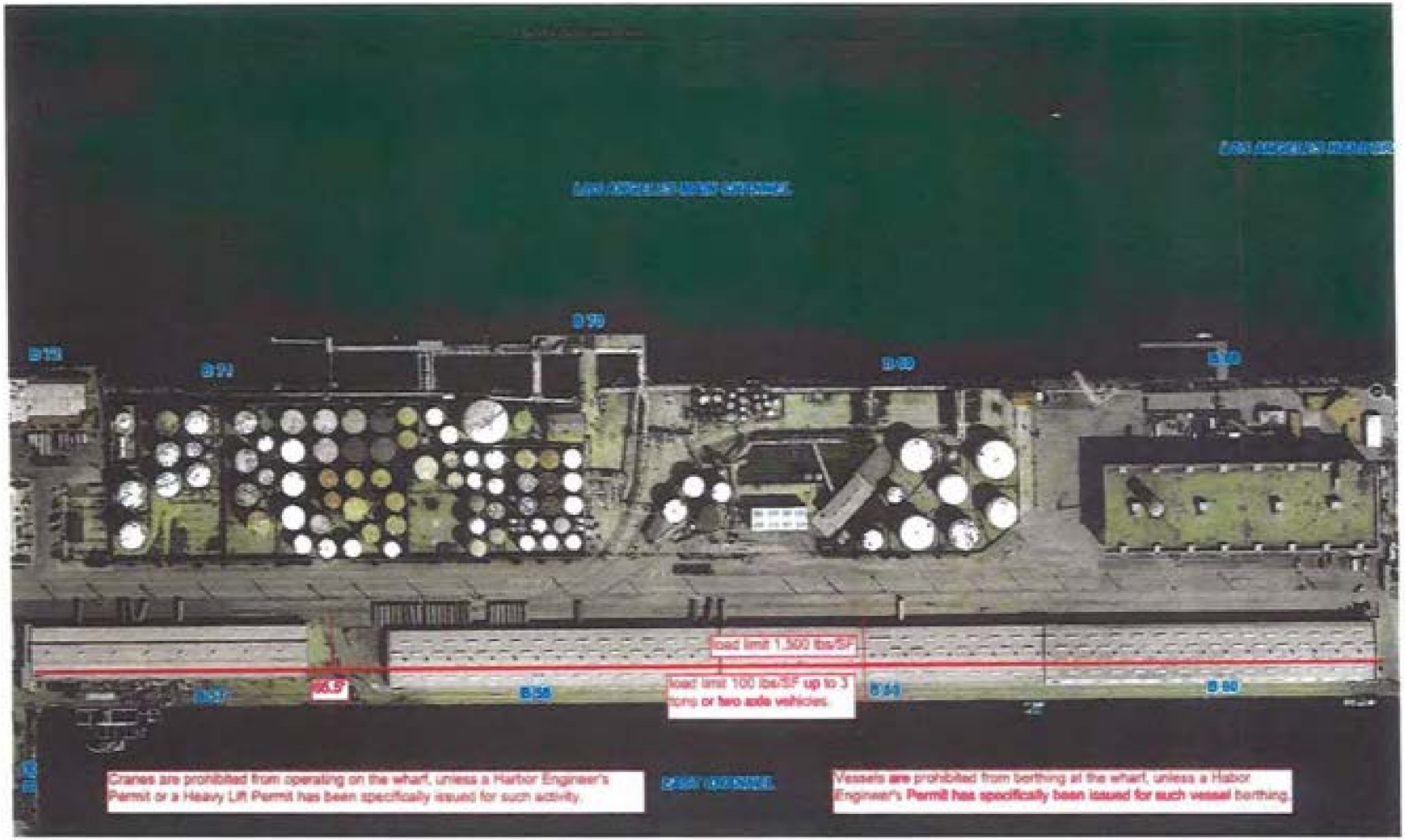


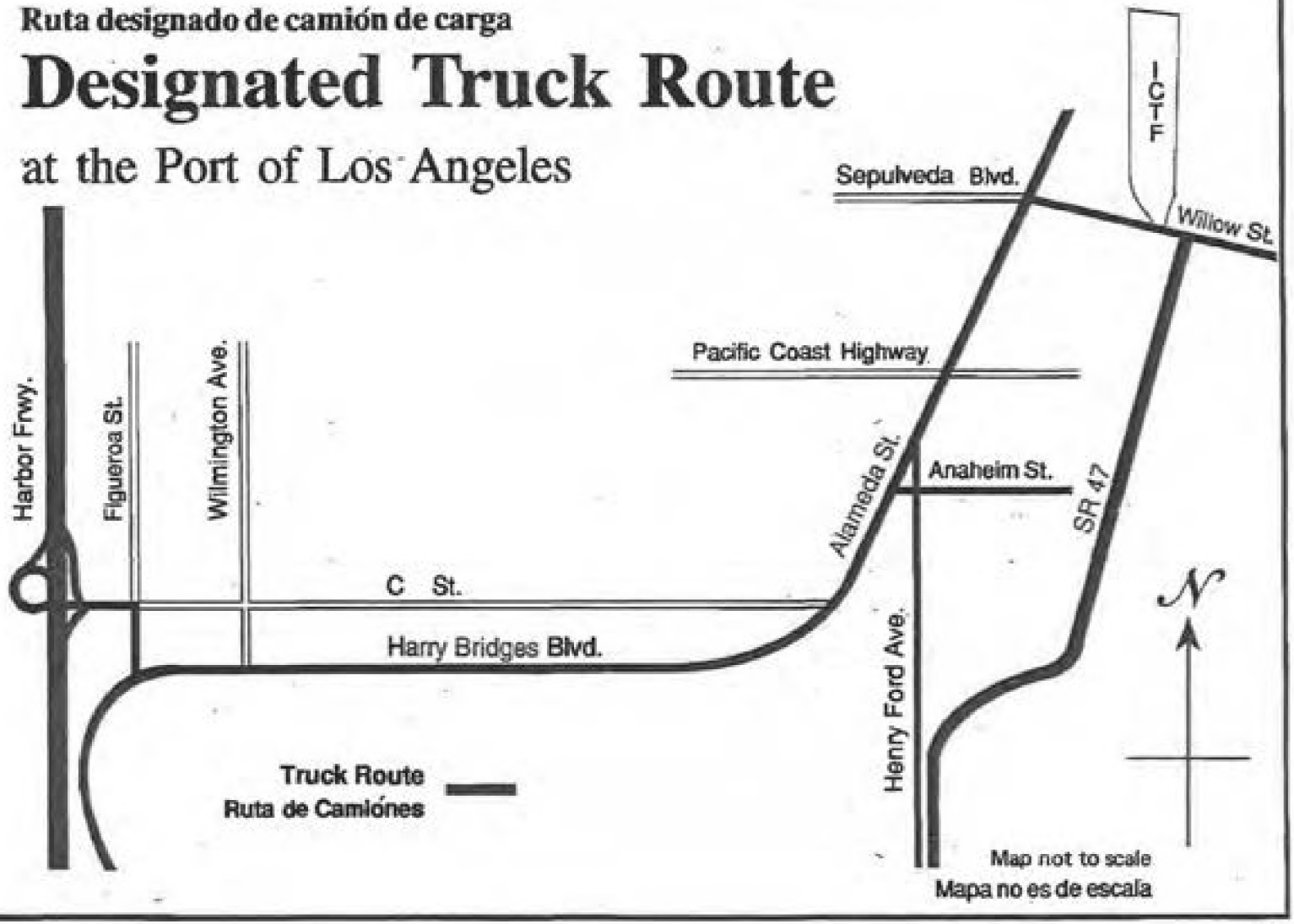
Exhibit D - Load Limits

TRUCKS ENTERING AND LEAVING THE PORT MUST USE THE ROUTE SHOWN BELOW.
CAMIÓNES ENTRANDO Y SALIENDO EL PORTO DEVEN DE USAR LA RUTA INDICADO ABAJO.

Ruta designado de camión de carga

Designated Truck Route

at the Port of Los Angeles



95-03

EXHIBIT E

EXHIBIT F

NON- MONETARY COMPENSATION
SERVICES AND PUBLIC BENEFITS TO BE PROVIDED BY TENANT

Section 1: General Requirements

The Tenant shall provide the services and benefits established in this Section 1 from the Effective Date of the Agreement through expiration or earlier termination of the Agreement.

1) Tenant acknowledges that City maintains leases and other agreements for existing facilities, attractions, and activities with other non-profit 501(C)(3) entities and City agencies, including but not limited, Cabrillo Marine Aquarium, the Maritime Museum, U.S.S. Iowa, the Los Angeles Maritime Institute, and Port Tech LA. Tenant agrees to collaborate and coordinate with such other non-profit entities and City agencies to ensure Tenant activities complement and do not duplicate other non-profit LA Waterfront activities to maximize success of all non-profits and diversified recreational, commercial, and job opportunities.

2) Tenant and its subtenants shall post all concession cashiers, maintenance, security and any entry-level position employment opportunities at the First Source Workforce Development Office ("First Source"), a workforce development program that provides prospective employee applicants through a non-exclusive job referral system. Tenant shall also consult the First Source list of prospective employee applicants prior to any such hiring.

3) Tenant shall participate in the Harbor Department internship program and by the fifth year following the Effective Date of this Agreement provide up to five (5) summer internships.

4) Tenant shall in good faith and with all reasonable diligence use commercially reasonable efforts to use suitable advertising and other means to promote the use of the Premises granted by this Agreement. Tenant shall utilize local hotels, facilities and venues in the City, and particularly in the communities of San Pedro and Wilmington, and encourage its visitors and guests to utilize such hotels, facilities and venues, for any off-site and/or ancillary purposes and events required for the associated use of the Demised Premises, including but not limited to conventions and meetings, to its commercially reasonable ability.

5) Thirty (30) days following the end of the Compensation Year, Tenant shall annually report in writing to the City the following information, as applicable:

(a) Number of all employment opportunities submitted to First Source by Tenant and its subtenants.
(b) Number of employees Tenant and its subtenants hired through First Source and number of employees otherwise hired.
(c) Engagement Center visitation levels, broken down by:
    - General public
    - Students provided organized tours, broken down by: Kindergarten – Sixth (6th) grade; Middle School; High School; and College students.
    - Tenant sponsored community events
    - Tenant sponsored conferences
    - Tenant sponsored special events

(d) Number of students reached through off-site programs: Kindergarten – Sixth (6th) grade; Middle School; High School; and College students.
(e) Number of college students participating in courses at the Demised Premises, broken down by graduate and under graduate levels.
(f) Number of Post Doctorate students based at the Demised Premises.
(g) Number of visitors and students provided boat tours, broken down by participant categories listed in item (c).
(h) Number of other public tours provided, broken down by participant categories listed in item (c).
(i) Date, attendance level, and summary of marketing and outreach materials for the annual open house event.
(j) Date, time, subject, location, and attendance level of all public lectures provided by Tenant and its subtenants, pursuant to the requirements established in Section 2 below.
(k) Date, time, community group, and event provided rent free use of the Engagement Center auditorium, pursuant to the requirements established in Section 2 below.
(l) List of all subtenants and their location within the Demised Premises.
(m)Location of all conferences held by Tenant and its subtenants related to research and operations at the Demised Premises.
(n) Research funding obtained and sources of research funding by Tenant and its subtenants.
(o) Number of Tenant and its subtenant employees with the Demised Premises being their primary work location.
(p) Any other information deemed appropriate by the Tenant to illustrate services and public and economic benefits provided by Tenant operations.
(q) Capital expenditures in the prior Compensation Year.
(r) Number of volunteer hours worked and activities performed on the Demised Premises.
(s) Approximate number of daylight hours Parcel B57 wharf public promenade access is restricted due to Tenant activities and operations.

6) Within thirty (30) days after the end of each Compensation Year, Tenant shall submit to the Executive Director a written certification of compliance with the Exhibit F, Exhibit K, and Tenant's Environmental Compliance Plan developed pursuant to Exhibit K requirements as may be applicable for such Compensation Year. In the event that the Tenant did not achieve compliance with any applicable requirement(s) in the prior year, Tenant shall include a plan to remedy the identified deficiency. In the event of non-compliance, the City may request more frequent reporting from Tenant related the Exhibit F requirements and Tenant shall provide City with such more frequent written reports until compliance with the requirements is achieved. All reports submitted by Tenant shall be verified and contain the following statement signed by an authorized officer of Tenant: "I, (Name of Officer), am the (Title of Officer) of (TENANT), and I hereby verify that I have personal knowledge of the information contained in this report and that the same is true, correct and complete under penalty of perjury under the laws of the State of California."

Section 2: Parcel Specific Requirements

In addition to the general services and benefits established in Section 1, the Tenant shall provide the additional services and benefits specified below for each parcel possessed by Tenant.

2.1 Parcels B56A and B56B Requirements

1) Tenant acknowledges that the Harbor Department holds events along the LA Waterfront throughout the year to provide unique opportunities for public access. Upon occupancy of Parcels B56A and B56B, Tenant shall provide the Harbor Department a list of Tenant and subtenant planned public events for the coming calendar year, no later than November 1. Tenant shall work with the Harbor Department in good faith to coordinate events so as to maximize the success of Tenant and Harbor Department events.

2) Within five (5) years following the Effective Date of the Agreement, the Tenant, regardless of the status of construction of the engagement center or other Tenant Improvements, shall annually reach 5,000 kindergarten through 12th grade students through on or off site programs, such as through classroom based programs or providing teachers with curriculum materials related to on-going or planned research and operations at the Demised Premises.

3) Upon completion of construction, Tenant shall operate and maintain an engagement center, related to the activities at the Demised Premises' facilities, that is open to the public free of charge for a minimum of 40 hours at least five days a week, excluding federal and City of Los Angeles holidays. At least two of such five days must be Saturday and Sunday for a minimum of four (4) hours each day. The hours of operations of the Cabrillo Marine Aquarium will be used as a guideline to leverage audiences for both facilities. Public restrooms in the

engagement center shall be available to public promenade users during engagement center hours.

4) Upon opening of the engagement center, Tenant shall provide at a minimum, free to the public:

    a) Bi-weekly kindergarten through 12th grade educational tours, including transportation to and from the schools to the Demised Premises, for Los Angeles Unified District (LAUSD) students during the school year.

    b) Bi-monthly Saturday workshops for the community pertinent to Demised Premises operations or other marine-related topics.

    c) An annual open house of the Project facilities at the Demised Premises as they are developed by the Tenant. The Tenant is not required to provide public access to all facilities on the Demised Premises during the open house event, but engagement materials or programs explaining the purpose of the various facilities and the benefit of the marine research being conducted shall be provided to the public by the Tenant.

    d) A public lecture series pertinent to Demised Premises operations or other marine-related topics, with a minimum of 12 lectures annually. Lectures may be provided at locations other than the Demised Premises to enable greater public outreach opportunities, but all 12 lecture locations shall be within the City of Los Angeles.

5) Within two (2) years following opening of the engagement center, Tenant shall provide engagement center tours to a minimum of 5,000 kindergarten through 12th grade school students and reach an additional 15,000 kindergarten through 12th grade school students on or off-site, such as through classroom based programs or providing teachers with curriculum materials related to the research and operations conducted on the Demised Premises.

6) Within four (4) years following opening of the engagement center, the Tenant shall provide engagement center tours to a minimum of 10,000 kindergarten through 12th grade school students and reach an additional 25,000 kindergarten through 12th grade school students on or off-site, such as through classroom based programs or providing teachers with curriculum materials to the research and operations conducted on the Demised Premises.

7) Upon opening of the engagement center, Tenant shall allow the City to use the engagement center auditorium free of charge, including janitorial services, security services, utility costs, and any additional costs, for a minimum of twelve (12) days annually for City of Los Angeles or Harbor Department sponsored events or meetings. The City must provide Tenant a minimum of thirty (30) days written

notice requesting use of the auditorium. The thirty (30) days written notice period can be waived at the sole discretion of the Tenant.

8) Upon opening of the engagement center, Tenant shall allow community groups the use of the engagement center auditorium for minimum 6 events annually. The Tenant shall waive the rental fee for these events; however, security, janitorial, and any additional costs will be the responsibility of the community groups.

9) No later than two (2) years following the Effective Date of the Agreement Tenant shall develop and maintain a website detailing the Project marine research activities and Tenant plans. Tenant shall update the research information on the website semi-annually at a minimum.

10) Upon completion of construction, Tenant shall maintain at its sole cost and expense the public promenade and other public spaces on the Demised Premises, consistent with Harbor Department standards. The public promenade shall be open to the public free of charge and consistent with the hours of other LA Waterfront promenade areas.

2.2 Parcel B57

1) Upon occupancy of Parcel B57, Tenant shall:

   a) Develop and maintain exhibit space at transit shed Warehouse 57 that is open to the public, free of charge, a minimum of 40 hours a week and specifically related to marine research activities being undertaken at the Demised Premises. Hours shall be established by the Tenant and posted at both the exhibit area and on the Tenant's website.

   b) Develop and make available on Tenant's website middle and high school curriculum materials related to the research being highlighted in the transit shed Warehouse 57 exhibit space.

   c) Provide the following free tours, separate and apart from each other and other tours required by this Exhibit F:
      i. Bi-weekly tour of the public exhibit space and Demised Premises activities in coordination with the engagement center tours.
      ii. Bi-monthly tours of the Demised Premises gardens.
      iii. Bi-monthly tours on which investigators or researchers will discuss their marine research work.

   d) Provide six (6) lectures annually, separate and apart from other lectures required by this Section 2.2 or other Sections of this F, by investigators or researchers participating in research at the Demised Premises. Lectures may be provided at locations other than on the Demised Premises to

enable greater public outreach opportunities, but all 6 lecture locations shall be within the City of Los Angeles.

e) Provide free boat tours, including transportation to and from the school to the Demises Premises, to elementary, middle, or high school students a minimum of once a month. Students participating in the boat tour may be the same students participating in other tours required by this Section 2.2 or other Sections of this Exhibit F.

f) Tenant's website shall be enhanced to include:
   i. Video of real time research being conducted at Demised Premises.
   ii. Details of tour and lecture schedules.

g) Provide City free of charge, including fuel, vessel staff, equipment, and any other costs, use of a research vessel adequate to perform harbor water quality sampling for one eight (8) hour day every month. Tenant will work with the City to establish an advanced schedule for use of the vessel consistent with monthly monitoring protocols.

2) Five (5) years following occupancy of Parcel B57, Tenant and its subtenants shall have a Post Doctorate program based at the Demised Premises.

3) Five (5) years following occupancy of Parcel B57, Tenant and its subtenants shall have an undergraduate program based at the Demised Premises.

4) Ten (10) years following occupancy of Parcel B57, Tenant and subtenant operations shall provide approximately 70 jobs on the Demised Premises.

5) Upon completion of construction activities on Parcel B57, Tenant shall maintain at its sole cost and expense the public promenade, public restrooms, and public spaces on the Demised Premises, consistent with City Harbor Department standards. The public promenade shall be open to the public free of charge and consistent with the hours of other LA Waterfront promenade areas. Public restrooms on Parcel B57 shall be open to the public free of charge and consistent with the hours posted for the 22nd Street Park.

6) Upon occupancy of Parcel B57, Tenant shall prepare and submit to the Executive Director a plan for controlling public access on the public promenade during vessel loading and unloading activities and other essential operations conducted on the wharf area.

2.3 Parcels B58, B 59, B60, B61A

1) Upon occupancy of Parcels B58, B59, B60 and B61, Tenant shall:

a. Develop and maintain two exhibit spaces at transit shed Warehouses 58-60 (minimum 3,000 square feet) specifically related to business development activities being undertaken at the Demised Premises to be open to the public free of charge a minimum of 40 hours a week. Hours shall be established by Tenant and posted at both the exhibit area and on Tenant's website.

b. Develop and make available on Tenant's website middle and high school curriculum materials related to the new businesses being highlighted in the exhibit space at Warehouses 58-60.

c. Provide the following free public tours, separate and apart from each other and other tours required by this Exhibit F:

    i. Bi-weekly tours of the public exhibition space and Parcels B58, B59, B60 and B61 activities in coordination with the engagement center tours.

    ii. Bi-monthly tours of the gardens and other public area features on Parcels B58, B59, B60 and B61 including the viewing platform at the south section of Parcel B61.

d. Provide six (6) lectures annually, separate and apart from other lectures required by Exhibit F, by business entrepreneur subtenants on the Demised Premises. Lectures may be provided at locations other than the Demised Premises to enable greater public outreach opportunities, but all 6 lecture locations shall be within the City of Los Angeles.

e. Enhanced Tenant website to detail tour and lecture schedules.

2) 5 years following occupancy of Parcels B58, B59, B60 and B61, Tenant and subtenant operations shall provide approximately 180 jobs on the Demised Premises, in addition to the 70 on-site jobs set forth in Section 2.2 (4).

2.4 Parcels B70 and B71

Tenant shall provide Non-Monetary Compensation services and public benefits associated with development of Parcels B70 and B71 as established pursuant to the procedures set forth in the Agreement.

Section 3: Updates to Exhibit F

At each Five-Year Rate Adjustment, this Exhibit F may be updated to reflect appropriate non-monetary compensation services and public benefits. Such updates shall be made by order of the Board as set forth in Section 5.5.

EXHIBIT G

APPRAISAL STANDARDS

Appraisers are required to provide confidential appraisal reports that at a minimum contain the following specifications as a condition of acceptance by the Harbor Department.

Confidentiality Agreement

The appraiser shall keep all aspects of this assignment in the strictest confidentiality from all non-intended users, including but not limited to: lenders, title companies, city agencies, utility companies, assessors, other appraisers, and members of your staff or company that are not directly involved in this assignment. All persons listed in the Certification may be required to sign a confidentially agreement prepared by the City Attorney. The agreement shall be all-inclusive and include, but not be limited to, the appraisal, all knowledge, facts, files and work product of the assignment. All requests for information, data, or files regarding this assignment shall be immediately referred to the client.

Letter of Transmittal

The letter of transmittal shall clearly state all of the real property value conclusions and all extraordinary assumptions of the report. The fair rental value of the property will be stated as annual rent per year per acre. The market land and improvement value will be stated both as the total value and the value per square foot. The report shall also contain a brief description of the property appraised, interest appraised, date of value, date of report, client, intended use, intended user, signature, type of appraisal and report type.

Subject Property Addresses

_____

Subject Property

_____

Interest Appraised

_____

Date of Appraisal

_____

Date of Value

_____

Client of the Appraisal

_____

Intended Use of the Appraisal

_____

Intended Users

Harbor Department, its Board of Harbor Commissioners, and related parties for the purposes of determining _____

Type of Appraisal

_____

Purpose

_____

Appraisal Standards

Full compliance with USPAP (2012-2013) edition and Specific Client Standards and Scope of Work as set forth in this document and the appraisal contract. Appraisers shall be state licensed as Certified General Appraisers by the State of California. A copy of the appraisers' licenses shall be submitted prior to the commencement of the assignment

Definition of Market Value

The term market value, to be used in the appraisal report is to be defined and qualified as being:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This example definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations

jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Definition of Fair Market Rent

The term fair market rent to be used in the appraisal report is to be synonymous with the term market rent defined and qualified as being:

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract;
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction."

Source: Appraisal Institute - The Dictionary of Real Estate Appraisal

Executive Summary

An Executive Summary or Summary of Salient Facts shall be included as attached to this Scope of Work.

Personal Inspection

All appraisers listed in the appraisal certification are required to make a personal inspection of the subject property.

Appraiser Qualification

Document appraiser qualifications. Minimum appraiser qualifications are as set forth in Exhibit H.

Scope of Work

History of Ownership

As set forth in USPAP– (City of Los Angeles Harbor Department)

Marketing Time

As set forth in USPAP 2012-2013

Information Sources

At the time the assignment is awarded to the appraiser, the Harbor Department will provide as necessary, site maps, relevant information and a description of all areas to be appraised. The appraisal will provide a determination of fair rental value and market value of the Subject Property.

Externalities

Information, including but not limited to: analysis of national, regional and local economic trends and other relevant forces that influence or impact property values; descriptions of the immediate and surrounding economic areas; description of the property's access features; availability and market characteristics of competing properties; and a conclusion as to the social, economic, governmental, and environmental characteristics of the subject property. This section is limited to a maximum of 15 pages.

Graphics

Subject property location map, aerial view, neighborhood map, photos and site map or plat of land. The report shall be presented in a letter size bound report.

Zoning

Include a discussion of master plan, current zoning, overlay zones, architectural overlays; including designation, height restrictions, permitted uses, setbacks, coverage ratios, FARs, landscaping and parking requirements.

Assessor's Information

Include the assessor's possessory interest parcel number, last tax bill information, possessory interest information, and method of taxation.

Highest and Best Use

The report shall include a Highest and Best Use Analysis as if vacant. Land value and land rent shall be based upon the highest and best use as if vacant.

Comparable Information

Each comparable land sale, improved sale, rental comparable and rate of return comparable shall be described in detail on a separate data sheet that will include the verification date and source, as well as, other important features. A comparable location map that identifies the subject property and all comparable data shall be included along with a summary table of the comparable data. All reports must include an adjustment grid that delineates each item of adjustment, as well as the direction and amount of each adjustment made. All adjustments are to be discussed in the pertinent analysis section of the report.

Method of Appraisals – Scope of Assignment

Describe all information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions and conclusions. All appraisal methods shall be considered and all appropriate appraisal methods shall be applied. If standard approaches to value are not included, the report must contain a discussion of the reason for the exclusions.

Sales Comparison Approach

This approach, if relevant, will include a direct comparison of sales, rental data and rates of return, of other similar properties both nationally and locally. Additionally, the report will reconcile comparables with market data derived from surrounding property types.

The Income Capitalization Approach

This approach, if relevant, will include an estimate of market rent and market value of the property. Values will be estimated based on the direct capitalization approach or a discounted cash flow methologies. Direct capitalization rates and land rental rates of return will be derived from verified comparable sale and leased properties with similar risk characteristics. If surveys of land rental rates of return are included they shall contain examples of actual recent transactions for each survey result. Discounted cash flow analyses will contain internal rates of return derived from investor surveys and interviews with buyers of verified comparable sales.

The Cost Approach

This approach, if relevant, will value the property as a whole and will set forth the reproduction cost new including direct costs, indirect costs, and entrepreneurial profit. Indirect costs shall include, but not be limited to land carry, site costs, utility connection fees, estimated construction time, construction loan interest, taxes, long-term financing costs, insurance, permits and fees, architectural fees, and engineering fees. A depreciation analysis will estimate total life, remaining economic life, effective age, and total accrued depreciation from all causes. All cost new estimates will be referenced to cost manuals (including date and page) and cost services, and/or market data comparables.

Reconciliation

The report shall reconcile the results of all approaches employed and provide an analysis that results in a final conclusion of the fair market rent and market value of the subject property. The reconciliation will state the effective date of value, the interest appraised and the property rights appraised.

EXHIBIT H

APPRAISER QUALIFICATIONS

Any appraisals that provide opinions of market value shall be performed by an appraiser whose business is located in Los Angeles or Orange Counties and holds a Certified General Appraiser classification within the State of California obtained through the qualification procedures set forth by the California Office of Real Estate Appraisers (OREA) and be a member in good standing with the Appraisal Institute and hold the designation MAI. A copy of all licenses and certifications shall be submitted prior to commencement of work. The MAI designated appraiser shall be the principal appraiser of the property and not limited to a review appraiser.

Any appraiser selected to perform an appraisal of port related properties (total property, land and/or improvements) shall have working knowledge of port related properties that is appropriate for the work being performed.

EXHIBIT I

BASELINE

As set forth in Agreement Section 6.2.3, following Tenant's request for acceptance of a Parcel(s) pursuant to Agreement Section 3.2.1 or upon completion of New City Improvements, if any, whichever is later, Exhibit I will be updated to document the Baseline Condition for the Parcel(s) to be possessed by Tenant.

Tenant has not accepted any Parcels.

WATERSTONE ENVIRONMENTAL, INC.

2936 E. CORONADO STREET * ANAHEIM * CA 92806
714-414-1122 * FAX: 714-414-1166
E-MAIL: EGONZALEZ@WATERSTONE-ENV.COM

September 9, 2014

Jenny Krusoe
Annenberg Foundation
2000 Avenue of the Stars, Suite 1000S
Los Angeles, CA 90067 San Francisco, CA 94105

Re: Results of Environmental Investigation at Berths 58 through 60 of the City Dock No. 1 Property at the Port of Los Angeles, California

Dear Ms. Krusoe:

Waterstone Environmental, Inc. (Waterstone) is pleased to submit this letter report detailing the results of the environmental investigation at Berths 58 through 60 (also known as Parcel 3 of the City Dock No.1 property) located at the Port of Los Angeles in San Pedro (Los Angeles), California ("Subject Property") (see Figure 1 and 2).

1.0 Purpose and Background

Waterstone designed the following scope of work to conduct a baseline environmental investigation sampling at Berths 58 through 60 (see Figures 3 through 5). The scope of work was performed to evaluate the current condition of the Subject Property prior to a lease of the property from the Port of Los Angeles. The scope of work was developed based on the findings of a Phase I Environmental Site Assessment ("Phase I") of the City Dock No. 1 property, including Berths 56, 57, 58 through 60, 70, and 71 and portions of the East and Main Channels. These areas are also known as Parcels 1A, 1B, 2A, 2B, 3, 4, 4A, 5, 6, 7, and 8.

The Phase I identified the historical uses and construction details at Berths 58 through 60. Initially, the Los Angeles Municipal Shed No. 1, a single-story steel-frame structure with corrugated metal siding (transit shed), was constructed at Berths 58 through 60 in 1915. An all-concrete wharf along the western edge of the pier was constructed in 1938. The exterior building siding material for the buildings located at Berths 57 through 60 is thought to be galbestos, metal sheeting with asbestos felt on both sides coated with bitumen. The warehouse building at Berths 58 through 60 was re-roofed and sky lights were installed in 1999, however, the new roof was placed over the existing roof which may have contained asbestos. In addition, lead-based paint may have been used on the warehouses at Berths 58 through 60. The Phase I also identified a nearby former facility, the Hy C Tane Tank Farm at Berths 70 and 71, that may have negatively impacted the soil and groundwater at the Subject Property.

In cooperation with Port of Los Angeles staff, Waterstone prepared a detailed scope of work (Workplan) in order to investigate the recognized environmental conditions identified at the Subject Property. This investigation implemented the above scope of work.

2.0 Investigation

The Workplan for the soil and groundwater investigation was submitted on March 11, 2014. Upon acceptance of the Workplan, Waterstone began pre-field activities on June 24, 2014. The soil and groundwater sampling activities were performed at the Subject Property on June 30 through July 7, 2014.

2.1 Pre-field Activities

Prior to the execution of the field investigation the following pre-field activities were conducted:

- Waterstone prepared a formal Workplan detailing the planned subsurface investigation, including all sample locations, sample depths, and analyses to be performed. The Workplan was approved by Port by Los Angeles staff.
- Waterstone scheduled and subcontracted with subsurface clearance, drilling, and analytical subcontractors.
- Waterstone prepared a Site specific Health and Safety Plan (HASP). The HASP is included as Attachment A to this report.
- Waterstone visited the Site to mark the perimeter of the proposed sampling area in accessible public right-of-ways (sidewalk) in accordance with Underground Services Alert (USA) procedures required by law. Waterstone notified USA of the proposed drilling more than 48 hours prior to sampling.
- Waterstone coordinated a subsurface geophysical survey to be conducted at the soil boring locations. The subsurface geophysical survey was conducted by Spectrum Geophysics of Glendale, California.
- Waterstone coordinated the field schedule and tasks required to complete the scope with subcontractors.
- Waterstone prepared sample labels to facilitate sampling and chain-of-custody documentation.

2.2 Field Activities

Waterstone oversaw and managed all aspects of sample collection. Waterstone conducted air monitoring during sampling activities in accordance with the Site specific health and safety plan.

2.2.1 Quality Assurance and Quality Control Sampling Activities

In addition to the collection of primary samples, sampling included the collection of quality assurance and quality control samples (QA/QC). QA/QC sample collection included duplicate samples collected at an approximate rate of 10%. Equipment blank and trip blank samples were also collected.

2.2.2 Soil and Groundwater Sample Collection

Soil Sampling

Waterstone conducted the sampling outlined in the provided Table 1 and shown on Figure 3. Samples were collected both inside and outside the existing warehouse buildings located at Berths 58 through 60. All soil boring locations were hand augered to a depth of 4.5 feet for utility clearance purposes and shallow soil sample collection.

After reaching the pre-determined shallow sample collection depth specified on Table 1, the hand auger was decontaminated and used to extract a soil sample from the targeted interval. Soil samples were collected with a hand auger and were placed in a glass jar which was immediately sealed and labeled. Exterior soil samples were collect at depths of 0.5, 3.0 and 6.0 feet below ground surface (bgs) and were analyzed for asbestos by EPA Method 600, lead and arsenic by EPA Method 6010B and polychlorinated biphenyls (PCBs) by EPA Method 8082. Interior soil samples were collected at a depth of 1.0 foot bgs and were analyzed for lead and arsenic by EPA Method 6010B.

Soil samples were also collected from depths of 5, 10 and 15-feet bgs at each of the 18 interior sample locations using a direct push sampling rig. Sampling with the direct push-probe rig involves using a hydraulic hammer or vibrator to drive the push-probe sampling system into the soil to the desired sampling depths. Soil samples were subsampled by EPA Method 5035 using Terracore® samplers at alternating depths to be analyzed for volatile organic compounds (VOCs) by EPA 8260B or volatile range total petroleum hydrocarbons (TPH) by EPA Method 8015B. Additionally, deep soil samples were analyzed for Title 22 Metals by EPA Method 6010B/7471, diesel and motor oil range TPH by EPA Method 8015B, semi-volatile organic compounds (SVOCs) by EPA Method 8270C, polychlorinated biphenyls (PCBs) by EPA Method 8082, polyaromatic hydrocarbons (PAHs) by EPA Method 8270-SIM, organochlorine pesticides (OCPs) by EPA Method 8081A, and organophosphorus pesticides (OPPs) by EPA Method 8141B.

Alterations to the sampling plan locations and depths were made in the field due to onsite conditions encountered while sampling. Field observations indicated that the sea wall located beneath the wharf was located further east than previously understood (see Figure 3), so the interior soil sample locations were shifted east in order to situate them over soil. Additionally, it was observed during sampling that the asphalt and concrete thickness within and outside the

building ranged anywhere from 6 inches to 22 inches thick. Soil sample depths were measured from the bottom of concrete, where first soil was encountered. Refusal or poor recovery was encountered at several locations, as noted in Table 1, where no sample recovery was possible.

A boring log was prepared at eight boring locations by a field geologist working under the direction of a California Professional Geologist. (See Attachment B)

Groundwater Sampling

Soil borings were completed to an estimated depth of 20 to 24 feet at six exterior locations to allow for the collection of groundwater within the upper portion of the water bearing zone under the Subject Property. Groundwater sample locations are shown on Figure 3.

A grab groundwater sample was collected at each location using a peristaltic pump. The groundwater samples were submitted to a State-certified analytical laboratory and analyzed for Title 22 Metals by EPA Method 6010B/7471, TPH-gasoline, TPH-diesel fuel, and TPH-motor oil by EPA Method 8015, VOCs and fuel oxygenates by EPA Method 8260B, and SVOCs by EPA Method 8270.

Building Material Sampling

Waterstone conducted sampling around the interior and exterior of the existing warehouse building siding and roof materials to investigate for the presence of PCBs, lead and asbestos in the building materials.

Chip samples were collected around the outside of each building where galbestos siding was identified and were analyzed for PCBs by EPA Method 8082. Due to the observed presence of galbestos siding only on the east side of the building, the total number of chip samples collected was reduced from what was proposed in the original sampling. Wipe samples were collected on the inside and outside of all sides of the existing warehouse buildings and analyzed for PCBs bye EPA Method 8082.

A lead and asbestos survey was conducted on the existing warehouse buildings by Allstate Services on July 3, 2014. Samples of the available roof, paint, floor tile, stucco, concrete, mastic, plaster, window putty, and siding of each berth building were collected and analyzed for asbestos by EPA Method 600 using polarized light microscopy (PLM). Additionally, samples of all interior and exterior painted surfaces were analyzed for lead using a portable x-ray fluorescence (XRF) spectrum analyzer.

2.3 Investigation Results

2.3.1 Soil Analysis

Advanced Technology Laboratories, a California State Certified Laboratory, provided off-site analytical services for soil samples from this subsurface investigation. The results of their analyses are provided in Attachment C.

Metals

Twenty soil samples (18 primary samples and two duplicate samples) were submitted for analysis of Title 22 Metals by EPA Method 6010B/7471A. Additional analyses were performed for arsenic and lead as shown in the below table. Metals analysis results are presented in Table 2. The metals detected at least once during this investigation are summarized as follows:

Metals - Soil Analysis Summary Table

Detected Chemical	Number of Samples	Number of Detections	Maximum Concentration (mg/kg)	Sample with Maximum Concentration	Commercial CHHSL	Number of Detections above CHHSL
Arsenic	74	73	18	60EB-2-0.5	0.24	73
Barium	20	20	1,200	58IB-2-10	63,000	0
Cadmium	20	3	2.3	60IB-3-10	7.5	0
Chromium	20	20	50	60IB-2-10	100,000	0
Cobalt	20	19	7.5	59IB-5-11	3,200	0
Copper	20	20	46	60IB-2-10	38,000	0
Lead	73	70	760	59EB-5-0.5	320	2
Mercury	20	1	0.1	58IB-5-10	180	0
Molybdenum	20	18	25	60IB-1-5	4,800	0
Nickel	20	20	57	60IB-2-10	16,000	0
Selenium	20	13	6.7	59IB-5-11	4,800	0
Vanadium	20	20	120	58IB-2-10	6,700	0
Zinc	20	20	78	59IB-5-11/60IB-5-10	100,000	0

Metals were detected at concentrations below the commercial California Human Health Screening Levels (CHHSL) for all metals with the exception of arsenic (which is common) and lead.

Arsenic was detected at concentrations above the DTSC-approved background concentration of 12 milligrams per kilogram (mg/kg) in 3 locations: FD-4 (field duplicate for 58EB-2-0.5), 60EB-2-0.5, and 59IB-1-5 at 17 mg/kg, 18 mg/kg and 13 mg/kg, respectively. The next deeper samples were analyzed within each boring which exceeded the DTSC-approved background concentration for arsenic. The next deeper sample had a concentration below 12 mg/kg at all three locations.

Lead was detected at concentrations above the commercial CHHSL for lead of 320 mg/kg at two locations: 59EB-5-0.5 and 60EB-2-0.5 at 760 mg/kg and 330 mg/kg, respectively. The next

deeper samples were analyzed within each boring which exceeded the commercial CHHSL for lead. The next deeper sample had a concentration below 320 mg/kg at both locations.

Due to the detection of elevated lead concentrations at 59EB-5-0.5, 60EB-2-0.5, and 60EB-5-0.5, additional analyses were performed to further characterize the leachability of the soil for potential disposal purposes during property redevelopment. The Toxicity Characteristic Leaching Procedure (TCLP) extraction analysis was used for samples with concentrations exceeding 100 mg/kg lead and the results were compared to the regulatory level of 5 milligrams per liter (mg/L). Because those concentrations did not exceed the TCLP threshold, a secondary test [Soluble Threshold Limit Concentration (STLC)] was also used. The STLC analyses were also below the regulatory threshold of 5 mg/L at 59EB-5 and 60EB-5. Based on these results, the soil may be characterized as non-hazardous for disposal purposes if necessary during redevelopment. Two samples, 60EB-2-0.5 and 60EB-2-3, had STLC detections above the EPA regulatory limit of 5 mg/L, indicating that the soil in this area of the Subject Property may be characterized as non-RCRA (California) hazardous for disposal purposes only.

Asbestos

Forty soil samples (36 primary samples and four duplicate samples) were submitted for analysis of asbestos by EPA Method 600. Asbestos analysis results are presented in Table 2. No asbestos was detected in any of the collected and analyzed soil samples.

Volatile Organic Compounds

Twenty soil samples (18 primary samples and two duplicate samples) were submitted for analysis of VOCs by EPA Method 5035/8260B. VOC analysis results are presented in Table 3. Only one VOC, carbon disulfide, was detected at a concentration of 20 micrograms per kilogram (ug/kg). The residential soil RSL for carbon disulfide is 770,000 ug/kg, so the detected concentrations are not an issue for the Subject Property.

Total Petroleum Hydrocarbons

Twenty soil samples (18 primary samples and two duplicate samples) were submitted for analysis of TPH by EPA Method 8015/8260B. TPH analysis results are presented in Table 3. Gasoline-range, diesel-range and oil-range TPH were detected as follows:

TPH - Soil Analysis Summary Table

Detected Chemical	Number of Samples	Number of Detections	Maximum Concentration (mg/kg)	Sample with Maximum Concentration
TPH-GRO	20	6	2.3	58IB-3-15
TPH-DRO	23	23	160	58IB-4-5
TPH-ORO	23	23	450	58IB-4-5

TPH-gasoline and oil were detected at concentrations below the San Francisco Regional Water Quality Control Board (RWQCB) Environmental Screening Levels (ESL), which are protective of human health and groundwater, and the Los Angeles RWQCB screening levels, which are protective of groundwater. TPH-diesel was detected at concentrations above the SFRWQCB ESL and LARWQCB screening levels for TPH-diesel of 100 mg/kg at one location: 58IB-4-5 at 160 mg/kg. The deeper samples in the same boring were also analyzed for diesel with detections of 3.6 mg/kg at 10 feet bgs and 2.0 mg/kg at 15 feet bgs, both results were below 100 mg/kg.

Semi-Volatile Organic Compounds and Polycyclic Aromatic Hydrocarbons

Twenty soil samples (18 primary samples and two duplicate samples) were submitted for analysis of SVOCs by EPA Method 8270 and PAHs by EPA Method 8270-SIM. Based on the initial results, three additional samples were analyzed for PAHs. A few analytes were analyzed by both methods and may have been detected by both analyses. Some of these analytes may have only been detected by EPA Method 8270-SIM due to its lower detection limits. SVOC and PAH analysis results are presented in Table 2. No SVOCs other than PAHs were detected in any of the collected and analyzed soil samples. The PAHs detected at least once during this investigation are summarized as follows:

PAH - Soil Analysis Summary Table

Detected Chemical	Number of Samples	Number of Detections	Maximum Concentration (ug/kg)	Sample with Maximum Concentration
Benzo(a)anthracene	23	5	320	58IB-4-5
Benzo(a)pyrene	23	5	240	58IB-4-5
Benzo(b)fluoranthene	23	1	12	58IB-5-10
Benzo(g,h,i)perylene	23	1	16	58IB-5-10
Benzo(k)fluoranthene	23	1	13	58IB-5-10
Chrysene	23	2	190	58IB-4-5
Dibenz(a,h)anthracene	23	2	140	58IB-4-5
Fluoranthene	23	2	1,400	58IB-4-5
Indeno(1,2,3-cd)pyrene	23	1	18	58IB-5-10
Phenanthrene	23	2	460	58IB-4-5
Pyrene	23	3	530	58IB-4-5

As shown above and in Table 3, several PAHs were detected in the collected soil samples at concentrations below the EPA Region IX Regional Screening Levels, however, the concentrations of benzo(a)pyrene exceed the CHHSL. However, the benzo(a)pyrene concentration and other PAHs detected were below the DTSC approved background concentration of 900 ug/kg as a benzo(a)pyrene equivalent (which takes into account several other compounds identified as PAHs in additional to benzo(a)pyrene). Therefore, SVOCs and PAHs are not an issue for the Subject Property.

Polychlorinated Biphenyls

Fifty soil samples (44 primary samples and six duplicate samples) were submitted for analysis of PCBs by EPA Method 8082. PCB analysis results are presented in Table 4. No PCBs were detected in any of the collected and analyzed soil samples.

Pesticides

Twenty soil samples (18 primary samples and two duplicate samples) were submitted for analysis of OCPs by EPA Method 8081A and OPPs by EPA Method 8141B. Pesticide analysis results are presented in Table 4. No OCPs or OPPs were detected above the commercial CHHSL in any of the collected and analyzed soil samples.

2.3.2 Groundwater Analysis

Advanced Technology Laboratories, a California State Certified Laboratory, provided off-site analytical services for groundwater samples from this subsurface investigation. The results of their analyses are provided in Table 5 and Attachment C.

Seven (7) groundwater samples were analyzed for Title 22 Metals by EPA Method 6010B/7471, TPH-gasoline, TPH-diesel fuel, and TPH-motor oil by EPA Method 8015, VOCs and fuel oxygenates by EPA Method 8260B, and SVOCs by EPA Method 8270.

The following metals were detected at low concentrations in the groundwater samples: arsenic, barium, cadmium, chromium, cobalt, copper, lead, mercury, molybdenum, nickel, vanadium, and zinc. Arsenic, lead, barium, cadmium, chromium, and nickel were detected at concentrations exceeding the maximum contaminant level (MCL). Due to sediment in the groundwater sample and the acidic preservative used in the sample collection container, it is likely that elevated detections are due to sediment and are not present in the dissolved phase. A test for this was conducted on location 60GW-2. The primary sample, 60GW-2 was collected with preservative similar to the other groundwater sample locations, while the second sample was collected without the preservative so it could be filtered by the laboratory prior to analysis. As can be seen in Table 5, all metals results were lower in the filtered sample than in the primary sample. It is likely that the observed groundwater metal results in the unfiltered samples are indicative of metals originating from the sediment and released into the sample during preservation of the groundwater sample.

Diesel and oil range TPH were both detected in the analyzed groundwater samples; however the detected concentrations were below the San Francisco RWQCB ESL. Gasoline range TPH was detected in one groundwater sample; however, the detected concentration was below the San Francisco RWQCB ESL. No MCL is established for TPH, hence the San Francisco RWQCB ESLs were used for evaluating the levels of TPH detected in groundwater.

No VOCS, SVOCs, or PAHs were detected in the analyzed groundwater samples.

2.3.3 Building Material Analysis

Chip Samples

Six chip samples were collected around the outside walls of the existing warehouse buildings where galbestos siding was identified. (See Figure 4) The galbestos was found only on the eastern side of the building, starting approximately six feet from the ground surface. Chip samples were collected by Allstate Services during the lead and asbestos survey and were analyzed by EMSL Analytical, Inc., a California State Certified Laboratory for PCBs by EPA Method 8082. No PCBs were detected in any of the collected and analyzed chips samples. PCB chip sample analysis results are presented in Table 6.

Wipe Samples

Twenty-eight wipe samples collected around the inside and outside walls of the existing warehouse buildings. (See Figure 5) Advanced Technology Laboratories provided off-site analytical services to analyze the wipe samples for PCBs by EPA Method 8082. No PCBs were detected in any of the collected and analyzed wipe samples. PCB wipe sample analysis results are presented in Table 6.

Asbestos and Lead-Based Paint Building Material Samples

Allstate Services collected samples of the available roof, paint, floor tile, stucco, concrete, mastic, plaster, window putty, and siding of each berth building and were analyzed by LA Testing for asbestos by EPA Method 600 using polarized light microscopy (PLM). Reports from the asbestos survey for each building are provided in Attachment D.

A total of fifty samples were collected and analyzed throughout the Berth 58 to 60 buildings. Sample locations were selected to be representative of materials in each homogeneous area. Asbestos was identified in building material samples as follows:

- Berth 58 – Asbestos was identified in four of the twenty two samples collected, including the damaged interior floor tile at 8% chrysotile and damaged exterior galbestos siding samples at 15% chrysotile.
- Berth 59 – Asbestos was identified in four of the fourteen samples collected, including the damaged paint on the roof parapet wall at 2% chrysotile and damaged exterior galbestos siding samples at 50% chrysotile.
- Berth 60 – Asbestos was identified in four of the fourteen samples collected, including the damaged paint on the roof parapet wall at 2% chrysotile and damaged exterior galbestos siding samples at 60% chrysotile.

The asbestos identified in the interior floor tile of Berth 58 and exterior galbestos siding of Berths 58 through 60 is considered damaged but non-friable. The ashestos identified in the roof parapet wall paint in Berths 59 and 60 is considered damaged and friable.

Allstate Services collected samples of all interior and exterior painted surfaces and analyzed them onsite for lead using a portable x-ray fluorescence (XRF) spectrum analyzer. Reports from the lead survey for each building are provided in Attachment E.

Lead based paint is defined as at or above the Los Angeles County Department of Health Services defined level of 0.7 milligrams per square centimeter (mg/cm^2). At Berth 58, lead levels greater than 0.7 mg/cm^2 were identified in 18 of the 34 samples analyzed. At Berth 59, lead levels greater than 0.7 mg/cm^2 were identified in 22 of the 37 samples analyzed. At Berth 60, lead levels greater than 0.7 mg/cm^2 were identified in 19 of the 37 samples analyzed.

2.3.3 Quality Assurance and Quality Control Analysis

Quality assurance and quality control were conducted during this investigation by collecting field duplicate samples, equipment blank samples, and trip blank samples. All analyses were provided by Advanced Technology Laboratories, a California State Certified Laboratory. Field duplicate results are included in Tables 2 through 4. Both primary and duplicate results were evaluated in Section 2.3.1 above. None of the analytes were detected in the trip blank samples. Two analytes were each detected once in an equipment blank sample. Zinc was detected at a concentration of 0.017 mg/L in sample EB-070714, and dibenz(a,h)anthracene was detected at a concentration of 0.21 ug/L in samples EB-063014. Because the contaminants were not found in soil samples at concentrations greater than those found in the equipment blanks, the data has been determined to be valid and acceptable for its intended use.

3.0 Conclusions and Recommendations

3.1 Conclusions

Based on the investigation sampling results described in the report, Waterstone has made the following conclusions:

Soil:

- Metals were detected at concentrations below the commercial California Human Health Screening Levels (CHHSL) for all metals with the exception of arsenic and lead.
    - Arsenic was detected at concentrations above the DTSC-approved background concentration of 12 mg/kg in 3 locations: FD-4 (field duplicate for 58EB-2-0.5), 60EB-2-0.5, and 59IB-1-5 at 17 mg/kg, 18 mg/kg and 13 mg/kg, respectively.

The next deeper sample had a concentration below 12 mg/kg at all three locations. The lateral extent of arsenic contamination around these borings is unknown.

- Lead was detected at concentrations above the commercial CHHSL for lead of 320 mg/kg at two locations: 59EB-5-0.5 and 60EB-2-0.5 at 760 mg/kg and 330 mg/kg, respectively. The next deeper sample had a concentration below 320 mg/kg at both locations. The lateral extent of lead contamination around these borings is unknown.
- TCLP and STLC analyses were performed to further characterize the leachability of the soil for potential disposal purposes during property redevelopment. STLC detections above the EPA regulatory limit of 5 mg/L were identified at 60EB-2-0.5 and 60EB-2-3, indicating that the soil in this area of the Subject Property may be characterized as non-RCRA (California) hazardous for disposal purposes only. The remaining soil may be characterized as non-hazardous for disposal purposes, if necessary, during redevelopment.

➢ TPH-gasoline and oil were detected at concentrations below the San Francisco RWQCB ESL, which are protective of human health and groundwater, and the Los Angeles RWQCB screening levels, which are protective of groundwater. TPH-diesel was detected at concentrations above the SFRWQCB ESL and LARWQCB screening levels for TPH-diesel of 100 mg/kg at one location. However, additional sampling is not deemed warranted based on the magnitude of TPH-diesel detection.

➢ Select SVOCs and PAHs were detected in the collected soil samples at concentrations below the EPA Region IX Regional Screening Levels, with the exception of benzo(a)pyrene. The concentrations of benzo(a)pyrene also exceeded the CHHSL. However, the benzo(a)pyrene concentration and other PAHs detected were below the DTSC approved background concentration of 900 micrograms per kilogram as a benzo(a)pyrene equivalent (which takes into account the other compounds identified as PAHs in additional to benzo(a)pyrene). Therefore, SVOCs and PAHs are not an issue for the site.

➢ Only one VOC, carbon disulfide, was detected at a concentration of 20 ug/kg. The residential soil RSL for carbon disulfide is 770,000 ug/kg so the detected concentrations are not an issue for the site.

➢ No OCPs or OPPs were detected above the commercial CHHSL in any of the collected and analyzed soil samples.

➢ No PCBs were detected in any of the collected and analyzed soil samples.

Groundwater:

- Diesel and oil range TPH were both detected in the analyzed groundwater samples; however the detected concentrations were below the San Francisco RWQCB ESL. Gasoline range TPH was detected in one groundwater sample; however, the detected concentration was below the San Francisco RWQCB ESL. No VOCS, SVOCs, or PAHs were detected in the analyzed groundwater samples.
- Several metals were detected at low concentrations in the groundwater samples. Arsenic, lead, barium, cadmium, chromium, and nickel were detected at concentrations exceeding the maximum contaminant level (MCL). Due to sediment in the groundwater sample and the acidic preservative used in the sample collection container, it is likely that elevated detections are due to sediment and are not present in the dissolved phase. Therefore, groundwater contamination is not an issue for the site.

Building Materials:

- No PCBs were detected in wipe or chip samples collected on building surfaces.
- Asbestos containing building materials were identified in six of the fifty samples collected throughout the Berth 58 to 60 buildings. The chrysotile asbestos identified in the interior floor tile of Berth 58 and exterior galbestos siding of Berths 58 through 60 is considered damaged but non-friable. The asbestos identified in the roof parapet wall paint in Berths 59 and 60 is considered damaged and friable. All affected asbestos containing materials should be removed prior to demolition or renovation.
- Lead based paint was defined above the Los Angeles County Department of Health Services defined level of 0.7 mg/cm^2. At Berth 58, lead levels greater than 0.7 mg/cm^2 were identified in 18 of the 34 samples analyzed. At Berth 59, lead levels greater than 0.7 mg/cm^2 were identified in 22 of the 37 samples analyzed. At Berth 60, lead levels greater than 0.7 mg/cm^2 were identified in 19 of the 37 samples analyzed. All affected lead containing materials should be removed prior to demolition or renovation.

3.2 Recommendations

Based on the investigation sampling results described in the report, Waterstone has made the following recommendations:

- Additional subsurface investigation is warranted to laterally delineate the arsenic and lead impact to soil at select locations.
- It is recommended that removal of affected lead and asbestos containing building materials be performed prior to demolition or renovation.

All work conducted in association with this scope of work was conducted under the direction of Brianne Archer, a State of California registered Professional Engineer. Boring logs were prepared under the direction of, signed, and stamped by a State of Professional Geologist.

Sincerely,

Heather Fields
Senior Associate Scientist
Waterstone Environmental, Inc.

Brianne Archer, P.E.
Senior Engineer
Waterstone Environmental, Inc.

Jeffrey V. Dagdigian, PhD
Managing Principal Scientist
Waterstone Environmental, Inc.

Copy to:
David Conforti

Attachments:

Table 1 - Sample Table
Table 2 - Soil Sample Results for Metals by EPA Method 6010B/7471A and Asbestos by EPA Method 300
Table 3 - Soil Sample Results for TPH by EPA Method 8015, VOCs by EPA Method 8260B, SVOCs by EPA Method 8270, and PAHs by EPA Method 8270-SIM
Table 4 - Soil Sample Results for PCBs by EPA Method 8082, OCPs by EPA Method 8081A and OPPs by EPA Method 8141B
Table 5 - Groundwater Sample Results for Metals by EPA Method 6010B, TPH by EPA Method 8015B, VOCs by EPA Method 8260B, SVOCs by EPA Method 8270C and PAHs by EPA Method 8170-SIM
Table 6 - Chip and Wipe Sample Results for PCBs by EPA Method 8082

Figure 1 - Subject Property Location Map
Figure 2 - Site Vicinity Map
Figure 3 - Soil and Groundwater Sample Locations

Figure 4 - Chip Sample Locations
Figure 5 - Wipe Sample Locations

Attachment A - Health and Safety Plan
Attachment B - Boring Logs
Attachment C - Analytical Laboratory Reports
Attachment D - Asbestos Survey
Attachment E - Lead Survey

Tables

Table 1

Sample Table
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample Boring	Depth (ft bgs)	Asbestos by EPA 600	Lead and Arsenic by EPA 6010B	Title 22 Metals by EPA 6010B/7471A	TPH by EPA 8015B	VOCs by EPA 8260B	SVOCs by EPA 8270C	PCBs by EPA 8082	PAHs by EPA 8270 SIM	OCPs by EPA 8081A	OPPs by EPA 8141B
58EB-1	0.5	x	x					x			
	3		x					x			
	6										
58EB-2	0.5	x	x					x			
	3										
	6										
58EB-3	0.5	x	x					x			
	3										
	6		x					x			
58EB-4	0.5	x	x					x			
	3										
	6										
58EB-5	0.5	x	x					x			
	3		x					x			
	6										
58EB-6	0.5	x	x					x			
	3										
	6										
59EB-1	0.5	x	x					x			
	3										
	6		x					x			
59EB-2	No Sample Due to Refusal										
59EB-3	0.5	x	x					x			
	3		x					x			
	6										
59EB-4	0.5	x	x					x			
	3										
	6										

Table 1

Sample Table
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample Boring	Depth (ft bgs)	Asbestos by EPA 600	Lead and Arsenic by EPA 6010B	Title 22 Metals by EPA 6010B/7471A	TPH by EPA 8015B	VOCs by EPA 8260B	SVOCs by EPA 8270C	PCBs by EPA 8082	PAHs by EPA 8270 SIM	OCPs by EPA 8081A	OPPs by EPA 8141B
59EB-5	0.5	x	x					x			
	3										
	6		x					x			
59EB-6	0.5	x	x					x			
	3										
	6										
60EB-1	0.5	x	x					x			
	3										
	6		x					x			
60EB-2	0.5	x	x					x			
	3										
	6										
60EB-3	0.5	x	x					x			
	3										
	6		x					x			
60EB-4	0.5	x	x					x			
	3										
	6										
60EB-5	0.5	x	x					x			
	3										
	6		x					x			
60EB-6	0.5	x	x					x			
	3										
	6										
60EB-7	0.5	x	x					x			
	3	No Sample Due to Refusal									
	6										

Table 1

Sample Table
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample Boring	Depth (ft bgs)	Asbestos by EPA 600	Lead and Arsenic by EPA 6010B	Title 22 Metals by EPA 6010B/7471A	TPH by EPA 8015B	VOCs by EPA 8260B	SVOCs by EPA 8270C	PCBs by EPA 8082	PAHs by EPA 8270 SIM	OCPs by EPA 8081A	OPPs by EPA 8141B
58IB-1	1	x	x								
	5			x	x	x	x	x	x	x	x
	10										
	15										
58IB-2	1	x	x								
	5										
	10			x	x	x	x	x	x	x	x
	15	No Sample Due to Refusal									
58IB-3	1	x	x								
	5										
	10										
	15			x	x	x	x	x	x	x	x
58IB-4	1	x	x								
	5			x	x	x	x	x	x	x	x
	10										
	15										
58IB-5	1	x	x								
	5										
	10			x	x	x	x	x	x	x	x
	15										
58IB-6	1	x	x								
	5	No Sample Recovery									
	10										
	15			x	x	x	x	x	x	x	x
59IB-1	1	x	x								
	5			x	x	x	x	x	x	x	x
	10										
	15										

Table 1

Sample Table
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample Boring	Depth (ft bgs)	Asbestos by EPA 600	Lead and Arsenic by EPA 6010B	Title 22 Metals by EPA 6010B/7471A	TPH by EPA 8015B	VOCs by EPA 8260B	SVOCs by EPA 8270C	PCBs by EPA 8082	PAHs by EPA 8270 SIM	OCPs by EPA 8081A	OPPs by EPA 8141B
59IB-2	1	x	x								
	5										
	10			x	x	x	x	x	x	x	x
	15										
59IB-3	1	x	x								
	5										
	10										
	15			x	x	x	x	x	x	x	x
59IB-4	1	x	x								
	5			x	x	x	x	x	x	x	x
	10										
	15										
59IB-5	1	x	x								
	5										
	11			x	x	x	x	x	x	x	x
	15										
59IB-6	1	x	x								
	5										
	10										
	15			x	x	x	x	x	x	x	x
60IB-1	1	x	x								
	5			x	x	x	x	x	x	x	x
	10										
	15										
60IB-2	1	x	x								
	5										
	10	x		x	x	x	x	x	x	x	x
	15										

Table 1

Sample Table
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample Boring	Depth (ft bgs)	Asbestos by EPA 600	Lead and Arsenic by EPA 6010B	Title 22 Metals by EPA 6010B/7471A	TPH by EPA 8015B	VOCs by EPA 8260B	SVOCs by EPA 8270C	PCBs by EPA 8082	PAHs by EPA 8270 SIM	OCPs by EPA 8081A	OPPs by EPA 8141B
60IB-3	1	x	x								
	5										
	10			x	x	x	x	x	x	x	x
	15	No Sample Due to Refusal									
60IB-4	1	x	x								
	5			x	x	x	x	x	x	x	x
	10										
	15										
60IB-5	1	x	x								
	5										
	10			x	x	x	x	x	x	x	x
	13										
60IB-6	1	x	x								
	5										
	10										
	15			x	x	x	x	x	x	x	x
58GW-1	GW			x	x	x	x				
58GW-2	GW			x	x	x	x				
59GW-1	GW			x	x	x	x				
59GW-2	GW			x	x	x	x				
60GW-1	GW			x	x	x	x				
60GW-2	GW			x	x	x	x				
58G-1	Chip	x						x			
58G-2	Chip	x						x			
58G-3	Chip	x						x			
58G-4	Chip	x						x			
58G-5	Chip	x						x			
59G-1	Chip	x						x			
59G-2	Chip	x						x			
59G-3	Chip	x						x			

Table 1

Sample Table
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample Boring	Depth (ft bgs)	Asbestos by EPA 600	Lead and Arsenic by EPA 6010B	Title 22 Metals by EPA 6010B/7471A	TPH by EPA 8015B	VOCs by EPA 8260B	SVOCs by EPA 8270C	PCBs by EPA 8082	PAHs by EPA 8270 SIM	OCPs by EPA 8081A	OPPs by EPA 8141B
59G-4	Chip	x						x			
60G-1	Chip	x						x			
60G-2	Chip	x						x			
60G-3	Chip	x						x			
60G-4	Chip	x						x			
60G-5	Chip	x						x			
58W-1	Wipe							x			
58W-2	Wipe							x			
58W-3	Wipe							x			
58W-4	Wipe							x			
58W-5	Wipe							x			
58W-6	Wipe							x			
58W-7	Wipe							x			
58W-8	Wipe							x			
58W-9	Wipe							x			
58W-10	Wipe							x			
59W-1	Wipe							x			
59W-2	Wipe							x			
59W-3	Wipe							x			
59W-4	Wipe							x			
59W-5	Wipe							x			
59W-6	Wipe							x			
59W-7	Wipe							x			
59W-8	Wipe							x			
60W-1	Wipe							x			
60W-2	Wipe							x			
60W-3	Wipe							x			
60W-4	Wipe							x			
60W-5	Wipe							x			
60W-6	Wipe							x			

Table 1

Sample Table
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample Boring	Depth (ft bgs)	Asbestos by EPA 600	Lead and Arsenic by EPA 6010B	Title 22 Metals by EPA 6010B/7471A	TPH by EPA 8015B	VOCs by EPA 8260B	SVOCs by EPA 8270C	PCBs by EPA 8082	PAHs by EPA 8270 SIM	OCPs by EPA 8081A	OPPs by EPA 8141B
60W-7	Wipe							x			
60W-8	Wipe							x			
60W-9	Wipe							x			
60W-10	Wipe							x			

VOCs = volatile organic compounds
SVOCs = semi-volatile organic compounds
PAHs = polycyclic aromatic hydrocarbons
PCBs = polychlorinated biphenyls
OCPs = organochlorine pesticides

Table 2

Soil Sample Results for Metals by EPA Method 6010B/7471A and Asbestos by EPA Method 300

City Dock No. 1

Berths 58 through 60

San Pedro, California

Sample ID	Asbestos by EPA 300	Title 22 Metals by EPA 6010B/7471A (mg/kg)																		
		Arsenic	Lead	Lead TCLP (mg/L)	Lead STLC (mg/L)	Antimony	Barium	Beryllium	Cadmium	Chromium	Cobalt	Copper	Molybdenum	Nickel	Selenium	Silver	Thallium	Vanadium	Zinc	Mercury
[illegible]	ND	9.2	8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	6.3	3.2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	7.1	8.0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
FD-4	ND	17	5.2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	7.0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	8.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	3.2	4.2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	6.2	5.6	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
FD-5	--	8.2	15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	10	8.0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	9.0	4.9	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	6.3	5.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	7.4	6.4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	3.7	17	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]		No Sample Due to Refusal																		
[illegible]																				
[illegible]																				
[illegible]	ND	7.8	5.3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
FD-3	ND	8.1	7.2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	9.6	7.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	2.6	5.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	6	760	ND<0.05	ND<1.0	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	1.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	3.7	3.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	6	9.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
FD-6	ND	3.5	5.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	6.7	12	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	4.2	ND<1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	18	330	ND<0.05	19	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	4.7	64	--	61	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	8.6	2.9	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	10	15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	--	4.9	4.3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
[illegible]	ND	8.8	23	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table 2

Soil Sample Results for Metals by EPA Method 6010B/7471A and Asbestos by EPA Method 300

City Dock No. 1

Berths 58 through 60

San Pedro, California

Sample ID	Asbestos by EPA 300	Title 22 Metals by EPA 6010B/7471A (mg/kg)																		
		Arsenic	Lead	Lead TCLP (mg/L)	Lead STLC (mg/L)	Antimony	Barium	Beryllium	Cadmium	Chromium	Cobalt	Copper	Molybdenum	Nickel	Selenium	Silver	Thallium	Vanadium	Zinc	Mercury
60E8-4-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-4-4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-5-2.5	ND	6.7	150	ND<0.05	7.4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-5-3	--	--	6.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-5-5	--	6.5	3.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-5-60	ND	3.3	5.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-6-2	ND	6.2	3.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-6-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-6-4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-7-0.5	ND	2.4	6.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60E8-7-2	No Sample Due to Refusal																			
60E8-7-3																				
58E8-1-1	ND	5.6	2.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-1-5	--	6.5	4	--	--	ND<2	120	ND<1	ND<1	26	3.1	39	4.8	30	1.3	ND<1	ND<1	38	63	ND<0.1
58E8-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-2-1	ND	5	4.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-2-10	--	3.6	ND<1	--	--	ND<2	1500	ND<1	1.9	34	ND<1	13	7.7	15	1.2	ND<1	ND<1	100	28	ND<0.1
58E8-2-15	No Sample Due to Refusal																			
58E8-3-1	ND	8.8	3.6	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-3-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-3-15	--	3.6	1.7	--	--	ND<2	36	ND<1	ND<1	32	2.7	28	6.7	32	3.3	ND<1	ND<1	34	45	ND<0.1
58E8-4-1	ND	3.6	3.2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-4-5	--	6.7	3.1	--	--	ND<2	150	ND<1	ND<1	41	3.6	39	7.7	34	4.3	ND<1	ND<1	33	82	ND<0.1
58E8-4-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-4-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-5-1	ND	7	3.6	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-5-10	--	ND<5	3.4	--	--	ND<10	270	ND<5	ND<5	40	5.4	43	ND<5	40	ND<5	ND<5	ND<5	37	82	0.1
58E8-5-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-6-1	ND	11	4.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-6-5	No Sample Recovery																			
58E8-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58E8-6-15	--	5	2.7	--	--	ND<2	67	ND<1	ND<1	27	4.1	28	4.5	31	2.8	ND<1	ND<1	29	50	ND<0.1
59E8-1-1	ND	6.5	5.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-1-5	--	13	3.9	--	--	ND<2	220	ND<1	ND<1	42	3.6	43	13	32	4.9	ND<1	ND<1	46	50	ND<0.1
59E8-1-10	--	8.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-2-1	ND	7.6	7.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-2-10	--	7.6	4.2	--	--	ND<2	230	ND<1	ND<1	37	3.8	42	7.3	28	4.3	ND<1	ND<1	38	60	ND<0.1
59E8-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-3-1	ND	7.2	9.4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-3-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-3-15	--	13	4.3	--	--	ND<2	260	ND<1	ND<1	38	5	41	5.7	45	1.3	ND<1	ND<1	37	75	ND<0.1
59E8-4-1	ND	7.7	4.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59E8-4-5	--	3.3	1.1	--	--	ND<2	110	ND<1	ND<1	7.8	1.4	3	ND<1	8	ND<1	ND<1	ND<1	57	13	ND<0.1

Table 2

Soil Sample Results for Metals by EPA Method 6010B/7471A and Asbestos by EPA Method 300
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	Asbestos by EPA 300	Title 22 Metals by EPA 6010B/7471A (mg/kg)																		
		Arsenic	Lead	Lead TCLP (mg/L)	Lead STLC (mg/L)	Antimony	Barium	Beryllium	Cadmium	Chromium	Cobalt	Copper	Molybdenum	Nickel	Selenium	Silver	Thallium	Vanadium	Zinc	Mercury
59B-4-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-4-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-5-1	ND	4.6	4.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-5-11	--	9.4	4.5	--	--	ND<4	220	ND<2	ND<2	36	7.9	36	5	47	0.7	ND<2	ND<2	42	78	ND<0.1
59B-5-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-6-1	ND	6.1	3.2	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-6-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59B-6-15	--	4.5	2.3	--	--	ND<2	220	ND<1	ND<1	20	2.7	17	2.5	28	2.1	ND<1	ND<1	32	34	ND<0.1
60B-1-1	ND	8.8	3.7	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-1-5	--	6.1	6.6	--	--	ND<2	390	ND<1	ND<1	26	2.1	17	25	12	3.8	ND<1	ND<1	32	32	ND<0.1
60B-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-2-1	ND	5.8	4.3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-2-10	--	12	4.1	--	--	ND<4	160	ND<2	ND<2	50	7.3	46	7.1	57	4.5	ND<2	ND<2	38	77	ND<0.1
60B-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-3-1	ND	4.7	4.3	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-3-10	--	7.8	3.4	--	--	ND<2	340	ND<1	2.3	27	5.2	25	2.4	38	ND<1	ND<1	ND<1	34	84	ND<0.1
60B-3-12	No Sample Due to Refusal																			
60B-4-1	ND	7.3	4.4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-4-5	--	8.8	6.4	--	--	ND<2	290	ND<1	ND<1	41	2.8	30	15	22	4.6	ND<1	ND<1	44	51	ND<0.1
60B-4-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-4-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-5-1	ND	6.6	3.8	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-5-10	--	8	4.6	--	--	ND<2	280	ND<1	1.3	33	7.2	32	4.1	43	ND<1	ND<1	ND<1	40	78	ND<0.1
FD-2	--	8.7	4.2	--	--	ND<2	300	ND<1	ND<1	37	6.7	33	1.7	34	ND<1	ND<1	ND<1	39	63	ND<0.1
60B-5-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-6-1	ND	7.9	4.1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-6-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60B-6-15	--	3.4	ND<1	--	--	ND<2	88	ND<1	ND<1	8.7	2	5.5	4	7.3	ND<1	ND<1	ND<1	12	15	ND<0.1
FD-1	--	3.6	3.5	--	--	ND<3	320	ND<1	ND<1	19	5.9	16	1.5	15	ND<1	ND<1	ND<1	29	42	ND<0.1
CHHSL (Residential)	--	0.07	80	--	--	30	5,300	16	1.7	100,000	660	3,000	380	1,600	380	380	5	530	23,000	18
CHHSL (Commercial)	--	0.24	320	--	--	380	63,000	190	7.5	100,000	3,200	39,000	4,800	19,000	4,800	4,800	63	6,700	100,000	180

ND = Not Detected Above Reporting Limit
-- = Not Analyzed
mg/kg = milligrams per kilogram
EPA = Environmental Protection Agency
CHHSL = California Human Health Screening Level

Note: The background concentration of arsenic in southern California soil is 12 mg/kg, per DTSC.

Table 3

Soil Sample Results for TPH by EPA Method 8015B, VOCs by EPA Method 8260B, SVOCs by EPA Method 8270C and PAHs by EPA Method 8270-SIM
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	TPH by EPA 8015B			VOCs by EPA 8260B (ug/kg)		SVOCs by EPA 8270C (ug/kg)	PAHs by EPA 8270-SIM (ug/kg)											
	Gasoline Range Organics	Diesel Range Organics	Motor Oil Range Organics	Carbon disulfide	All other VOCs	All SVOCs	Benzo(a) anthracene	Benzo(a) pyrene	Benzo(b) fluoranthene	Benzo (g,h,i) perylene	Benzo(k) fluoranthene	Chrysene	Dibenz(a,h)a nthracene	Fluoranthene	Indeno (1,2,3-cd) pyrene	Phenanthrene	Pyrene	All Other PAHs
SB5-1-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-1-5	ND<1	2.3	3.1	ND<5	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB6-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-2-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-2-10	ND<1.0	3.1	3.4	ND<5.1	ND	ND	ND<335	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB5-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-3-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-3-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-3-15	2.3	2.9	3.8	ND<5.3	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB5-4-1	--	1.0	1.5	--	--	--	ND<1.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND
SB5-4-5	1.3	150	440	ND<5.6	ND	ND	350	340	ND<330	ND<330	ND<330	780	140	1400	ND<330	460	320	ND
SB5-4-10	--	3.6	6.7	--	--	--	ND<5.0	100	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND
SB5-4-15	--	2.0	2.4	--	--	--	ND<5.0	140	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND<5.0	ND
SB5-5-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-5-10	ND<1	1.7	3.1	ND<4.1	ND	ND	13	71	12	16	13	84	13	67	19	ND<330	61	ND
SB5-5-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-6-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-6-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB5-6-15	ND<1	2.8	4.4	ND<5.1	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB6-1-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-1-5	ND<1	3.1	4.4	ND<5.5	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB6-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-2-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-2-10	--	3	3.7	20	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB6-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-3-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-3-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-3-15	ND<1.04	1.8	3.1	ND<4.9	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB6-4-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-4-5	ND<1.7	2.9	5.1	ND<5.3	ND	ND	9.4	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB6-4-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-4-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-5-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-5-11	ND<1	1.6	2.7	ND<4.9	ND	ND	17	87	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	77	ND
SB6-5-12	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-6-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-6-5	No Sample Recovery																	
SB6-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB6-6-15	ND<1.3	6.2	8.4	ND<5.5	ND	ND	3.9	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	6.1	ND<330	ND
SB7-1-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB7-1-5	2.2	2.1	2.7	ND<5.7	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB7-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB7-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB7-2-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB7-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SB7-2-10	1.4	2.2	3.5	140	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
SB7-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table 3

Soil Sample Results for TPH by EPA Method 8015B, VOCs by EPA Method 8260B, SVOCs by EPA Method 8270C and PAHs by EPA Method 8270-SIM

City Dock No. 1

Berths 58 through 60

San Pedro, California

Sample ID	TPH by EPA 8015B			VOCs by EPA 8260B (ug/kg)		SVOCs by EPA 8270C (ug/kg)	PAHs by EPA 8270-SIM (ug/kg)											
	Gasoline Range Organics	Diesel Range Organics	Motor Oil Range Organics	Carbon disulfide	All other VOCs	All SVOCs	Benzo(a) anthracene	Benzo(a) pyrene	Benzo(b) fluoranthene	Benzo (g,h,i) perylene	Benzo(k) fluoranthene	Chrysene	Dibenz(a,h)a nthracene	Fluoranthene	Indeno (1,2,3-cd) pyrene	Phenanthrene	Pyrene	All Other PAHs
60B-3-1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-3-5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-3-10	ND<1	0.9	1.8	ND<4.8	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
60B-3-15	No Sample Due to Refusal																	
60B-4-1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-4-5	2.1	4.1	7	ND<6.2	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
60B-4-10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-4-13	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-5-1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-5-5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-5-10	ND<0.87	2.5	11	ND<6.1	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
PD-2	ND<0.98	2.2	14	ND<5.7	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
60B-6-1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-6-5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-6-10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
60B-6-15	ND<1	1	1.4	ND<5.8	ND	ND	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
PD-1	ND<1.3	1.1	3	ND<6.1	ND	ND	5.1	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND<330	ND
LARWQCB	100	100	1,000		–	–	–	–	–	–	–	–	–	–	–	–	–	–
SFRWQCB	100/200	100/110	100/500			–												
CHHSL	–	–	–	–	–	–	–	38/120	–	–	–	–	–	–	–	–	–	–
RSL	–	–	–	770,000/ 3,500,000	–	–	150/2,500	15/250	150/2,500	–	1,500/ 29,000	15,000/ 280,000	15/250	2,300,000/ 30,000,000	150/2,500	–	1,700,000/ 23,000,000	–

TPH = total petroleum hydrocarbons

VOCs = volatile organic compounds

SVOCs = semi-volatile organic compounds

PAHs = polycyclic aromatic hydrocarbons

LARWQCB = Los Angeles Regional Water Quality Control Board Screening Levels

SFRWQCB = San Francisco Regional Water Quality Control Board Environmental Screening Level (ESL) (Residential/Commercial)

CHHSL = California Human Health Screening Level (Residential/Commercial)

RSL = EPA Region IX Regional Screening Level (Residential/Industrial)

Note: The background concentration of benzo(a)pyrene equivalent is 500 ug/kg in southern California.

Table 4

Soil Sample Results for PCBs by EPA Method 8082, OCPs by EPA Method 8081A and OPPs by EPA Method 8141B
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	PCBs by EPA 8082 (ug/kg)									OCPs by EPA 8081A (ug/kg)				OPPs by EPA 8141B (ug/kg)
	Aroclor 1016	Aroclor 1232	Aroclor 1242	Aroclor 1248	Aroclor 1254	Aroclor 1260	Aroclor 1262	Aroclor 1268	Aroclor 1221	4,4'-DDE	4,4'-DDT	4,4'-DDD	All Other OCPs	All OPPs
58EB-1-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-1-3	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-1-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-2-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
FD-4	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-2-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-2-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-3-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-3-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-3-6	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
FD-5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-4-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-4-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-4-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-5-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-5-3	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-5-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-6-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
58EB-6-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58EB-6-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-1-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
59EB-1-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-1-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-2-0.5	No Sample Due to Refusal									--	--	--	--	--
59EB-2-3										--	--	--	--	--
59EB-2-6										--	--	--	--	--
59EB-3-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
59EB-3-3	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
59EB-3-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-4-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
59EB-4-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-4-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-5-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--

Table 4

Soil Sample Results for PCBs by EPA Method 8082, OCPs by EPA Method 8081A and OPPs by EPA Method 8141B
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	PCBs by EPA 8082 (ug/kg)									OCPs by EPA 8081A (ug/kg)				OPPs by EPA 8141B (ug/kg)
	Aroclor 1016	Aroclor 1232	Aroclor 1242	Aroclor 1248	Aroclor 1254	Aroclor 1260	Aroclor 1262	Aroclor 1268	Aroclor 1221	4,4'-DDE	4,4'-DDT	4,4'-DDD	All Other OCPs	All OPPs
59EB-5-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-5-6	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
59EB-6-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
FD-6	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
59EB-6-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59EB-6-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-1-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-1-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-1-6	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-2-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-2-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-2-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-3-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-3-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-3-6	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-4-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-4-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-4-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-5-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-5-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-5-6	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-6-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
FD-7	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-6-3	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-6-6	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60EB-7-0.5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	--	--	--	--	--
60EB-7-3	No Sample Due to Refusal									--	--	--	--	--
60EB-7-6										--	--	--	--	--
58IB-1-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-1-5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
58IB-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table 4

Soil Sample Results for PCBs by EPA Method 8082, OCPs by EPA Method 8081A and OPPs by EPA Method 8141B
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	PCBs by EPA 8082 (ug/kg)									OCPs by EPA 8081A (ug/kg)				OPPs by EPA 8141B (ug/kg)
	Aroclor 1016	Aroclor 1232	Aroclor 1242	Aroclor 1248	Aroclor 1254	Aroclor 1260	Aroclor 1262	Aroclor 1268	Aroclor 1221	4,4'-DDE	4,4'-DDT	4,4'-DDD	All Other OCPs	All OPPs
58IB-2-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-2-10	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
58IB-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-3-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-3-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-3-15	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
58IB-4-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-4-5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
58IB-4-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-4-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-5-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-5-10	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
58IB-5-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-6-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-6-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
58IB-6-15	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
59IB-1-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-1-5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	6.9	55	ND<2	ND	ND
59IB-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-2-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-2-10	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
59IB-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-3-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-3-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-3-15	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
59IB-4-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table 4

Soil Sample Results for PCBs by EPA Method 8082, OCPs by EPA Method 8081A and OPPs by EPA Method 8141B
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	PCBs by EPA 8082 (ug/kg)									OCPs by EPA 8081A (ug/kg)				OPPs by EPA 8141B (ug/kg)
	Aroclor 1016	Aroclor 1232	Aroclor 1242	Aroclor 1248	Aroclor 1254	Aroclor 1260	Aroclor 1262	Aroclor 1268	Aroclor 1221	4,4'-DDE	4,4'-DDT	4,4'-DDD	All Other OCPs	All OPPs
59IB-4-5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
59IB-4-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-4-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-5-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-5-11	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	8.1	5.7	ND<2	ND	ND
59IB-5-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-6-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-6-5	No Sample Recovery													
59IB-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
59IB-6-15	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
60IB-1-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-1-5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
60IB-1-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-1-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-2-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-2-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-2-10	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
60IB-2-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-3-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-3-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-3-10	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
60IB-3-15	No Sample Due to Refusal													
60IB-4-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-4-5	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
60IB-4-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-4-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-5-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-5-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-5-10	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	5.1	16	4	ND	ND
FD-2	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
60IB-5-13	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-6-1	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table 4

Soil Sample Results for PCBs by EPA Method 8082, OCPs by EPA Method 8081A and OPPs by EPA Method 8141B
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	PCBs by EPA 8082 (ug/kg)									OCPs by EPA 8081A (ug/kg)				OPPs by EPA 8141B (ug/kg)
	Aroclor 1016	Aroclor 1232	Aroclor 1242	Aroclor 1248	Aroclor 1254	Aroclor 1260	Aroclor 1262	Aroclor 1268	Aroclor 1221	4,4'-DDE	4,4'-DDT	4,4'-DDD	All Other OCPs	All OPPs
60IB-6-5	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-6-10	--	--	--	--	--	--	--	--	--	--	--	--	--	--
60IB-6-15	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
FD-1	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<16	ND<2	ND<2	ND<2	ND	ND
CHHSL	89	--	--	--	--	--	--	--	--	1,600	1,600	2,300	--	--

PCBs = polychlorinated biphenyls
OCPs = organochlorine pesticides
OPPs = organophosphate pesticides
ND = Not Detected Above Reporting Limit
-- = Not Analyzed
CHHSL = California Human Health Screening Level

Table 1

Groundwater Sample Results for Metals by EPA Method 6010B, TPH by EPA Method 8015B, VOCs by EPA Method 8260B, SVOCs by EPA Method 8270C and PAHs by EPA Method 8270-SIM

City Dock No. 1

Berths 55 through 60

San Pedro, California

Sample ID	Title 22 Metals by EPA 6010B/7471A (mg/L)																	TPH by EPA 8015B (mg/L)			VOCs by EPA 8260B (ug/L)		SVOCs by EPA 8270C (ug/kg)	PAHs by EPA 8270-SIM (ug/kg)
	Arsenic	Lead	Antimony	Barium	Beryllium	Cadmium	Chromium	Cobalt	Copper	Molybdenum (ug/L)	Nickel	Selenium	Silver	Thallium	Vanadium	Zinc	Mercury	GRO	DRO	ORO	Toluene	All Other VOCs	All SVOCs	All PAHs
MDW-1	0.003	0.0008	ND<0.01	0.06	ND<0.003	0.0004	0.13	0.001	0.009	0.007	0.045	ND<0.01	ND<0.002	ND<0.013	0.17	0.2	0.00021	ND<0.05	0.06	0.08	ND<0.5	ND	ND	ND
MDW-2	0.002	0.0008	ND<0.01	0.07	ND<0.003	0.0004	0.18	0.002	0.13	0.008	0.16	ND<0.01	ND<0.002	ND<0.013	0.19	0.39	0.0003	ND<0.05	0.07	0.09	ND<0.5	ND	ND	ND
MDW-3	0.007	0.01*	ND<0.01	0.02	ND<0.003	0.0017	0.19	0.008	0.13	0.052	0.15	ND<0.01	ND<0.002	ND<0.013	0.24	0.31	0.00008	ND<0.05	0.08	0.09	0.5	ND	ND	ND
EDW-2	0.005	0.001	ND<0.01	0.1	ND<0.003	0.007	0.83	0.09	0.48	0.14	0.51	ND<0.01	ND<0.002	ND<0.013	0.81	0.91	0.00005	ND<0.05	0.07	0.09	ND<0.5	ND	ND	ND
NDW-1	0.006	0.001	ND<0.01	0.2	ND<0.003	0.018	0.34	0.068	0.43	0.072	0.43	ND<0.01	ND<0.002	ND<0.013	0.69	0.87	0.00006	0.07	0.08	0.09	ND<0.5	ND	ND	ND
NDW-2	ND<0.001	ND<0.01	ND<0.02	0.08	ND<0.003	ND<0.0008	0.016	ND<0.005	0.02	0.021	0.016	ND<0.02	ND<0.004	ND<0.026	0.023	0.051	ND<0.00005	ND<0.05	0.07	0.09	0.63	ND	ND	ND
NDW-3A	ND<0.01	ND<0.005	ND<0.01	0.034	ND<0.003	ND<0.003	ND<0.003	ND<0.003	ND<0.005	0.013	ND<0.005	ND<0.01	ND<0.002	ND<0.013	ND<0.003	ND<0.01	ND<0.0001	--	--	--	--	--	--	--
MCL	0.01	0.015	0.006	2.0	0.004	0.005	0.1	--	1.3	--	0.1	0.05	--	0.002	--	--	0.002	--	--	--	1000	--	--	--
SFBRWQCB	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.1	0.1	0.1	--	--	--	--

TPH = total petroleum hydrocarbons

VOCs = volatile organic compounds

SVOCs = semi-volatile organic compounds

MCL = Maximum Contaminant Level

SFBRWQCB = San Francisco Regional Water Quality Control Board Environmental Screening Level (ESL)

Table 6

Chip and Wipe Sample Results for PCBs by EPA Method 8082
City Dock No. 1
Berths 58 through 60
San Pedro, California

Sample ID	PCBs by EPA 8082 (ug/kg)								
	Aroclor 1016	Aroclor 1221	Aroclor 1232	Aroclor 1242	Aroclor 1248	Aroclor 1254	Aroclor 1260	Aroclor 1262	Aroclor 1268
58-PCB1	ND<0.67	ND<0.67	ND<0.67	ND<0.67	ND<0.67	ND<0.67	ND<0.67	ND<0.67	ND<0.67
58-PCB2	ND<0.89	ND<0.89	ND<0.89	ND<0.89	ND<0.89	ND<0.89	ND<0.89	ND<0.89	ND<0.89
59-PCB1	ND<0.99	ND<0.99	ND<0.99	ND<0.99	ND<0.99	ND<0.99	ND<0.99	ND<0.99	ND<0.99
59-PCB2	ND<0.86	ND<0.86	ND<0.86	ND<0.86	ND<0.86	ND<0.86	ND<0.86	ND<0.86	ND<0.86
60-PCB1	ND<0.91	ND<0.91	ND<0.91	ND<0.91	ND<0.91	ND<0.91	ND<0.91	ND<0.91	ND<0.91
60-PCB2	ND<0.95	ND<0.95	ND<0.95	ND<0.95	ND<0.95	ND<0.95	ND<0.95	ND<0.95	ND<0.95
58W-1	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-2	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-3	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-4	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-5	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-6	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-7	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-8	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-9	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
58W-10	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-1	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-2	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-3	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-4	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-5	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-6	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-7	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
59W-8	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-1	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-2	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-3	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-4	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-5	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-6	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-7	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-8	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-9	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5
60W-10	ND<0.5	ND<1	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5	ND<0.5

PCBs = polychlorinated biphenyls
ND = Not Detected Above Reporting Limit

Figures

Figure 1 - Subject Property Location Map

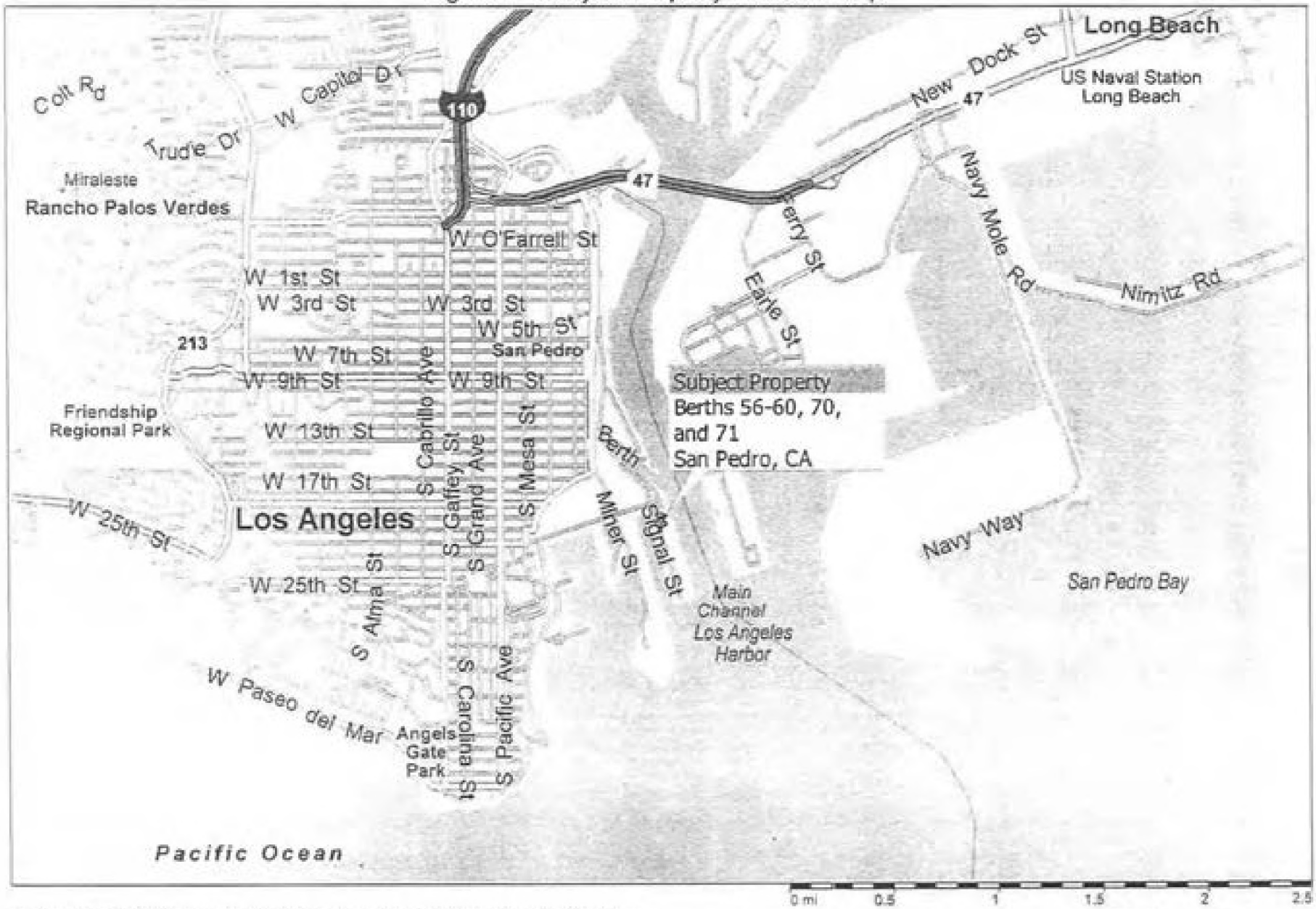


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Figure 2
Site Vicinity Map
Berths 56-60, 70, and 71
San Pedro, California

Legend

Facility Boundary

NORTH

Scale

0' 200' 400'

Waterstrike Environmental, Inc.
2936 East Coronado Street
Anaheim, California 92806

Drafted By: DAA

Version: 1.0

Approved By: JVD

Date: 05-29-2013

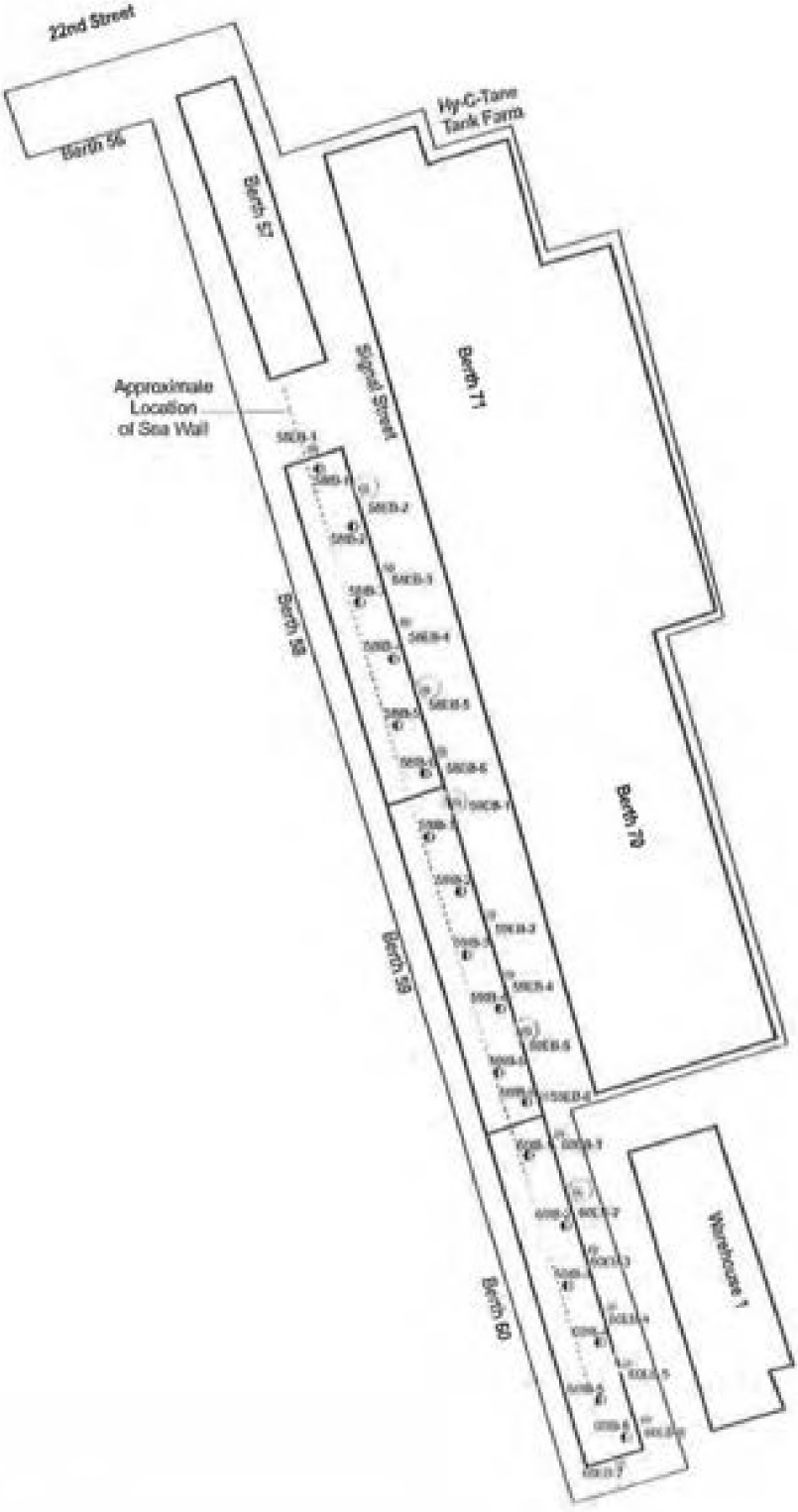

Figure 3
Soil and Groundwater
Sample Locations
Berths 58 through 60
San Pedro, California

Legend

Facility Boundary

Interior Soil Boring

Exterior Soil Boring

Groundwater Sample Location

NORTH

Wolverine Environmental, Inc.

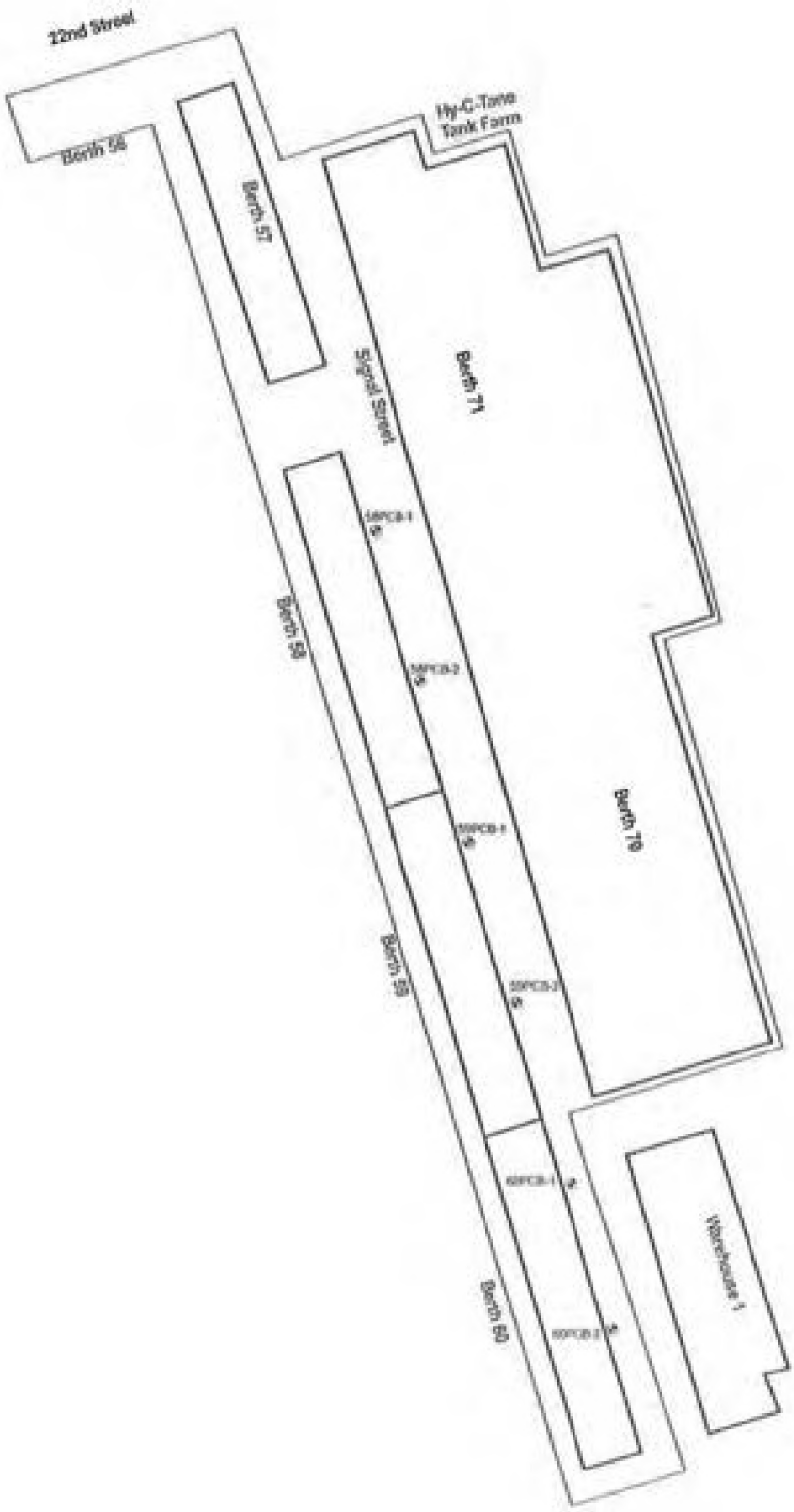

Figure 4
Chip Sample Locations
Berths 58 through 60
San Pedro, California

Legend
Facility Boundary
Gabaeus Chip Sample

Approximate Scale

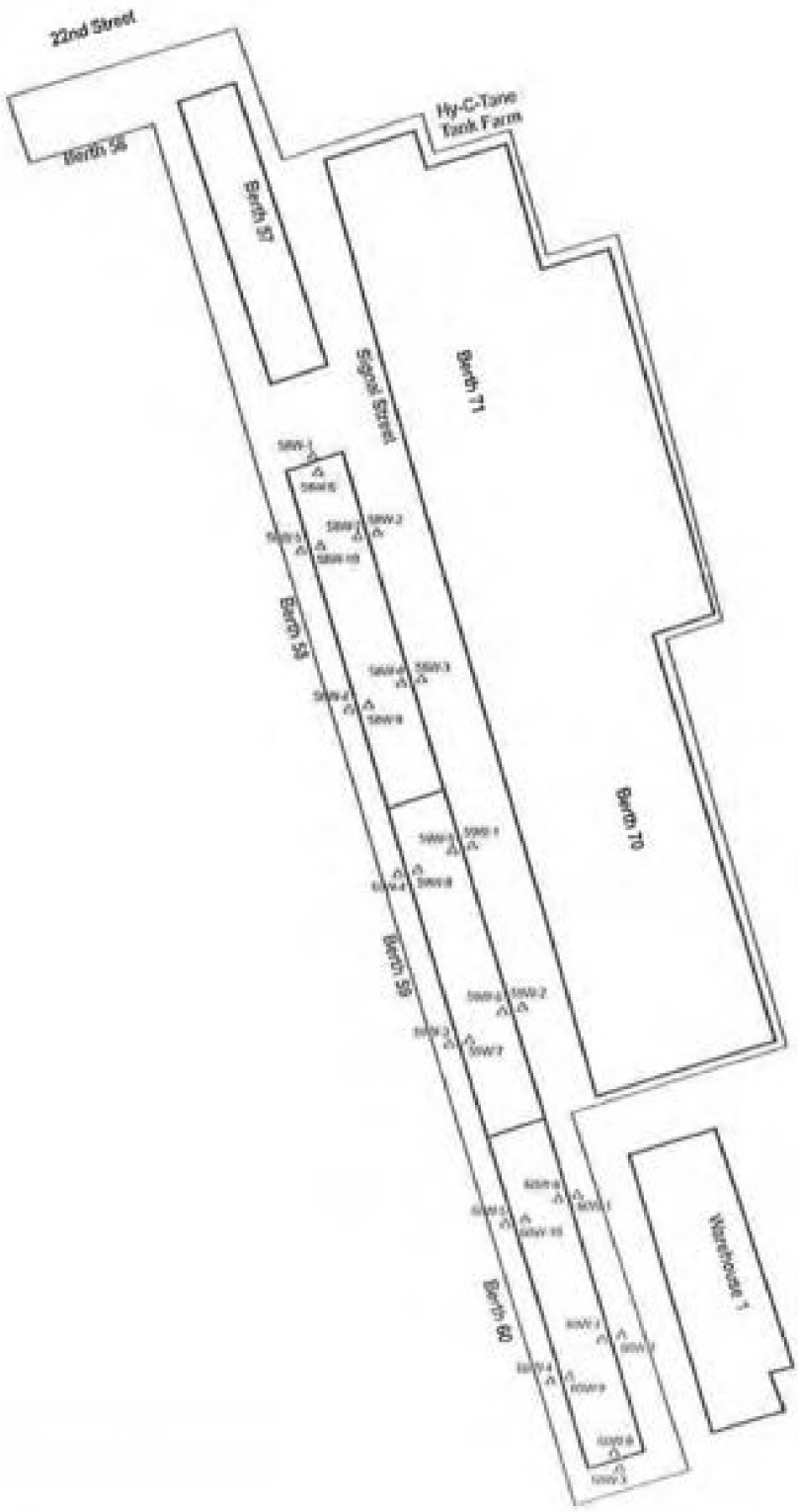

Figure 5
Wipe Sample Locations
Berths 58 through 60
San Pedro, California

Legend:

Facility boundary

Wipe Sample

Attachments

Both the Port of Los Angeles and AltaSea are in possession of the 912-page combined attachments (listed below) to Waterstone Environmental, Inc.'s September 9, 2014 report entitled "Results of Environmental Investigation at Berths 58-60 of the City Dock No. 1 Property at the Port of Los Angeles, CA." This report is incorporated as Exhibit I-1 to Lease No. 904 and serves as the baseline for the parcels measuring 79,980 s.f. and depicted in Exhibits B-1a & B-1b.

Attachment A - Health and Safety Plan
Attachment B - Boring Logs
Attachment C - Analytical Laboratory Reports
Attachment D - Asbestos Survey
Attachment E - Lead Survey

Exhibit J

DELETED

EXHIBIT K
FORMAT AND CONTENT REQUIREMENTS FOR TENANT'S ENVIRONMENTAL COMPLIANCE PROGRAM ("ECP")

Introduction and General Requirements

This exhibit incorporates by reference all terms defined in the Agreement to which it is attached ("Agreement").

Tenant's ECP shall be set forth on letter-sized paper and shall be maintained in a three-ring or similar binder denominated "Environmental Compliance Program." Tenant additionally shall maintain the ECP in electronic form in a format acceptable to City and Tenant. Tenant's ECP shall possess separate sections devoted to (1) applicable Environmental Laws, (2) Port Environmental Policies, (3) Mitigation Measures, (4) the Source Control Program, (5) Violations and Corrective Action, (6) Document Retention and Organization and (7) Training.

Tenant's ECP shall identify and document the employee(s) of Tenant responsible for establishing, observing and/or maintaining compliance with Section 6 of the Agreement and the ECP, as well as any third-party consultants retained for or on behalf of Tenant to assist in such task, and contact information for such employees and/or third-party consultants. By executing the Agreement, Tenant authorizes and permits City to directly contact such employees and/or third-party consultants at any reasonable time.

Starting with the Compensation Year in which the Tenant's initial ECP is first submitted to the Executive Director for review and approval, as set forth in Agreement Section 6.5.2, and annually thereafter during the term of the Agreement, Tenant shall submit a written ECP Compliance Report thirty (30) days following the end of the Compensation Year to Executive Director, with a copy to the Environmental Management Division of the Harbor Department. Tenant's ECP Compliance Report shall contain sufficient information to demonstrate compliance with each of the Port Environmental Policies identified in Exhibit K-A and each of the applicable mitigation measures identified in Exhibit K-2 for the preceding Compensation Year. The ECP Compliance Report shall also generally report on Tenant's compliance with all other provisions of the ECP, based upon the annual ECP audit performed pursuant to Agreement Section 6.6. If violations of the ECP are identified in the annual audit, corrective actions taken and planned review of the effectiveness of such actions shall be documented in the ECP Compliance Report. All reports submitted by Tenant shall be verified and contain the following statement signed by an authorized officer of Tenant:

"I, (Name of Officer), am the (Title of Officer) of (TENANT), and I hereby verify that I have personal knowledge of the information contained in this report and that the same is true, correct and complete under penalty of perjury under the laws of the State of California."

At a minimum, Tenant shall update the ECP within thirty (30) days following: (i) Tenant taking possession of a Parcel pursuant to Agreement Section 3.2 or (ii) Tenant or subtenant introduces new Environmentally Regulated Material to the Demised Premises not previously listed in the ECP. The ECP shall also establish a regular frequency, no greater than every 5 years, at which the ECP shall be updated to ensure compliance with changing regulatory requirements and operational changes. Such ECP updates shall be submitted to the Executive Director, with a copy to the Environmental Management Division of the Harbor Department. Tenant submittal and/or Executive Director review and approval of any revised shall not relieve Tenant of its obligations pursuant to Section 6.5 of the Agreement.

Applicable Environmental Laws

Application of Environmental Laws to Tenant and/or its use and/or occupancy of the Demised Premises and to subtenants and/or subtenants use and/or occupancy of the Demised Premises may require Tenant and subtenants to hold entitlements (such as permits and licenses), potentially including, but not limited to, those entitlements listed in Table 1 below.

Table 1

AGENCY	POSSIBLE PERMITS
South Coast Air Quality Management District	Permit to Construct
	Permit to Operate
Los Angeles Regional Water Quality Control Board	NPDES Permit
	Waste Discharge Permit
	Stormwater Permit
Los Angeles Fire Department	Unified Program Permit
Los Angeles Department of Public Works	Industrial Wastewater Discharge Permit
	Sewer Connection Permit
U.S. Coast Guard	Explosives and Dangerous Cargo Permit
Department of Toxic Substances Control	Hazardous Waste Facility Permit
	Hazardous Waste Haulers Permit

The section of Tenant's ECP devoted to applicable Environmental Laws shall: (a) state to the best of Tenant's ability the Environmental Laws that apply to Tenant and/or Tenant's use and/or occupancy of the Demised Premises; b) state to the best of Tenant's ability the Environmental Laws that apply to subtenants and/or subtenants use and/or occupancy of the Demised Premises; (c) list all Tenant and subtenant environmental entitlements held in connection

with the applicable Environmental Laws covered by item(a) and (b) above, along with the issuing agency, purpose, unique permit identifier (permit number in most cases), and expiration date of each such entitlements.

Tenant shall, on a continuing basis during the term of the Agreement and any holdover, provide City with complete and legible copies of all notices, reports, correspondence and other documents sent by Tenant or subtenant to or received by Tenant or subtenant from any governmental agency with jurisdiction over the Demised Premises related to soil, groundwater, or building material contamination thereof. Such written materials include, without limitation, all documents related to any threatened or actual release of Environmentally Regulated Material, or to any investigations into or clean up of any actual or threatened release of Environmentally Regulated Material, including all test results.

Port Environmental Policies

The section of Tenant's ECP devoted to Port Environmental Policies shall contain a narrative summary of the pollution prevention and response procedures in force on the Demised Premises and provisions related to such procedures included in subleases, and a description of all relevant pollution prevention equipment and structures on the Demised Premises or on call. Pursuant to Section 6.3 of the Agreement, the ECP shall describe the types, amounts, and general location of Environmentally Regulated Material typically handled on the Demised Premises, whether by Tenant or subtenants, and their potential environmental hazards.

For potentially flammable (NFPA rating 2 or higher), toxic, and corrosive materials, the ECP shall specify the location of the relevant Material Safety Data Sheet (MSDS) and shall describe the storage, monitoring, and reporting procedures. This section of the ECP shall include Tenant's Business Emergency Plan for the Demised Premises, and list any such plans separately required by the Los Angeles Fire Department for subtenant operations.

Mitigation Measures

The section of Tenant's ECP devoted to Mitigation Measures shall consist of documentation necessary to document Tenant's monitoring and reporting on the Mitigation Measures as required by the Mitigation Monitoring and Reporting Program attached to the Agreement as Exhibit "K-B." This Section of the ECP shall incorporate the standard Harbor Department Mitigation and Monitoring and Reporting forms and establish the frequency that Tenant is required to report to the Harbor Department regarding compliance with each applicable mitigation measure.

Source Control Program

The Tenant's ECP shall include a source control program for Environmentally Regulated Material stored or utilized on the Demised Premises by Tenant and/or subtenants. Such source control program may reference similar subtenant programs; however, the Tenant's source control program for the Demised Premises must address the coordination between Tenant and subtenants necessary to avoid and quickly respond to any accidental release of Environmentally Regulated Material and to protect the environment and health and safety of adjacent subtenants and the general public accessing the public promenade and other public areas.

Violations and Corrective Action

Tenant acknowledges and agrees that it possesses a non-delegable obligation to ensure that the conduct of Tenant, as well as of Tenant subtenants, visitors, and invitees to the Demised Premises complies with Section 6 of the Agreement and Tenant's ECP. Tenant further acknowledges and agrees that it possesses a non-delegable obligation and to report any violations of Section 6 and/or Tenant's ECP to the Executive Director.

The section of Tenant's ECP devoted to Violations and Corrective Action shall set forth: (a) any Tenant and/or subtenant regulatory violations since the last ECP update, (b) Tenant's and/or subtenant's corrective action, if any, in connection with such violation(s); and (c) the governmental agencies issuing of such violation or acting in connection with such violation.

Document Retention and Organization

Tenant shall maintain all documents necessary to comply with Section 6 and the ECP on the Demised Premises located at the Port of Los Angeles.

The section of Tenant's ECP devoted to Document Retention and Organization shall set forth Tenant's document retention policy, provisions related to such procedures included in subleases, and Tenant's method of organizing and maintaining documents necessary to comply with Section 6 of the Agreement and the ECP.

At a minimum, the types of documentation that shall be addressed in the document retention policy, including the duration of that each document type will be will be maintained, includes but is not limited to the types of documentation listed in Table 2 below.

Table 2

COMPLIANCE CATEGORY	TYPICAL DOCUMENTATION
All	Construction, operating, and discharge permits; logs; compliance reports required by HDP special conditions; and other permits
Hazardous Wastes	Manifest, shipping records, quarterly and annual reports, and Materials and correspondence files
	Reportable quantity records; inventory
	Emergency response plan
Air	Inspection, operating, and service log of burners, generators, and diesel engines
	Citations for violations; records of agency enforcement actions
Water	Monitoring records of discharges to receiving waters and POTWs by source
	Logs of process, wastewater, and receiving water sampling
	Treatment plant records, certifications, and Licenses
	Incident records for spills and upsets
	Citations for violations; records of agency enforcement actions
Solid Waste	Manifests and other records of quantities and shipments
Miscellaneous	Records of inspections by regulatory agencies
	Citations for pollution control violations and records of agency enforcement action
	SPCC plans for oil handling facilities
	Underground Storage Tank (UST) Monitoring Reports

Training

Tenant shall undertake and provide training to its employees as required by Applicable Environmental Laws and shall maintain records thereof. Tenant shall regularly provide training to subtenants regarding the Demised Premises source control program and the Tenant's ECP and subtenant's responsibilities under the Tenant's ECP. The ECP shall document the planned frequency of such training.

The section of Tenant's ECP devoted to Training shall list the training requirements for Applicable Environmental Laws for Tenant employees, the source contrail training required by this Exhibit K for Tenant and subtenants, and the dates required training was provided, or is planned to be provided.

Exhibit K-A

APPLICABLE ENVIRONMENTAL POLICIES, RULES AND DIRECTIVES OF CITY'S HARBOR DEPARTMENT (PORT ENVIRONMENTAL POLICIES)

1. Port of Los Angeles Environmental Management Policy, as amended, or its successor policy. Available at: http://www.portofla.org/img/Env_Mgmt_Policy.gif

2. San Pedro Bay Ports Clean Air Action Plan, as amended, or its successor plan/document. Available at: http://www.cleanairactionplan.org.

3. Port of Los Angeles and Port of Long Beach Water Resources Action Plan or its successor plan/document. Available at http://www.portoflosangeles.org/DOC/WRAP_Final.pdf

4. Port of Los Angeles Green Building Policy (2007), as amended, or its successor policy.

5. Port of Los Angeles Sustainable Construction Guidelines (2008), as amended, or its successor document.

6. Resolution No. 5317 – Policy for Operation of Hazardous Waste Transfer, Storage and Disposal (TSD) Facilities on Harbor Department Property and any amendments or successor resolution.

Tenant acknowledges that City has provided copies or made copies available via the Port's website, of the above policies to the Tenant.

EXHIBIT K-B

MITIGATION MONITORING AND REPORTING PROGRAM

City Dock No.1 Marine Research Center Project

Environmental Impact Report (EIR)

Prepared for:
Los Angeles Harbor Department
Environmental Management Division
425 S. Palos Verdes Street
San Pedro, CA 90731
Contact: Christopher Cannon, Director
c/o Kevin Grant
Phone: (310) 732-7693

Prepared by:
ICF International
9775 Businesspark Avenue, Suite 200
San Diego, CA 92131
Contact: Charles Richmond
(858)444-3939

September 2012

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1.0 MITIGATION MONITORING AND REPORTING PROGRAM

1.1 Introduction

Section 21081.6 of the California Public Resources Code (PRC) requires a Lead or Responsible Agency to adopt a mitigation monitoring and reporting program (MMRP) when approving or carrying out a project. The purpose of this program is to ensure that when an environmental document, either an Environmental Impact Report (EIR) or a negative declaration, identifies measures to reduce potential adverse environmental impacts to less-than-significant levels that those measures are implemented as detailed in the environmental document. As lead agency for the City Dock No.1 Marine Research Center Project (proposed Project), the Los Angeles Harbor Department (LAHD) is responsible for implementation of this MMRP.

An EIR has been prepared for the proposed Project that addresses the potential environmental impacts, and where appropriate, recommends measures to mitigate these impacts. As such, this MMRP is required to ensure that adopted mitigation measures are successfully implemented and a monitoring strategy was prepared for each mitigation measure identified in the proposed Project. Once the Board of Harbor Commissioners adopts the MMRP, the applicable LAHD division(s) will incorporate the mitigation monitoring/reporting requirements in the appropriate permits (i.e., engineering specifications, engineering construction permits, real estate entitlements, and/or coastal development permits). Therefore, in accordance with the aforementioned requirements, this document lists each mitigation measure, describes the methods for implementation and verification, and identifies the responsible party or parties as detailed below in the MMRP Implementation section.

1.2 Proposed Project Overview

The proposed project site is bounded by the East Channel to the west, the Main Channel to the east, 22nd Street to the north, and the open water of the San Pedro Bay to the south. Local access to the site is provided by 22nd Street and Sampson Way.

The proposed Project involves a comprehensive plan for the reuse of City Dock No. 1 that would be built out in two phases. The proposed City Dock No. 1 Marine Research Center Project involves the following major elements:

- Adaptive reuse of the transit sheds at Berths 57–60 to accommodate marine research laboratory, classroom, and meeting spaces within a collaborative environment to create research synergies among universities, colleges, government agencies, and business ventures.
- Wharf retrofits of Berths 57–60 and related infrastructure, including a seawater circulation system and berthing facilities for large research vessels as well as street improvements.
- Construction of a new building at Berth 56 with classrooms and a lecture hall/auditorium.
- Relocation of the Southern California Marine Institute (SCMI) from its existing location at Berth 260 on Terminal Island to Berths 56 and 57.
- Development of an interpretive center open to the public.
- Establishment of a marine science business park/incubator space with offices and research laboratory space within Berths 58–60 transit sheds.
- Installation of floating docks in the East Channel to accommodate smaller research vessels.
- Integration with and development of the waterfront promenade along the water's edge, consistent with the approved San Pedro Waterfront Project while not impacting the health and safety of the visiting public.
- Development of Berths 70 and 71, following the planned demolition and remediation of the existing Westway Terminal site. This development would include the construction of a new building for National Oceanographic and Atmospheric Administration (NOAA) operations, the use of existing berthing space for research vessels, and the construction of a new building to host a natural seawater wave tank facility.

Each of these key proposed project elements is described in further detail below.

1.3 Proposed Project Purpose

The overall purpose of the proposed Project is to adaptively reuse the transit sheds at Berths 57–60 and the adjacent Berths 70–71 proposed project site and existing buildings (e.g., transit centers) to provide world-class marine research facilities and space to bring together leading researchers and entrepreneurs, including SCMI, southern California universities and colleges, government research agencies, such as the NOAA, and businesses to conduct cutting-edge urban marine research and education, and develop technologies to address the most pressing problems of the day. The proposed Project seeks to achieve this purpose though the rehabilitation of the existing buildings and wharves to house state-of-the art marine research and educational facilities and provide deep draft berthing space for research vessels, and by providing for a cluster of university researchers, educational programs, and spin-off marine science technology ventures.

1.3.1 Proposed Project Objectives

The proposed Project would provide a world-class urban marine research center and support the research needs of the Southern California region's universities, research and education institutions, and government agencies, as well as provide an incubator for marine-related business venues. Specifically, the proposed Project would achieve the following objectives.

- Adaptively reuse Berths 56–60 and 70–71 to provide marine researchers in Southern California with world-class marine research facilities including laboratories, a seawater circulation system, offices, classrooms, a lecture hall/auditorium, and storage space to study the most pressing marine-related problems of the day.
- Construct a natural seawater wave tank to allow scientists from around the world to study tsunamis, rouge waves, and the generation of wave energy; conduct vessel and platform studies; and conduct coastal engineering studies.
- Provide space within Los Angeles Harbor to relocate, upgrade, and expand SCMI's operations, which are currently located at Berth 260 in Fish Harbor.
- Provide an opportunity for SCMI and its members, government and other institutional researchers, and research organizations with multiple deep draft berths to accommodate vessels ranging in size from small to large 300-foot vessels adjacent to landside facilities.
- Provide a location for a marine-related business incubator park for synergy among research and commercial interests, and develop commercial technologies to address marine environmental problems.
- Provide public amenities, including public education classroom space and interpretive exhibits related to marine studies and a cafe, along with a waterfront promenade, consistent with the San Pedro Waterfront Project while not impacting the health and safety of the visiting public.

1.4 Proposed Project Elements

The proposed Project involves a comprehensive plan for the reuse of City Dock No. 1 that would be built out in two phases. Phase I, which is anticipated to begin in late 2012 and conclude in 2016, would include the conversion of Berths 56 and 57 into a new SCMI facility and development of an interpretive center open to the public. The majority of the remaining proposed project elements would be constructed under Phase II, which is anticipated to commence construction in 2013 and conclude around 2024. Table 1-1 provides a summary of the two phases of development by each element and the total area each major element would contribute to the overall proposed Project.

All construction staging and material laydown would occur within the proposed project site at Berths 70-71 and the Sampson Way and 22nd Street Parking Lot during Phase I, with the majority of the staging and laydown occurring at the parking lot as Phase II progresses toward completion. In addition, prior to commencement of the

proposed Project, the existing occupant (SP Bait Company) would relocate its operations from the proposed project site.

Table 1-1. Elements of the Proposed Project

Element/Phase	*Area*
PHASE I (2012–2016)	
Berth 56	
▪ Construct 2-Story Learning Center at Berth 56 (150-seat lecture hall/auditorium and classrooms)	11,500 sf
Berth 57	
▪ Convert Berth 57 Transit Shed into SCMI Research Facility and Develop Marine Research- and Education-Related Facilities ▫ Office-Related Space (12,000 sf) ○ Faculty Office Space ○ Administrative Suite ○ Staff Support Facilities (toilets, showers, and lockers) ▫ Laboratory Related Space (34,500 sf) ○ Teaching Laboratories ○ Research Laboratories and Facilities ○ Lab Support Space ○ Building Support Facilities (machine shop, storeroom, chemical storage, hazardous waste, scuba gear, instrument support, etc.)	46,500 sf
▫ Outdoor Space (8,200 sf)[1] ○ Outdoor Teaching/Outreach Classroom ○ Outside Storage Space	
▪ Replace Berth 57 Entrance (3,640 sf) with New Addition (Public Interpretive Center)	3,600 sf
▪ Install Seawater Circulation and Life Support System including Exterior Storage Tanks for Berths 57 and Seawater Intake/Discharge Infrastructure to Serve City Dock No.1 Research Laboratory Buildout	New utility
▪ Construct Floating Docks Adjacent to Berth 57 (12 vessel slips)	18,500 sf
▪ Rehabilitate/Repair Berth 57 Wharf and Associated Ground Improvements	625 lf[1]
▫ Create Berthing for Research Vessels and Loading Space on the Wharf for Crane	--
▪ Construct Public Plaza at Berth 57	7,500 sf[1]
▪ Relocate SCMI from Berth 260 to new Berth 57 Facilities	--

Element/Phase	*Area*
Berth 260	
▪ Demolish Existing SCMI Facility (demolition of existing 19,000-sf building, 2,700-sf warehouse, and 2,400-sf shop storage)	(24,100 sf)
Total Structure Square Feet in Phase I	*80,100 sf*[f]
Signal Street Improvements/Parking Facilities	
▪ Repair/Repave/Restripe	625 lf[f]
▪ Add Surface Parking Adjacent to Berth 56	15 spaces
▪ Add Surface Parking Adjacent to Berth 57	40 spaces
▪ Utilize Sampson Way and 22nd Street (existing parking lot; 4.5 acres)	409 spaces
Total Parking Added in Phase I	*55 spaces*
Total Available Parking in Phase I	*464 spaces*
Total Area Redeveloped and Enhanced in Phase I	*8.8 acres*
PHASE II (2013–2024)	
Berths 58–60	
▪ Covert Transit Sheds into Marine Research Facility ▫ Office Related Space (50,000) ○ Office/Administrative Space3 ○ Staff Support Facilities (toilets, showers, and lockers) ○ Hallways, Walkways ▫ Laboratory Related Space (70,000) ○ Research Laboratories and Facilities ○ Lab Support Space ○ Storage Facilities (robotics, instruments, etc. deployed on marine research vessels) ○ Marine Research Vessel Support Facilities (crew quarters, showers, etc.) ○ Building Support Facilities (machine shop, storeroom, chemical storage, hazardous waste, scuba gear support, etc.) ▫ Outdoor Space (16,400 sf) ○ Outside Storage Space	120,000 sf
▪ Convert Transit Shed to Marine Business Incubator Space ▫ Office Related Space (20,000) ○ Office/Administrative Space3 ○ Staff Support Facilities (toilets, showers, and lockers) ▫ Laboratory Related Space (40,000) ○ Research Laboratories and Facilities ○ Lab Support Space ○ Storage Facilities (robotics, instruments, etc. deployed on marine research vessels)	60,000 sf

Element/Phase	*Area*
▪ Develop Waterfront Promenade including Public Plaza/Viewing Platform at Berth 60	6,000 lf[1]
▪ Construct Waterfront Café	1,000 sf
▪ Install Seawater Circulation System including Exterior Storage Tanks for Berths 58–60	New utility
▪ Relocate Items Stored by Water Taxi Service (to within the general vicinity)	–
▪ Rehabilitate/Repair Berths 58–60 Wharf and Associated Ground Improvements	1,875 lf[1]
▫ Create Berthing for Research Vessels and Loading Space on the Wharf[3]	–
Berths 70-71 (Westways)[4]	
▪ Construct 2-Story NOAA Administration and Research Facility	50,000 sf
▪ Implement Wharf Maintenance	–
▪ Construct 5-story Building (to house an 80,000 sf wave tank), including Seawater Intake	100,000 sf
▪ Opportunity Site. Options could include: ▫ Support Facilities for Berth 57–60 Operations such as Seawater Storage Tanks, Life Support Facilities, Discharge Treatment Facilities, and Storage Space. ▫ Outside Research Tanks ▫ Additional Marine Research/Business Laboratory Space	
Total Structure Square Feet in Phase II	*331,000 sf*
Signal Street Improvements/Parking Facilities	
▪ Implement Repaving and Restriping	1,875 lf[1]
▪ Install New Diagonal Parking	155 spaces
▪ Remove Existing Heavy Rail Line from Street	8,000 lf[1]
Total Parking Added in Phase II	*155 spaces*
Total Parking Available in Phase II	*619 spaces*[5]
Total Area Redeveloped and Enhanced in Phase II	*25.00 acres*
PROPOSED PROJECT TOTALS	
Total Proposed Project Area Structures	411,100
Total Parking Spaces Available for Proposed Project	619
Total Proposed Project Area Redeveloped and Enhanced	33.8 acres

[1] Not a structure and is therefore not counted in total structure sf.

[2] Excludes demolition of existing SCMI Facility at Berth 260.

[3] NOAA facilities, including office and research space within Berths 58–60 Transit Shed and berthing space at Berths 58–60 to be relocated to Berths 70–71 when remediation and development of those berths has been completed.

[4] Demolition of the Westway tanks, piping, and related structures at Berths 70–71 as well as the remediation following has been analyzed under the San Pedro Waterfront EIS/EIR and is not considered a component of the proposed Project.

[5] In addition to the 155 new parking spaces provided under Phase II, visitors and employees would have access to the 464 parking spaces identified under Phase I for a total of 619 spaces for the proposed Project.

sf = square feet; lf = linear feet

1.4.1 Learning Center Building (Berth 56)

Berth 56 improvements under Phase I would include construction of a Learning Center building. This building would include three classrooms and a 150-seat auditorium that would feature theater-style seating and related facilities. The Learning Center would be designed in accordance with the Secretary of the Interior's Standards for Rehabilitation (Secretary's Standards) to ensure architectural compatibility with adjacent historic resources, including plan review by a qualified consulting architectural historian for compliance with the Secretary's Standards.

1.4.2 Transit Shed Upgrades for SCMI (Berth 57)

In order to achieve the conversion of Berth 57, construction would first involve wharf upgrades and landside improvement to meet current seismic code. Upon completion of the wharf retrofit and ground improvements, work would begin on upgrading the existing Berth 57 transit shed to current seismic and occupancy codes. Phase I would also include the demolition of an existing 1933 wood-frame structure to allow construction of a new glazed entryway to potentially house the public interpretive center. The new structure would introduce a contemporary, neutral, and visually prominent entrance into the SCMI facility, distinct from the existing historic transit shed façade. This new façade may include large glass aquaria at the entrance way. The façade would reflect the same general shape and profile as the transit shed in height and massing and could include an area for public education and outreach.

The existing Berth 57 transit shed would require extensive renovations prior to occupancy by SCMI. The SCMI research facility would include office space for faculty, staff, and administration; laboratory space for teaching and research laboratories; lab support and building support spaces; and outdoor space for outdoor teaching, classrooms, and storage space. A seawater circulation and life support system would be installed at Berth 57, including exterior storage tanks, and seawater intake/discharge infrastructure adequate to serve City Dock No. 1 urban marine research center build-out.

Repair, retrofit, and rehabilitation of the transit shed to address structural deficiencies would be facilitated by the exposed condition of all structural elements. These include repairing rusted exterior corrugated metal siding with new panels, upgrading structural connections to meet established seismic and wind load resistance, retrofitting large openings (east and west façades) to ensure stability and water tight openings, sandblasting and repainting corroded steel members and gusset plates, and replacing deteriorated and damaged steel members, as required. In addition, it is anticipated that new traverse and longitudinal frames would be added, interior steel columns repaired, and new concrete encasements around the base of each column constructed. Installation of a continuous perimeter foundation wall, limited to shallow (2 to 3 feet maximum) excavations to inhibit water intrusion at the building perimeter and utility placement may be required. However, to gain access to the wharf underlying the transit sheds, the roof and western façade of the transit sheds would be temporarily removed to provide direct access to the wharf for pile driving purposes.

All renovations would be required to conform to the Secretary's Standards for buildings eligible for listing or listed on the National Register of Historic Places (NRHP) and would undergo a plan review by a qualified consulting architectural historian to ensure compliance. Due to the minimal nature of the existing structure (without insulation), the existing transit sheds would primarily serve as an "outer shell building" to provide basic shelter from water and wind and sun. The proposed marine laboratory, classroom, and office SCMI facility facilities would be within the existing envelope of the transit shed and be constructed by the tenant, SCMI. Therefore, the historic integrity of Berth 57 would be maintained and, at the same time, it would be adaptively re-used to integrate state-of-the-art fire/life safety protection, seismic resistance, security features, and utility infrastructure as required by its change in use. The exterior of the transit sheds would largely be maintained with the exception of necessary improvements to the siding, roof, cornices, etc. There is a potential that a few of the current loading doors would be replaced with windows to provide for public viewing/research interpretive opportunities. The following list summarizes the ways in which this project element would generally meet the guidance provided in the Secretary's Standards.

- Existing metal roll-up-style doors would be replaced with new glazed openings to provide more light, air, and egress into the interior spaces. This modification would be consistent with the guidance provided by the Secretary's Standards because it would maintain the repetitive punched openings along the structure's elevations, and most of the roll-up doors are non-original replacements. The design of the new glazing systems would reference the industrial maritime character of the building, with industrial metal sashes and clear glazing, as opposed to vinyl or wood sashes and reflective or opaque glazing.
- Deteriorated historic features would be repaired rather than replaced whenever feasible. Where the severity of deterioration requires replacement of a distinctive feature, the new feature would match the old in design, color, texture, and other visual qualities and, where possible, materials. In the case of the Berth 57 transit shed, rusting corrugated metal siding, steel members, and gusset plates would be repaired, and those materials that cannot be repaired due to advanced deterioration would be replaced in-kind with similar metal materials.
- Correcting structural deficiencies in preparation for the new use is allowable by the Secretary's Standards assuming that the improvements are completed in a manner that preserves the structural system and individual character-defining features. In the case of the interior of the transit shed at Berth 57, the open trusses are character-defining features of the building's interior. Upgrading the structural connections would not obscure, remove, or otherwise significantly alter in an adverse manner the metal truss system.
- Removal and replacement of portions of the roof and western façade to accommodate the wharf improvements and associated ground improvements at the Berths 57–60 transit shed would reuse the existing materials (corrugated metal roofing and siding) to the extent feasible. Where the severity of deterioration requires replacement of a distinctive feature, the new feature would match the old in design, color, texture, and, where feasible, materials
- In the case of the Berth 57 transit shed, the new interior "buildings" would not obscure or destroy the interior truss work, allowing these features to read as

original features of the building. The new interior structures would not reach the ceiling, thus allowing the open, floor-to-ceiling height of the interior spaces to read visually as they do today (i.e., not obscure the clerestories). The new construction would also retain a significant amount of open interior space, particularly in the center of the building, where long interior vistas are possible (i.e., new construction will be relegated to the side aisles of the structure). The buildings would be differentiated from the old but also compatible with the massing and scale of the building. Therefore, industrial shed-like architecture with exposed steel structures and metal siding would be an appropriate architectural motif for the new construction.

- New additions and adjacent or related new construction would be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

1.4.3 Floating Docks (Berth 57)

Phase I would also develop an 18,500-square-foot, 12-slip floating dock in the East Channel adjacent to Berth 57 to accommodate existing small SCMI research vessels and to allow sufficient capacity for additional small research vessels.

1.4.4 Wharf Improvements and Associated Ground Improvements (Berths 57–60)

In order to accommodate the proposed project elements at Berths 57–60, construction would involve first upgrading the adjacent wharf and the existing retaining wall to current seismic code. There are two potential options for the wharf improvements and associated ground improvements.

The first option involves installing 127 new 72-inch diameter steel pipe piles (superpiles) with 20 feet of spacing along the footprint of the existing building. The superpiles would be installed in-water and would carry virtually all of the seismic loads, leaving the existing structure to carry only gravity loads. In addition, to retain the existing aesthetic appearance, the new superpiles would be set back from view, and the existing viewable rows of piles would be replaced with new concrete piles that would be indistinguishable from the existing condition, which would allow the new wharf to retain the same general appearance. Similar to the existing wharf design, the first row of concrete piles, end caps, and decking along the westernmost edge of the wharf would be reconstructed using approximately 16-inch-square concrete piles spaced about 15 feet apart with a concrete deck resting directly above. As such, these new features would match the old in design, color, texture, and materials, and would conform to the guidance provided by the Secretary's Standards. When detailed plans of the replacement piles are available, they would be reviewed by a qualified consulting architectural historian to ensure compliance with the Secretary's Standards. Work would include removing the roof of the existing transit sheds, demolishing 18,288 square feet of existing concrete slab, installing silt curtains, driving the piles, pouring new pile caps and deck slab, and replacing the

roof. Exterior façade removal and reinstallation along the entire length of Berths 58–60 would be required.

The second option involves the installation of 252 new 60-inch-diameter steel pipes (in groups of four), which would be located along the back face of the existing seawall, outside of the water, spaced 40 feet apart. The four-pile groups would be installed with a 5-foot-thick concrete pile cap to minimize the displacement of the wharf structure during a seismic event. A 6-inch-thick topping slab acting as a "drag-slab" would extend across the existing deck to tie in the existing wharf structure to the new pile clusters. The existing viewable rows of piles would be replaced with new concrete piles that would be indistinguishable from the existing condition, which would allow the new wharf to retain the same general appearance. Similar to the existing wharf design, the first row of concrete piles, end caps, and decking along the westernmost edge of the wharf would be reconstructed using approximately 16-inch-square concrete piles spaced about 15 feet apart with a concrete deck resting directly above. As such, these new features would match the old in design, color, texture, and materials, and would conform to the guidance provided by the Secretary's Standards. When detailed plans of the replacement piles are available, they would also be reviewed by a qualified consulting architectural historian to ensure compliance with the Secretary's Standards. Work would include removing the roof of the existing transit sheds, demolishing 6,300 square feet of existing concrete slab, installing silt curtains, driving the piles, pouring new pile caps and deck slab, and replacing the roof.

Both options would require removal and replacement of the transit shed's roof and western façade, which are considered character-defining features of these historic buildings. In order to comply with the Secretary's Standards, the existing corrugated metal siding and roofing would be removed, stored, and reinstalled to the extent feasible and where such materials and features are currently in good condition, or would be replaced in-kind if such materials are deteriorated beyond repair.

Prior to initiating the wharf improvements, the SP Bait Company would relocate operations either across the East Channel or to Fish Harbor. However, the barge would remain in its current location as permitted under the current lease.

1.4.5 Demolition of SCMI Facilities (Berth 260)

Upon completion of the conversion of Berth 57 into new SCMI marine research and educational space, SCMI would be relocated from its Berth 260 location to Berth 57. The existing SCMI building and parking lot at Berth 260 in Fish Harbor on Terminal Island would be vacated. The facilities to be demolished include an existing office and research building, a storage warehouse, a workshop, and shop storage. The floating docks would remain. After structure demolition, the site would be graded and restored as required by LAHD's agreement with SCMI. Any future development associated with this site would be subject to separate environmental review in accordance with CEQA.

1.4.6 Transit Shed Upgrades for Marine Research Facility and Business Incubator Space (Berths 58–60)

Under Phase II, Berths 58–60 would be converted to provide approximately 120,000 square feet for marine research facilities and approximately 60,000 square feet of marine business incubator space. These facilities would include office space, which could be utilized for temporary office space for NOAA, until Berths 70–71 are developed. The storage areas at the end of Berth 60 utilized by the water taxi service would be relocated within the general vicinity of Berth 60 to better accommodate the proposed Project.

The seawater circulation and life support system would be expanded to Berths 58–60 during Phase II, as described further in Section 2.3.4.8 of the Draft EIR. In order to achieve the conversion of Berths 58–60, construction would first involve wharf upgrades and ground improvement to meet current seismic code. Upon completion of the wharf and ground improvements, the next steps would involve upgrading the existing transit shed at Berths 58–60 to meet current seismic code, as well as renovating the building in conformance with the Secretary's Standards for buildings eligible for listing or listed on the NRHP. Conversion of Berths 58–60 would occur much as it would for Berth 57 in that tenant improvements would be constructed within the envelope of the existing transit shed.

The repairs and upgrades to the transit shed at Berths 58–60 would be designed to meet the Secretary's Standards' requirement for new work to be compatible with, yet architecturally differentiated from, the old, including plan review by a qualified consulting architectural historian for compliance with the Secretary's Standards. The building parameters discussed above for the Berth 57 transit shed would be applicable to the Berth 58–60 transit shed repairs.

1.4.7 Berths 70 and 71 (Westway Terminal)

Once remediation and restoration activities at Berths 70–71 are completed, the proposed Project would develop Berths 70–71 with a 50,000-square-foot facility for NOAA that would include office and laboratory space. The NOAA building would be designed in accordance with the Secretary's Standards, including plan review by a qualified consulting architectural historian for compliance with the Secretary's Standards.

The two-story building would be subordinate to the six-story Municipal Warehouse No. 1 building. The building design would reference the adjacent building's maritime industrial character, materials, and massing. As an example, appropriate design cues would be taken from the adjacent Municipal Warehouse No. 1 building, such as a rectilinear form with flat roof or monitor roof shapes, exposed exterior walls painted a light color, expressed pilasters, repetitively punched openings, and symmetrically arranged elevation. The use of overly elaborate architectural styles that purposely depart from the simple, maritime industrial character of the area would

be avoided, as would large amounts of landscaping, because landscaping is not characteristic of the area.

The Westway Terminal Administration Building (also known as the Pan-American Oil Company Pump House) would be adaptively reused by a future occupant. The Mission Revival style character of the Westway Terminal Building would be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize this building, stucco wall cladding, or stepped Mission parapet, would be avoided.

Deteriorated historic features of the Westway Terminal Building would be repaired rather than replaced, to the extent feasible. Where the severity of deterioration requires replacement of a distinctive feature, the new feature would match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features would be substantiated by documentary, physical, or pictorial evidence, to the extent available.

In addition, Berths 70–71 along the Main Channel would be made available for berthing of research vessels, with a maximum vessel length of approximately 250 feet. There are no plans to relocate current vessels in the NOAA fleet to the proposed project site, but there is a possibility that future built vessels could be home ported at City Dock No.1. Furthermore, full functioning of the site would include the regular docking of NOAA vessels home-ported in other locations but passing through Los Angeles as part of research expeditions.

Redevelopment of Berths 70–71 would also involve development of an 80,000-square-foot steel-reinforced concrete wave tank on the land side, which would be enclosed within its own five-story, 100,000-square-foot building. The wave tank would be constructed to allow the study of tsunamis, rouge waves, and the generation of wave energy, as well as vessel and platform, and coastal engineering studies. The wave tank building would include an internal crane mechanism for moving tank baffles and actuators and equipment within the building.

The base of the building would be above the mean high tide mark, which would allow for a depth of approximately 10 feet below the existing grade elevation. The first story would comprise the foundation, the next two stories would house the wave tank, the fourth story would include walkways and view platforms, and the final story would provide clearance for cranes to maneuver the wave tank baffles.

The building would be designed to be compatible with the historic materials and features of nearby historic structures to the extent feasible given its required size. For example, the design of the wave tank would reference motifs, massing, and materials of other large-scale buildings in the immediate vicinity to help maintain the industrial maritime character of the district.

1.4.8 Marine Research Facility Support Structures

The proposed urban marine research center is intended to support marine research and entrepreneurial business development to address the next generation of ocean-

driven challenges and opportunities such as tidal, wind, and biomass energy; aquaculture and sustainable fisheries; shoreline dynamics; and tsunamis, rouge waves, remote sensing, coastal resource management, marine pollution, marine biochemistry and pharmacology, underwater robotics, and climate change and sea-level rise. The proposed Project would not only support marine research being conducted by Southern California universities and colleges and state and national marine-related agencies, but is also intended to accommodate visiting researchers from around the nation and world.

Research would be selected, undertaken, and managed by the tenants/subtenants of City Dock No. 1. Research topics are anticipated to evolve and change over time, as new information and environmental concerns are identified. Similarly, equipment storage needs, seawater circulation system, life support system, and seawater volume needs are anticipated to fluctuate over time based on research being conducted.

1.4.8.1 Marine Research Seawater In-Take, Life Support, and Treatment Systems

Initially, the seawater system, and associated life support and water treatment systems, and water would only serve Berth 57, but the intake/discharge infrastructure would be designed with enough capacity to eventually serve Berths 58–60 and 70–71 once those upgrades and new construction are completed in Phase II. The current combined volume of all Berths 57–60 and 71 marine research tanks is estimated at approximately 1,000,000 gallons.

Seawater storage tanks necessary for Berth 57 marine research operations would be installed as part of Phase I. Additional seawater storage tanks would be added as additional research and business incubator facilities are developed in Phase II in order to address the needs of those additional operations. Life support systems, such as water filtration, protein skimmers, and ozone treatment systems would also be constructed and installed, as applicable, to all City Dock No. 1 facilities, with space reserved for additional components to be added as build out of the center proceeds. Chillers and heaters would be installed for seawater systems that require specific temperature requirement.

The exact seawater system(s), life support, and treatment systems to be utilized at the facilities would be designed to meet the needs of the research planned to be conducted within each section of the proposed City Dock No. 1 facility, for which specific detailed needs are currently unknown. However, it is anticipated that the seawater systems would comprise a combination of both flow-through and recirculating capabilities. Depending on the system that is ultimately developed, the quantity of discharge, and the types of activities that occur and species handled in the research laboratories, different discharge and filtration requirements may be needed for either ocean or sewer discharge. Conservative intake and discharge estimates for each type of seawater system are included to ensure potential impacts of both potential marine research facility seawater systems were evaluated and addressed in the Draft EIR.

1.4.8.2 Seawater In-Take and Discharge

The seawater intake and discharge locations for the Berths 57–60 and 70–71 research facilities are proposed to be located at the southern end of City Dock No.1, slightly extending out past the rip-rap, or under the Berths 57–60 wharves, as deemed most appropriate for the final seawater system design. It is anticipated that the seawater systems would comprise a combination of both flow-through and recirculating capabilities. The intake flows would be limited to 0.5 feet per second or less, which is the velocity identified in the U.S. Environmental Protection Agency (EPA) guidelines as a rate that generally allows fish to pull away from the intake structure and results in *de minimus* impingement levels. The intake pipe size would be designed to acquire the volume of water needed, while ensuring a velocity of 0.5 feet/second or less. The in-take would be located in an area without nearby sensitive habitat, would operate at low flows and velocities, and would be screened to minimize entrainment and impingement. Should a combination of recirculation and flow-through system be used, seawater in-take volume would be significantly less.

The discharge rate for flow-through systems would use the same rate as the in-take. The discharge location would be to the west of the proposed in-take location at the southern end of City Dock No.1, or under the Berths 57–58 wharves, as deemed most appropriate for the final seawater system design.

1.4.8.3 Flow-Through Seawater Systems

Flow-through seawater systems would take in seawater and circulate it through the marine tanks. After circulation through the tanks, the seawater would be filtered and treated for discharge back to the harbor. This type of system minimizes the need for: (1) seawater storage tanks; (2) life support treatment systems, such as protein skimmers and ozone treatment; (3) seawater discharge to the sewer; and (4) electricity usage. Based on the experience of the existing SCMI operation, it is currently anticipated that filtering systems would be adequate to treat seawater from the flow-through system for ocean discharge.

To ensure a healthy environment for marine life, it is anticipated that the water in all tanks would need to be turned over twice daily. This would result in the need to in-take and discharge 2,000,000 gallons per day, twice the volume of the City Dock No. 1 research facility tanks, every 24-hour period.

In-take seawater may be chilled, or heated, as appropriate for the tanks and research being conducted. Water that is higher or lower than ambient harbor water temperatures would be managed during discharge to achieve ambient water temperatures prior to discharge to the harbor. Seawater used in tanks that house nonnative species would either be discharged to the sewer or processed through enhanced treatment systems, as necessary to eradicate any nonnative species and prevent their introduction into harbor waters.

1.4.8.4 Recirculating Seawater Systems

Recirculating seawater systems would take in seawater, circulate it through tanks, and then filter and treat the water to remove biological waste created by marine organisms maintained in the tanks through filtration, protein skimmers, and ozone treatment. The water would then be recirculated through the tanks. New seawater would be introduced on an ongoing basis as needed to maintain the appropriate water quality, and re-used seawater would be discharged. The turnover rates of seawater for recirculation systems vary based on the treatment systems used and marine organisms maintained. Based on the experience of local aquariums an annual turnover rate of between 6 and 10 is anticipated, resulting in daily intake and discharge volumes of between 16,438 and 27,397 gallons, respectively. Maximum marine research facility sanitary seawater discharge, based on a 100% recirculating seawater system with a 10 times per year turnover rate, would be 27,397 gallons/day. However, should a combination of recirculation be used, seawater discharge volume would be significantly less.

Used seawater would require treatment prior to discharge to the sanitary sewer or harbor. Should sanitary sewer discharge be involved, discharges would need to be scheduled to avoid negative impacts on the Terminal Island Treatment Plant, and would be sampled and monitored to ensure compliance with industrial waste discharge requirements for sanitary sewer discharge. In addition, filters used in the recirculated seawater cleansing process must be backwashed to maintain the cleansing ability. The backwash would require discharge to the sanitary sewer. Recirculation systems minimize water in-take and are able to better control fluctuations in water quality. However, recirculation systems are space intensive, requiring a large footprint for storage tanks and life support/treatment systems, and are energy intensive. In addition, due to the re-use of water, biological wastes are concentrated, and discharged water requires a greater level of treatment than flow-through systems for harbor discharge, resulting in additional space needs and energy resources.

As in the case of the flow-through system, in-take seawater may be chilled, or heated, as appropriate for the tanks and research being conducted. However, water temperature would not be a consideration for seawater discharged to the sanitary sewer.

1.4.8.5 Wave Tank Seawater In-Take and Discharge

A separate seawater intake and treatment system would be developed for the wave tank during Phase II. The proposed wave tank has a total proposed volume of approximately 14,361,600 gallons, and the in-take is proposed to be located along the Berths 70–71 wharf in the main channel.

The gallon per day seawater in-take for filling the proposed wave tank would largely be dependent upon the time allocated to initially fill the tank. A 90-day tank fill time would require 159,574 gallons/day. The in-take flows would be limited to 0.5 feet per second or less. After the initial filling of the wave tank, ongoing seawater in-take

needs would be minimal because discharges from the wave tank would be infrequent and intermittent.

Once filled, the seawater in the wave tank would be chemically treated to eliminate marine growth within the tank and retained in stasis except on rare occasions when lower water levels would be needed for a study. On such occasions water may be discharged from the tank. Upon completion of the study, seawater would be needed to again fill the tank. Prior to discharge, chemically treated water would be filtered to ensure that chemicals used to treat the water are removed prior to discharge to the harbor or would be discharged to the sanitary sewer. Discharges would be tested and monitored to ensure compliance with all applicable discharge requirements. The wave tank harbor discharge location would be adjacent to the in-take location along the Berths 70–71 wharf in the main channel.

1.4.9 Waterfront Promenade

The SPWP EIS/EIR (POLA 2009) assessed the construction of a continuous waterfront pedestrian promenade throughout the waterfront project site. Extending the promenade through a marine laboratory facility could pose special challenges because the waterfront would be utilized for vessel loading on a routine basis by forklifts, cranes, and other heavy equipment at unpredictable intervals. The approximately 6,000-linear-foot promenade would be constructed along the edge of the wharf in such a manner as to maintain public access without creating a safety hazard or otherwise unduly impeding the work that is necessary at a marine laboratory. As such, as part of the proposed Project, the proposed location of the promenade would be along East 22nd Street and Signal Street, and along the existing wharf that runs the perimeter of City Dock No. 1, to the extent feasible. The south end of Berth 60 would be developed to accommodate a public viewing area and platform.

1.4.10 Signal Street Improvements

Signal Street would be repaved and realigned as part of the proposed Project. As part of the realignment, a total of approximately 195 diagonal parking spaces would be provided along one side of the street. The proposed Project would add 15 spaces adjacent to the Berth 56 Learning Center building, 40 new spaces adjacent to the Berth 57 transit shed, and 155 spaces adjacent to Berths 58–60. In addition, the existing heavy rail tracks that are embedded within Signal Street would be removed (approximately 8,000 lineal feet), and the area that is disturbed during the rail removal would be repaved.

1.4.11 Utility Improvements

The proposed Project would provide new utility connections to the proposed buildings as well as the existing buildings to allow for the proposed project elements described above. All connections would be located within the proposed project site and would connect with the existing infrastructure located under Signal Street. In addition to the general utility connections, the proposed Project would potentially

upgrade the existing sewer pump servicing the proposed project site. This upgrade to the sewer pump would provide additional capacity to accommodate the proposed Project under full buildout as well as additional future projects if needed.

1.4.12 Sustainable Design Project Features

The proposed Project is intended to showcase LAHD's commitment to sustainability. The proposed Project would incorporate a number of sustainable elements focusing on the effort of LAHD to create a green Port. These are analyzed as part of the proposed Project within the Draft EIR. Additionally, the proposed Project would incorporate several features to enhance the final design of the proposed Project. Although not required to mitigate a significant impact, these design measures would further minimize the proposed Project's effect on surrounding uses and environmental resources. The following proposed project elements and design measures are consistent with LAHD's Sustainability Program and policies.

- Use recycled water if available for all landscaping and water feature purposes to decrease the proposed Project's use of potable water.
- Include drought-tolerant plants and shade trees in the planting palette.
- Require Leadership in Energy and Environmental Design (LEED™) certification for all new buildings as feasible by implementing and ensuring consistency with LAHD's Green Building Policy; LEED Certification (minimum Silver) is required for all new development over 7,500 square feet.
- Follow LAHD sustainable engineering design guidelines in the siting and design of new development.
- Employ LAHD sustainability measures during construction and operation and use recycled and locally derived materials for proposed project construction, while achieving recycling goals for construction and demolition debris.
- Implement energy efficient design features in the final design to help ensure energy needs are minimized to the extent feasible during construction and operation of the proposed Project.
- Implement water quality and conservation design features in the final design to help ensure water quality impacts are minimized during construction at the water's edge and in the water and operationally through the use of construction best management practices (BMPs) and bioswales.
- Implement aesthetic design features. Public art would be integrated into the proposed project area and would include sculptural pieces. Views of the waterfront would be created through the construction of the waterfront promenade around the edge of the site. The proposed Project would also implement the San Pedro Waterfront Development Design Guidelines to improve efficiency and reduce glare.
- Implement pedestrian access features. Pedestrian access to the waterfront and throughout the proposed project site would be improved through development of a waterfront promenade. The proposed Project would also be designed to

accommodate the extension of the Waterfront Red Car Line, which was previously approved under the SPWP in 2009.

1.5 Project Phasing and Construction Plan

The proposed Project involves a comprehensive plan for the reuse of City Dock No. 1 that would be built out in two phases. Phase I, which is anticipated to begin in late 2012 and conclude in 2016, would include the conversion of Berths 56 and 57 into a new SCMI facility and development of an interpretive center open to the public. The majority of the remaining proposed project elements would be constructed under Phase II, which is anticipated to commence construction in 2013 and conclude around 2024. Within this overall schedule, construction activities would be phased so as to minimize disruption to existing operations, which would continue to operate during the entire construction period, and to surrounding operations.

1.6 Monitoring and Reporting Procedures

Mitigation measures will be implemented in accordance with the LAHD Environmental Management Division's (LAHD/EMD) Environmental Compliance Plan program. Prior to release of bid specifications, construction plans shall be provided to LAHD/EMD for review and approval. Operational mitigation measures will be monitored by LAHD/EMD and any specified responsible parties designated by LAHD/EMD.

This MMRP for the Project will be in place through both phases of the Project, including design, construction, and operation, and will help ensure that project objectives are achieved. LAHD shall be responsible for administering the MMRP and ensuring that all parties comply with its provisions. LAHD may delegate monitoring activities to staff, consultants, or contractors. All construction contractors shall submit an Environmental Compliance Plan for Construction Management and EMD approval prior to beginning construction activities. This plan shall document how the contractor intends to comply with all measures applicable to the contract including application of Best Management Practices (BMPs). All mitigation measures and leasing policy requirements will be included in leases and lease amendments. LAHD also will ensure that monitoring is documented through periodic reports and that deficiencies are promptly corrected. The designated environmental monitor will track and document compliance with mitigation measures, note any problems that may result, and take appropriate action to rectify problems.

1.7 Mitigation Monitoring and Reporting Program Implementation

Pursuant to AB 3180, this MMRP was prepared and is accompanied by the associated report forms utilized to verify compliance with individual mitigation measures. This MMRP identifies each mitigation measure by discipline, the entity (organization) responsible for its implementation, the report/permit/certification

required for each measure, and an accompanying LAHD MMRP form used to certify completion. Certain inspections and reports may require preparation by qualified individuals, and these are specified as needed. The timing and method of verification for each measure is also specified.

2.0

MITIGATION MONITORING AND REPORTING PROGRAM SUMMARY

Table 2-1. Mitigation Monitoring and Reporting Program Summary for the City Dock No. 1 Marine Research Center Project

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
3.2 Air Quality		
MM AQ-1: Implement Harbor Craft Engine Standards. All harbor craft used during the construction phase of the proposed Project will, at a minimum, be repowered to meet EPA Tier 2. Additionally, where available, harbor craft will meet EPA Tier 3 or cleaner marine engine emission standards unless one of the following circumstances exists, and the contractor is able to provide proof of its existence: • A piece of specialized equipment is unavailable in a controlled form within the state of California, including through a leasing agreement. • A contractor has applied for necessary incentive funds to put controls on a piece of uncontrolled equipment planned for use on the proposed Project, but the application process is not yet approved, or the application has been approved but funds are not yet available. • A contractor has ordered a control device for a piece of equipment planned for use on the proposed Project, or the contractor has ordered a new piece of controlled equipment to replace the uncontrolled equipment, but that order has	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into the LAHD contract specifications for all construction work to reduce the impact of construction diesel emissions. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications. Harbor craft will meet EPA Tier 3 or cleaner marine engine emission standards unless one of the following circumstances exists, and the contractor is able to provide proof of its existence: 1. A piece of specialized equipment is unavailable in a controlled form within the state of California, including through a leasing agreement.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
not been completed by the manufacturer or dealer. In addition, for this exemption to apply, the contractor must have attempted to lease controlled equipment to avoid using uncontrolled equipment, but no dealer within 200 miles of the proposed Project has the controlled equipment available for lease. The analysis conservatively reflects the use of engines that meet EPA Tier 2 standards.	2. A contractor has applied for necessary incentive funds to put controls on a piece of uncontrolled equipment planned for use on the Project, but the application process is not yet approved, or the application has been approved, but funds are not yet available. 3. A contractor has ordered a control device for a piece of equipment planned for use on the Project, or the contractor has ordered a new piece of controlled equipment to replace the uncontrolled equipment, but that order has not been completed by the manufacturer or dealer. In addition, for this exemption to apply, the contractor must attempt to lease controlled equipment to avoid using uncontrolled equipment, but no dealer within 200 miles of the Project has the controlled equipment available for lease.	
MM AQ-2: Implement Fleet Modernization for Construction Equipment. ▪ Tier Specifications: a. From the start of construction through December 31, 2014: All off-road diesel-powered construction equipment greater than 50 hp, except marine vessels and harbor craft, will meet Tier-3 off-road emission standards at a minimum. In addition, all construction equipment greater than 50 hp will be retrofitted with a CARB-verified Level 3 Diesel Emission Control Strategy (DECS). Any emissions control device used by the contractor will achieve emissions reductions that are no less than what could be achieved by a Level 3 DECS for a similarly sized engine as defined by CARB regulations. b. From January 1, 2015: All off-road diesel-powered construction equipment greater than 50 hp, except marine vessels and harbor craft, will meet Tier-4 off-road emission standards at a minimum. Any emissions	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into the LAHD contract specifications for all construction work to reduce the impact of construction diesel emissions. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications. The construction equipment measures shall be met, unless one of the following circumstances exist and the contractor is able to provide proof that any of these circumstances exists: 1. A piece of specialized equipment is unavailable within 200 miles of the Port of Los Angeles, including	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
control device used by the contractor will achieve emissions reductions that are no less than what could be achieved by a Level 3 DECS for a similarly sized engine as defined by CARB regulations. A copy of each unit's certified tier specification, BACT documentation, and CARB or SCAQMD operating permit will be provided at the time of mobilization of each applicable unit of equipment. The above "Tier Specifications" measures will be met, unless one of the following circumstances exists, and the contractor is able to provide proof that any of these circumstances exists: ▪ A piece of specialized equipment is unavailable within 200 miles of the Port of Los Angeles, including through a leasing agreement. If this circumstance exists, the equipment must comply with one of the options contained in the Step-Down Schedule as shown in Table 3.2-14. At no time will equipment meet less than a Tier 1 engine standard with a CARB40-verified Level 2 DECS. ▪ The availability of construction equipment will be reassessed in conjunction with the years listed in the above Tier Specifications on an annual basis. For example, if a piece of equipment is not available prior to January 1, 2015, the contractor will reassess this availability on January 1, 2015. ▪ Construction equipment will incorporate, where feasible, emissions-savings technology such as hybrid drives and specific fuel economy standards.	through a leasing agreement. If this circumstance exists, the equipment must comply with one of the options contained in the Step-Down Schedule as shown in Table 3.2-14. At no time will equipment meet less than a Tier 1 engine standard with a CARB40-verified Level 2 DECS. 2. The availability of construction equipment will be reassessed in conjunction with the years listed in the above Tier Specifications on an annual basis. For example, if a piece of equipment is not available prior to January 1, 2015, the contractor will reassess this availability on January 1, 2015. 3. Construction equipment will incorporate, where feasible, emissions-savings technology such as hybrid drives and specific fuel economy standards.	

Mitigation Measures	*Timing and Methods*	*Responsible Parties*

Table 3.2-14. Compliance Step-Down Schedule for Non-Road Construction Equipment

Compliance Alternative	*Engine Standard* [a]	*CARB-Verified DECS*	*PM Emissions* [b] *(g/bhp-hr)*	*NO_X Emissions (g/bhp-hr)*
1	Tier 4	N/A	0.01	0.3
2	Tier 3	Level 3	0.02	2.9
3	Tier 2	Level 3	0.02	4.7
4	Tier 1	Level 3	0.06	6.9
5	Tier 2	Level 2	0.08	4.7
6	Tier 2	Level 1	0.11	4.7
7	Tier 2	Uncontroll ed	0.15	4.7
8	Tier 1	Level 2	0.2	6.9

[a] Equipment less than Tier 1, Level 2 will not be permitted.

[b] Stated emission levels are for engine hp ratings to 176 bhp and above. Emission levels for engine bhp ratings below 176 hp are marginally higher (0.02–0.08 g/bhp-hr depending on hp, Tier, and Vehicle Diesel Emission Control (VDEC) level).

g/bhp-hr = grams per brake horse power hour

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
MM AQ-3: Implement Additional Fugitive Dust Controls. The calculation of fugitive dust (PM10) from proposed project earth-moving activities assumes a 61% reduction from uncontrolled levels to simulate three times per day watering of the site and use of other measures (listed below) to ensure compliance with SCAQMD Rule 403 (SCAQMD 2005). The construction contractor will reduce fugitive dust emissions by 74% from uncontrolled levels (SCAQMD 2007a). The proposed project construction contractor will specify dust-control methods that will achieve this control level in a SCAQMD Rule 403 dust control plan and will include holiday and weekend periods when work may not be in progress. Measures to reduce fugitive dust include, but are not limited to, the following: ▪ Active grading sites will be watered every two hours. ▪ Contractors will apply approved non-toxic chemical soil stabilizers according to manufacturer's specifications to all inactive construction areas or replace groundcover in disturbed areas (previously graded areas inactive for ten days or more). ▪ Construction contractors will provide temporary wind fencing around sites being graded or cleared. ▪ Trucks hauling dirt, sand, or gravel will be covered in accordance with Section 23114 of the California Vehicle Code. ▪ Construction contractors will install wheel washers where vehicles enter and exit unpaved roads onto paved roads, or wash off tires of vehicles and any equipment leaving the construction site. Pave road and road shoulders. ▪ The use of clean-fueled sweepers will be required pursuant to SCAQMD Rule 1186 and Rule 1186.1 certified street sweepers. Sweep streets at the end of each day if visible soil is carried onto paved roads on site or on roads adjacent to the site to reduce fugitive dust emissions.	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into the LAHD contract specifications for all construction work to reduce the impact of construction diesel emissions. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
• A construction relations officer will be appointed to act as a community liaison concerning onsite construction activity including resolution of issues related to PM10 generation. • Traffic speeds on all unpaved roads will be reduced to 15 mph or less. • Temporary traffic controls such as a flag person will be provided during all phases of construction to maintain smooth traffic flow. • Construction activities that affect traffic flow on the arterial system will be conducted during off-peak hours to the extent practicable. • The grading contractor will suspend all soil disturbance activity when winds exceed 25 mph or when visible dust plumes emanate from a site; disturbed areas will be stabilized if construction is delayed.		
MM AQ-4: Implement SCAQMD's Super-Compliant Architectural Coating Standard and Use of Low VOC Products. Architectural coatings used on site will meet SCAQMD's super-compliant VOC standard of 10 grams of VOC per liter. The use of water-based or low VOC cleaning products, where feasible, will result in further VOC reduction. The reductions associated with the use of water-based or low VOC cleaning products were conservatively excluded from emission calculations.	**Timing:** Throughout all construction phases and operations. **Methods:** This measure shall be incorporated into the LAHD contract specifications for all construction work and improvements during operation to reduce the impact related to architectural coatings and the use of VOC products. The final design plans shall include specifications for use of super-compliant VOC architectural coatings and cleaning products. The contractor shall adhere to these specifications throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications.	**Implementation:** LAHD through Construction Contractor **(during construction) and tenant (during operations)** **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
MM AQ-5: Implement the Clean Trucks Program for Construction Haul Trucks. Heavy duty diesel trucks used for hauling must meet the EPA 2007 emission standards for on road heavy duty diesel engines (EPA 2006) by 2012. The CTP applies to heavy duty trucks used during construction activities.	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into the LAHD contract specifications for all construction work to reduce the impact of construction diesel emissions. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division
MM AQ-6: Implement Best Management Practices. The following types of measures are required on construction equipment (including on-road trucks), as determined feasible and appropriate: ▪ Use diesel oxidation catalysts and catalyzed diesel particulate trap; ▪ Maintain equipment according to manufacturers' specifications ▪ Restrict idling of on-road heavy-duty trucks to a maximum of five minutes when not in use ▪ Install high-pressure fuel injectors on construction equipment vehicles ▪ Re-route construction trucks away from congested streets or sensitive receptor areas LAHD will implement a process by which to select additional BMPs to further reduce air emissions during construction. LAHD will determine the BMPs once the contractor identifies and secures a final equipment list and project scope. LAHD will then meet with the contractor to identify potential BMPs and work with the contractor to include such measures in the contract. BMPs will be based on BACT guidelines and may	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into the LAHD contract specifications for all construction work to reduce the impact of construction diesel emissions. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
also include changes to construction practices and design to reduce or eliminate environmental impacts.		
MM AQ-7: Implement General Mitigation Measure. For any of the above mitigation measures, if a CARB-certified technology becomes available and is shown to be as good as or better in terms of emissions performance than the existing measure, the technology could replace the existing measure pending approval by LAHD. For construction, measures will be set at the time a specific construction contract is advertised for bid.	**Timing:** Throughout all construction phases and on annual checks during operations. **Methods:** This measure shall be incorporated into the LAHD contract specifications for all construction work. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division
MM GHG-1: Solar Panels. The Port shall review the feasibility of including the City Dock site on their Inventory of Potential PV Solar Sites at POLA from their December 2007 Climate Action Plan. This measure is not quantified.	**Timing:** Prior to approving building design **Methods:** LAHD shall review the feasibility of including the City Dock site on their Inventory of Potential PV Solar Sites at POLA prior to initiation of construction of buildings. If listed as a potential PV solar site, LAHD will undertake a final evaluation regarding installation of PV solar panels during the building design process.	**Implementation:** LAHD through Engineering and Construction Contractors **Monitoring and Reporting:** Environmental Management Division, Engineering Division, Construction Management Division
3.3 Biological Resources		
MM BIO-1. Avoid Marine Mammals. Via the construction contract and the development permit the LAHD will require that pile driving activities for construction of the proposed Project include establishment of a safety zone and monitoring of the area surrounding the operations for pinnipeds by a qualified marine biologist. The monitor will have the authority to halt operations unless, in the opinion of the Port's project engineer (Engineer), halting operations would be unsafe. The safety zone will extend out to 500 meters from the site of the pile driving, wherever that activity is taking place. Before pile driving is scheduled to commence, observers on	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into LAHD contract specifications for all construction work. The construction contractor shall instruct construction personnel as part of normal construction procedures. LAHD shall arrange for the presence of an EMD approved biologist(s) to monitor during construction activity.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
shore or in boats will survey the safety zone to ensure that no marine mammals are present. If marine mammals are observed within the safety zone, driving will be delayed until they move out of the area. If a marine mammal is seen above water and then dives below, the contractor will wait at least 15 minutes, and if no marine mammals are seen, it may be assumed that the animal has moved beyond the safety zone. This 15-minute criterion is based on a study indicating that pinnipeds dive for a mean time of up to about 4 minutes; the 15-minute delay will allow a more than sufficient period of observation to be reasonably sure the animal has left the vicinity. If pinnipeds enter the safety zone after pile has begun, pile driving will continue. The monitor will record the species and number of individuals observed and make note of their behavior patterns. If animals appear distressed, and if it is operationally safe to do so, the monitor will inform the Engineer that pile driving will cease until the animal leaves the area. In certain circumstances pile driving cannot be terminated safely and without severe operational difficulties. Therefore, if it is deemed operationally unsafe by the Engineer to discontinue pile driving activities, and a pinniped is observed in the safety zone, pile driving activities will continue only until the Engineer deems it safe to discontinue.		
MM BIO-2. Minimize In-water Pile Driving Noise. Via the construction contract the LAHD will require the contractor to use sound abatement techniques to reduce both noise and vibrations from pile driving activities. In addition to the "soft-start technique, which will be required at the initiation of each pile driving event or after breaks of more than 15 minutes, sound abatement techniques will include, but not be limited to, vibration or hydraulic insertion techniques, bubble curtains, isolation cage technology, sound aprons, and use of a cushion block on top of the pile being driven. Use of these techniques will reduce both the intensity of the underwater sound pressure levels radiating from the pile driving location and the area in which levels would exceed the Level A and B harassment levels	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into LAHD contract specifications for all construction work. The construction contractor shall instruct construction personnel as part of normal construction procedures. LAHD shall arrange for the presence of an EMD approved biologist(s) to monitor during construction activity.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
for marine mammals.		
MM BIO-3. Conduct Nesting Bird Surveys. Between February 15 and September 1 and prior to ground-disturbing activities, a qualified biologist will conduct surveys for the presence of nesting birds protected under the MBTA and/or similar provisions of the California Fish and Game Code within areas of the proposed project study area that contain potential nesting bird habitat. Surveys will be conducted 24 hours prior to the clearing, removal, or grubbing of any vegetation or ground disturbance. If active nests are located, then a barrier installed at a 50–foot radius from the nest(s) will be established and the tree/location containing the nest will be marked and will remain in place and undisturbed until a qualified biologist performs a survey to determine that the young have fledged or the nest is no longer active.	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into LAHD contract specifications for all construction work. The construction contractor shall instruct construction personnel as part of normal construction procedures. LAHD shall arrange for the presence of an EMD approved biologist(s) to monitor during construction activity.	**Implementation:** LAHD Environmental Management Division **Monitoring and Reporting:** Environmental Management Division, Construction Management Division
3.4 Cultural Resources		
MM CR-1. HABS/HAER Recordation of Municipal Pier No. 1 Historic District Setting. Prior to construction of the wave tank and undertaking the Berths 57–60 wharf upgrades and ground improvements, LAHD will record the existing setting of the Municipal Pier No. 1 Historic District, including recordation of the western elevation of the wharf, in accordance with the federal Historic American Building Survey/Historic American Engineering Record (HABS/HAER) program. This program consists of large-format, black and white photographs, preparation of a historic resources report, and archiving of both at local repositories of historical information.	**Timing:** Prior to Project construction of the wave tank and Berths 57–60 wharf upgrades and ground improvements. **Methods:** LAHD shall retain a qualified historian to record and document the historic significance of Municipal Pier No. 1 in accordance with HABS/HAER program.	**Implementation:** LAHD Environmental Management Division **Monitoring and Reporting:** Environmental Management Division
3.7 Hazards and Hazardous Materials		
MM RISK-1. Remove all hazardous materials with flashpoints below 140°F from Mike's fueling station. Mike's fueling station will cease to handle hazardous materials with flashpoints below 140°F per the letter sent from LAHD to Mike Albano dated June 16, 2008, regarding the successor permit to revocable permit No. 98-14 prior to the operation of the proposed waterfront promenade. Products with a flashpoint	**Timing:** Prior to operation of the waterfront promenade in the vicinity of City Dock No. 1. **Methods:** LAHD will verify that products with flashpoints below 140°F have been removed from Mike's fueling station prior to opening the waterfront promenade in the vicinity of City Dock No. 1.	**Implementation:** LAHD through permit to Mike's Marine. **Monitoring and Reporting:** Environmental Management Division, Real Estate Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
below 140°F will not be permitted within the project area (i.e., San Pedro Waterfront Project area). The successor permit to RP No. 98-14 to allow the operation for Mike's fueling station and continued lease of Mike's fueling station will only allow handling of products above said threshold. Prior to the operation of the waterfront promenade, Mike's fueling station will submit written confirmation identifying the complete removal of all hazardous materials on site with a flashpoint below 140°F as directed by the letter dated June 16, 2008. At the time of the written confirmation, Mike's fueling station will also provide copies of all Material Safety Data Sheets (MSDS) for each product stored in bulk on site.		
3.8 Land Use and Planning		
Implement Mitigation Measure **MM RISK-1** (see Section 3.7, "Hazards and Hazardous Materials"	**Timing:** Prior to operation of the waterfront promenade in the vicinity of City Dock No. 1. **Methods:** LAHD will verify that products with flashpoints below 140°F have been removed from Mike's fueling station prior to opening the waterfront promenade in the vicinity of City Dock No. 1.	**Implementation:** LAHD through permit to Mike's Marine. **Monitoring and Reporting:** Environmental Management Division, Real Estate Division
3.9 Noise		
MM NOI-1: Maintain Construction Equipment. All construction equipment powered by internal combustion engines will be properly muffled and maintained.	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into contract specifications for all construction work to reduce noise impacts. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications. The construction contractor shall ensure that the proposed pile driving equipment and measures are used during construction. LAHD shall evaluate the contractor	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
	proposals with regard to reducing pile driving noise. LAHD would subsequently perform periodic inspections to ensure that the approved equipment and methods are being followed and to monitor the noise levels for compliance with the proposed noise levels.	
MM NOI-2: Locate Equipment away from Noise-Sensitive Land Uses. All stationary noise-generating construction equipment, such as air compressors and portable power generators, will be located as far as practical from existing noise-sensitive land uses.	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into contract specifications for all construction work to reduce noise impacts. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications. The construction contractor shall ensure that the proposed pile driving equipment and measures are used during construction. LAHD shall evaluate the contractor proposals with regard to reducing pile driving noise. LAHD would subsequently perform periodic inspections to ensure that the approved equipment and methods are being followed and to monitor the noise levels for compliance with the proposed noise levels.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division
MM NOI-3: Utilize Quiet Equipment. Quiet construction equipment (such as vibratory pile driving or pneumatic tools) will be utilized where practicable. Noise limits established in the City of Los Angeles Noise Ordinance will be fully complied with.	**Timing:** Throughout all construction phases. **Methods:** This measure shall be incorporated into contract specifications for all construction work to reduce noise impacts. The contractor(s) shall submit an Environmental Compliance Plan for review and approval by LAHD prior to the beginning of any construction activity. The contractor shall adhere to these specifications and Compliance Plan throughout construction phases. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
	contract specifications. The construction contractor shall ensure that the proposed pile driving equipment and measures are used during construction. LAHD shall evaluate the contractor proposals with regard to reducing pile driving noise. LAHD would subsequently perform periodic inspections to ensure that the approved equipment and methods are being followed and to monitor the noise levels for compliance with the proposed noise levels.	
MM NOI-4: Notify Sensitive Receptors. Cabrillo Way Marina liveaboards will be notified of the construction schedule in writing prior to the beginning of construction	**Timing:** Prior to initiation of construction phases. **Methods:** This measure shall be incorporated into contract specifications for all construction work to reduce noise impacts. The contractor will be required to notify Cabrillo Way Marina liveaboards of potential noise impacts prior to initiation of construction activities. Enforcement shall include oversight by the LAHD Project/Construction Manager or designated building inspectors to ensure compliance with contract specifications. The construction contractor shall ensure that the proposed pile driving equipment and measures are used during construction. LAHD shall evaluate the contractor proposals with regard to reducing pile driving noise. LAHD would subsequently perform periodic inspections to ensure that the approved equipment and methods are being followed and to monitor the noise levels for compliance with the proposed noise levels.	**Implementation:** LAHD through Construction Contractor **Monitoring and Reporting:** Environmental Management Division, Construction Management Division
3.11 Transportation and Circulation—Ground		
MM TC-1: Develop and implement a Traffic Control Plan throughout proposed project construction. In accordance with the City's policy on street closures and traffic diversion for arterial and collector roadways, the construction contractor will prepare a traffic control plan (to be approved by City and County engineers) before construction. The traffic control plan will include:	**Timing:** Prior to construction activities, to be implemented during construction. **Methods:** The construction contractor(s) shall prepare a construction traffic control plan to be approved by LAHD Engineering and the Los Angeles Department of Transportation (LADOT), detailing methods to minimize traffic congestion and access restrictions during	**Implementation:** LAHD **Monitoring and Reporting:** LAHD Environmental Management and Engineering Divisions

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
▪ a street layout showing the location of construction activity and surrounding streets to be used as detour routes, including special signage; ▪ a tentative start date and construction duration period for each phase of construction; ▪ the name, address, and emergency contact number for those responsible for maintaining the traffic control devices during the course of construction; and ▪ written approval to implement traffic control from other agencies, as needed. Additionally, the traffic control plan will include the following stipulations: ▪ provide access for emergency vehicles at all times; ▪ avoid creating additional delay at intersections currently operating at congested conditions, either by choosing routes that avoid these locations, or constructing during nonpeak times of day; ▪ maintain access for driveways and private roads, except for brief periods of construction, in which case property owners will be notified; ▪ provide adequate off-street parking areas at designated staging areas for construction-related vehicles; ▪ maintain pedestrian and bicycle access and circulation during proposed project construction where safe to do so; if construction encroaches on a sidewalk, a safe detour will be provided for pedestrians at the nearest crosswalk; if construction encroaches on a bike lane, warning signs will be posted that indicate bicycles and vehicles are sharing the roadway; ▪ utilize flag persons wearing OSHA–approved vests and using a "Stop/Slow" paddle to warn motorists of construction activity; ▪ maintain access to Metro and LADOT transit services and	construction.	

Mitigation Measures	*Timing and Methods*	*Responsible Parties*
ensure that public transit vehicles are detoured; ▪ post standard construction warning signs in advance of the construction area and at any intersection that provides access to the construction area; ▪ post construction warning signs in accordance with local standards or those set forth in the Manual on Uniform Traffic Control Devices (Federal Highway Administration 2009) in advance of the construction area and at any intersection that provides access to the construction area; ▪ during lane closures, have contractor and/or LAHD notify LAFD and LAPD, as well as the Los Angeles County Sheriff's and Fire Departments, of construction locations to ensure that alternative evacuation and emergency routes are designed to maintain response times during construction periods, if necessary; ▪ provide written notification to contractors regarding appropriate routes to and from construction sites, and weight and speed limits for local roads used to access construction sites; submit a copy of all such written notifications to the City of Los Angeles Planning Department; and ▪ repair or restore the road right-of-way to its original condition or better upon completion of the work.		

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Exhibit L

DELETED

Exhibit M
Tenant Improvements

Pursuant to Section 7.2.1 of the Agreement, Tenant shall be responsible for providing the following improvements, in compliance with applicable laws, rules and regulations, and the requirements of the Agreement, on the schedule stated herein.

A. General Requirements

1. Compliance with Secretary of Interior Standards: Tenant acknowledges and understands that the Premises are eligible for listing in the California Register of Historical Resources as a Historic District. Further, several Existing City Improvements identified in Exhibit C are also independently eligible for listing in the California Register of Historical Resources. The Tenant acknowledges that Tenant has been provided a copy of the certified Final Environmental Impact Report SCH#2010121013 completed for the Project (FEIR) and the Final Port of Los Angeles Municipal Pier No. 1 Historic Resources Evaluation Report, prepared by ESA for the Port of Los Angeles dated February 2011.

   As specifically discussed in FEIR Section 3.4 Cultural resources, all Tenant Improvements shall conform to the Secretary's Standards for buildings eligible for listing on the California Register of Historical Resources or the National Register of Historic Places and undergo plan review by a qualified consulting architectural historian. The Tenant at its sole cost shall retain a qualified consulting architectural historian to review all Tenant plans and specifications for compliance with the Secretary's Standards.

2. Compliance with Harbor Department Development Policies: Tenant acknowledges and understands that the Harbor Department has established several policies related to development activities as listed in Exhibits K, K-A and K-B, and generally outlined in the FEIR. Tenant shall comply with such Harbor Department policies, as applicable to the development of Tenant Improvements.

3. Public Promenade Design Approval Process: The public promenade shall be designed consistent with the San Pedro Waterfront Design Guidelines. Tenant shall submit public promenade design plans and specifications to the Harbor Engineer for review and approval prior to holding any public promenade design workshops as required by Section (A)(4) of this Exhibit M. Tenant shall respond to and modify the public promenade design plans and specifications as appropriate in response to any comments received during the public promenade design workshops. Tenant shall re-submit the public promenade design plans and specifications to the Harbor Engineer for final review and approval.

4. Public Promenade Design Workshops: Tenant shall hold public workshops regarding the public promenade design, once the design is initially approved by the Harbor Department as being consistent with the San Pedro Waterfront Design Guidelines.

5. Public Art: Tenant at its sole cost and expense shall comply with City requirements related to public art for Tenant Improvements.

6. Below Grade Work Coordination: Tenant understands and acknowledges that some of the transit shed warehouse redevelopment construction activities necessary for use as marine research facilities may require below grade work. Tenant shall be responsible for such below grade work at its sole cost and expense ("Tenant's Below Grade Work"), provided that City shall be responsible for Environmentally Regulated Material remediation to the extent required in Section 3.3.5.. With prior written notice to City, Tenant may coordinate with City pursuant to Section 3.12 of the Agreement to incorporate some or all of Tenant's Below Grade Work into City's wharf and ground improvement construction contracts. City and Tenant agree and acknowledge that such an arrangement would require a separate development agreement which, among other terms, must include a provision for Tenant to reimburse City for all costs incurred by City to incorporate Tenant's Below Grade Work.

7. Competitive Bidding/Proposals for Tenant Improvements Receiving Rent Credits. For Tenant Improvements which will receive Rent Credits pursuant to Section 5.8 of the Agreement, Tenant recognizes and accepts that the contractor selection procedures specified herein are intended to promote pricing and responsive and responsible proposals in a fair and reasonable manner. As such, the selection of contractors for the construction of Tenant Improvements pursuant to Section 7.2 of the Agreement and for which Rent Credits are provided pursuant to Section 5.8 of the Agreement shall be based upon competitive bids or proposals as follows:

(i) The Tenant shall use reasonable efforts to secure the commitment to bid or propose on the construction of Tenant's redevelopment of the transit sheds and development of the public promenade on the Demised Premises from a minimum of three (3) bidders or proposers.

(ii) In the event that the Tenant obtains fewer than three (3) bids or proposals, it shall provide the Executive Director with a written description of its efforts to obtain competition and, if Tenant believes that it should proceed to award the bid or proposal with fewer than three (3) bidders or proposers, the justification therefor, including why the Tenant believes the cost of such bid or proposal is reasonable.

(iii) In the event that the Tenant elects not to proceed to award the bid or proposal solely on the basis of price, it shall provide the Executive Director with a written justification of the reasons therefor.

B. Remediation Reimbursement Process. The maximum reimbursable remediation expenditures shall be Twelve Million Dollars ($12,000,000). Tenant shall, at all times, document actual remediation costs associated with parcels and structures that are eligible for remediation reimbursement. Tenant shall request reimbursement annually as an addendum to the annual report required for Non-Monetary Compensation described in Exhibit F.

1. Upon Tenant's remediation, and completion of construction of Parcels B58-60 Tenant Improvements worth a minimum of Fifteen Million Dollars ($15,000,000), Tenant shall submit satisfactory proof to City of the expenditures associated with the complete remediation of such parcels and structures as previously approved by the Harbor Department. Tenant shall be reimbursed up to One Million Five Hundred

Thousand Dollars ($1,500,000) and remaining expenditures exceeding One Million Five Hundred Thousand Dollars ($1,500,000) will be reimbursed upon completion of Parcel B57.5 Tenant Improvements worth a minimum of Four Million Six Hundred Thousand Dollars ($4,600,000).

After substantial completion of Parcels B58-60 Tenant Improvements and Parcel B57.5 Tenant Improvements and upon submittal of the executed construction contract for Parcel B57 Tenant Improvements, Tenant is eligible for the unreimbursed remediation expenses for Parcels 58-60 and Parcel B57.5, not to exceed Three Million Dollars ($3,000,000). The maximum payable amount by the Harbor Department for remediation at Parcels B58-60 and Parcel B57.5 is Six Million Dollars ($6,000,000).

2. Upon Tenant's remediation, and completion of construction at Parcel B57 Tenant Improvements worth a minimum of Thirty-Five Million Dollars ($35,000,000), Tenant shall submit satisfactory proof to City of the expenditures associated with the complete remediation of such parcels and structures as previously approved by the Harbor Department. Upon Tenant's remediation, and completion of construction at Parcel B56 Tenant Improvements worth a minimum of Fifty Million Three Hundred Thousand Dollars ($50,300,000), Tenant shall submit satisfactory proof to City of the expenditures associated with the complete remediation of such parcels and structures as previously approved by the Harbor Department.

Tenant reimbursement for remediation under this Section B.2 shall not exceed Six Million Dollars ($6,000,000)

Tenant shall request reimbursement and submit appropriate supporting documents to include proof of all expenses paid for remediation annually as an addendum to the annual report required for Non-Monetary Compensation described in Exhibit F for review. The City through the authority of the Executive Director may require, and Tenant shall provide, all documents reasonably required to determine whether amounts on the invoice are allowable expenses under the Agreement. Upon approval, Tenant shall submit an invoice for the total amount in quadruplicate to lease administrator. Such invoice shall be signed by the Tenant and shall include the following certification:

> "I certify under penalty of perjury that the above bill is just and correct according to the terms of Agreement No. _____ and that payment has not been received. I further certify that I have complied with the provisions of the City's Living Wage Ordinance.
>
> _____
> (Tenant's Signature)

Tenant must include on the face of each invoice its Business Tax Registration Certificate number, as required in Article 16.20 of this Agreement. No invoice will be processed for payment by City without this number shown thereon. All invoices shall be approved by the Executive Director or their designee prior to payment. All invoices due and payable and found to be in order shall be paid as soon as, in the ordinary course of City business the same may be approved, audited and paid.

C. **Rent Credits.** The provisions applicable to rent credit amounts, effective dates, applicability, expiration and submission request requirements are detailed in Section 5.8 of this Agreement.

Listed below are the eligible improvements for rent credits for Parcels B58, B59, B60 and B61A.

1. Site Work
   - Demo railroad track
   - Earthwork, clear and grub
   - Asphalt/Concrete Paving

2. Site Concrete
   - Concrete
   - ADA ramp infill and foundation
   - Curb work
   - Deck infill
   - Equipment pads

3. Site Utilities
   - Water
   - Electrical

4. Offsite work including in site A/C Paving, Electric, Utilities, etc.

5. Structural Steel
   - Spines, herringbones, cross beams
   - Handrails/Guardrails
   - ADA Ramps – Steel/concrete infill
   - Seismic reinforcements
   - Cross bracing
   - Supports for storefront openings
   - Framing at entry vestibules
   - Railings
   - Sheet metal
   - Doors and frames
   - Metal Stud Framing

6. Demolition
   - Slab removal
   - Boring for utilities
   - Remove existing lighting and conduit
   - Asphalt removal
   - Overhead door removal

7. Historical building restoration

8. Roof improvements

9. Other improvements that meet the criteria established in Section 5.8 of this Agreement and are not entity/subtenant specific nor installed in a temporary manner:
    - Overhead doors
    - Glass Storefronts
    - Drywall
    - Painting
    - Signage for address/Location
    - Modular restrooms
    - Fire sprinklers
    - Plumbing
    - HVAC
    - Electrical – New Service Gear
    - Fire Alarm

EXHIBIT N

BUSINESS PLAN, SUBLEASE TEMPLATE AND SCMI SUBLEASE

Sections 13.4.1 of the Agreement allows Tenant to sublease the Demised Premises for the Permitted Uses, in compliance with the Agreement. Sections 13.4.1 (a, b and d) provide authorization to sublease based on an approved Business Plan, Sublease Template and Southern California Marine Institute Sublease which have been approved by the Board.

1. Business Plan (Parcels B58, B59, B60)

Exhibit N-1 Business Plan has been approved by the Board pursuant to Section 13.4.1(b) of the Agreement.

2. Sublease Template

Exhibit N-2 sublease template applicable to Section 13.4.1(a and b) has been approved by the Board pursuant to Section 13.4.1(b) of the Agreement.

3. Sublease - Southern California Marine Institute

Exhibit N-3 25-year sublease has been approved by the Board pursuant to Section 13.4.1(d) of the Agreement.

AltaSea

EXHIBIT N-1
Business Plan

Executive Summary

AltaSea at the Port of Los Angeles (AltaSea) is a Los Angeles-based non-profit organization dedicated to solving the biggest problems facing our ocean through a collective approach that brings together leaders in science, business and education. AltaSea is in the early stages of constructing an award-winning, environmentally sustainable campus from the underutilized and currently obsolete cargo warehouse facilities at historic City Dock No. 1 in the Port of Los Angeles, San Pedro, CA. AltaSea will serve as the new home for the Southern California Marine Institute (SCMI) and as a collaborative hub for water-dependent researchers, businesses and entrepreneurs.

In its initial phase, the AltaSea campus, which will be built on this 35-acre peninsula, will include more than 300,000 square feet of usable research, education and commercial space, comprised of converted warehouses, outdoor educational centers, waterfront research stations and exhibition spaces. These exceptional facilities and the unrivaled waterfront access will attract dozens of key tenants – including SCMI, Dr. Bob Ballard's Ocean Exploration Trust (OET), Shark Lab and Catalina Sea Ranch – as well as thousands of visitors each year. AltaSea will promote increased interest in finding new ways to responsibly capitalize on and preserve, our planet's most vital ocean resources while at the same time stimulating economic growth in the greater Los Angeles area. Thanks to recurring revenue from rental AltaSea expects to reach financial sustainability by 2020, only relying on donations to support capital construction and ongoing K-12 educational and other community serving special programs.

AltaSea and the construction efforts needed to complete the San Pedro facilities have been evaluated by Kosmont Companies. Their independent economic impact study projects that AltaSea is expected to create more than $747 million in economic value by 2023, including more than 4,100 construction-related jobs and 800+ long-term, full-time jobs upon project completion. Furthermore, the confluence of university marine researchers, ocean industry experts, and AltaSea's start-up incubator is expected to lead to discoveries and innovations of immeasurable value. Beyond creating economic benefits, AltaSea's partnership with the SCMI and local non-profits and educational programs, will open doors and improve accessibility to educational opportunities never before available to the people of Los Angeles. It will enrich communities and lives.

To achieve these results AltaSea must raise $150 million through charitable donations and grants between March 2016 and December 2021. This construction of Phase 1 will be completed in three stages (1A, 1B and 1C), with the initial Phase 1A focusing on rehabilitating Warehouses 58-60 to provide workspace for key tenants and partners as early as 2018. The focus of AltaSea's startup resources on Phase 1A will also serve to provide the ongoing income in the form of rent necessary to sustain AltaSea in the near term and also to support fundraising and facility operations in the longer run.

AltaSea offers a unique value-added, second round philanthropic investment opportunity in the ocean environmental and green technology space. The seed funding invested significant effort and capital to provide a development-ready site for the creation of an institute for innovation in the marine sciences and sustainable ocean based businesses. Millions of private and public dollars have already been invested in the development of the environmental and entitlement approvals necessary to develop the AltaSea site into a major marine science and business

innovation facility. The 7 years of preparation allows for unparalleled speed to market, with the potential of having the initial phase of development completed within less than a year.

Introduction

The economic value of the ocean is tremendous, but it is underutilized and threatened by a number of global ecological and economic challenges. In 2015, Marco Limbertini, the Director General of the World Wildlife Foundation International ("WWF"), stated that "The ocean rivals the wealth of the world's richest countries, but it is being allowed to sink to the depths of a failed economy[1]." The WWF report also estimates the value of the assets that comprise the ocean totals more than $24 trillion and contributes $2.5 trillion to the global economy each year. This contribution, however, is far below the ocean's potential. Systemic problems, such as pollution, overfishing and climate change, are putting an unprecedented strain on marine ecosystems. To unlock and preserve the ocean's potential for generations to come, researchers, businesses, educators and communities must work together like never before. Resources and brainpower must be pooled together to develop creative solutions to protect our natural resources, to create economic value and jobs and to educate future generations of faithful and inquisitive stewards of the ocean.

Vision and Mission

AltaSea is a Los Angeles-based non-profit organization dedicated to solving the biggest problems facing our ocean environment through a collaborative approach that brings together leaders in science, business and education. AltaSea's mission is to accelerate scientific research and collaboration, to facilitate the development and commercialization of ocean-related technologies and products, to create living wage jobs in ocean-related fields, to educate and inspire the next generation to become environmental stewards of a sustainable ocean. Located on a 35-acre peninsula on City Dock No. 1 at the Port of Los Angeles in the historic community of San Pedro, AltaSea is uniquely positioned to serve as a regional and worldwide leader in this field thanks to its ideal location and diverse set of stakeholders and partners. To fulfill its mission, AltaSea will:

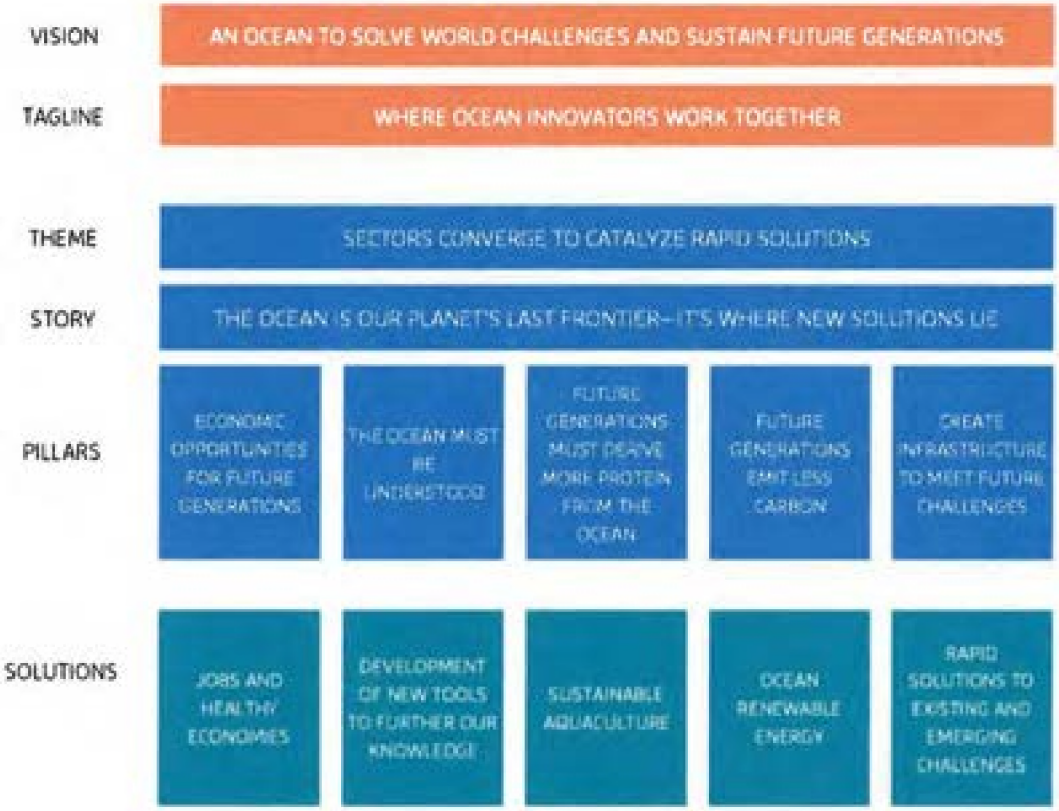
- Expand science-based understanding of the ocean: The Science Hub at AltaSea convenes and supports the world's best marine scientists as they conduct breakthrough research and discover solutions to environmental problems.
- Incubate and sustain ocean-based business: The Research and Business Hub at AltaSea nurtures new and existing businesses that commercialize scientific breakthroughs and emerging technologies to create ocean-related products, services and local jobs.
- Pioneer education and outreach: The Engagement Center at AltaSea ignites passion and commitment with programs that immerse children and adults in the critical role that the ocean has on our planet.

AltaSea differentiates itself from others in the oceanographic world by convening experts and resources from all three relevant fields: science, business and education to focus on efficiently developing real, rapid solutions to big problems in specific areas of interest known as "clusters." Specifically, the Blue Tech Cluster and Sustainable Aquaculture Cluster will serve as a focal

[1] http://www.wwf.org.hk/en/?13240/-24---WWF-10

point for collaboration and innovation across the public, private and independent sectors. Challenges for future focus include clusters exploring ocean acidification, urbanization, nutrient runoff and others.

AltaSea Vision to Implementation



History and Background

In June 2011, members of the Los Angeles scientific community and the Port of Los Angeles met to envision future uses for the underutilized facilities at the Port's City Dock No. 1 and to discuss a potential new location for the Southern California Marine Institute (SCMI). From this discussion, the initial concept for AltaSea emerged and quickly gained momentum, leading to the execution of a 50-year lease between AltaSea and the City of Los Angeles. The lease agreement included a commitment for a $57 million capital investment for site rehabilitation by the Harbor Department in December 2013.[2] In 2014, AltaSea convened a Board of Trustees, made up of top Los Angeles business, civic and philanthropic leaders. They solicited and approved a preliminary campus plan for the rehabilitation and construction of the AltaSea facilities.

Since its inception, AltaSea has collaborated with a number of important partners and tenants, including the site's anchor tenants SCMI, Catalina Sea Ranch, the California State University at Long Beach Shark Lab, the Ocean Exploration Trust and many others. These agreements, partnerships and preliminary investments represent important steps to ensure that AltaSea will achieve its long-term vision. However, significant investment is still needed to complete the ambitious construction and rehabilitation projects that are essential to make this vision a reality.

Path Forward

AltaSea is undergoing a multi-year, multi-phase development process. The historic warehouses and 35 acres of oceanfront property will be converted into more than 300,000 square feet of modern facilities suitable for ocean research, commerce and education. The development will breathe new life into this once declining industrial corner of the Port of Los Angeles. This document addresses the goals and needs required to execute Phase 1A of the AltaSea development plan. Broken down into three distinct stages, Phase 1 will create usable research and commercial business space, as well as educational facilities and a visitor center. Phase 1 will be executed in the following stages:

- **Phase 1A** –Warehouses 58-60 Interior and Infrastructure Renovation, as well as waterside berth improvements, Education Pavilion and Wharf Plaza (Research and Development Hub and K-12 education space)
- **Phase 1B** – Warehouse 57 Restoration and Road Realignment (Science Hub)
- **Phase 1C** – Engagement Center Construction at Berth 56 (Community resource and K-12 education facility)

The Development Plan and Timeline section of this document includes further details regarding the Phase 1A elements and the philanthropic investment needed to complete them.

Business Case Overview

In the long-run, AltaSea will be sustained financially primarily by rental income from tenants that occupy the workspace and research centers and use the vessel-berthing facilities associated with Warehouses 58-60. In the short-term, AltaSea is raising funds from philanthropists,

[2] AltaSea is currently amending the lease agreement with the Port of Los Angeles. Due to engineering solutions for the wharf retrofit, the Port's investment will be reduced to $40 million. This amendment is projected to be executed by the end of 2017.

institutions, and government organizations to finance the capital-intensive construction and rehabilitation projects necessary to transform the obsolete port warehouses into modern research and commercial facilities as well as retrofit the existing berths for modern vessels. For Phase 1A occupancy (Warehouses 58-60), AltaSea anticipates 73% initial occupancy based upon current planning agreements and projects an 85%-90% occupancy commitments prior to Phase 1A project completion. Beyond the initial start-up capital and grants needed to complete the infrastructure construction and rehabilitation of the AltaSea facilities in the Port of Los Angeles, rent paid by tenants will comprise an estimated 100% of sustaining operational revenue[3]. AltaSea expects that this income will be sufficient to cover all operating costs and to produce cash flow in the long-run for the organization to invest in new programming while advancing research and innovation in oceanic science and education.

The Business Model and Project Financials section of this document includes further details regarding the business model that AltaSea will employ to reach this future state of financial independence and sustainability.

Development Plan and Timeline

AltaSea and its architectural and design partner, Gensler, worked with nearly 100 stakeholders, including scientists, as well as industry and civic leaders, to envision a modern oceanographic research, business and educational center at the Port of Los Angeles that will serve the scientific, business and local communities for decades to come. One guiding principle that underpins the entire AltaSea design approach is the importance of flexibility within research and business spaces. It will be critical for tenants to be able to quickly and cost-effectively adapt the spaces to their needs and to accommodate advancements and new trends in their respective fields.

Phase 1A (2017-2018)

Scheduled to break ground in late 2017, Phase 1A includes the construction of Wharf Plaza and Education Pavilion and the renovation of 180,000 square feet of clear-span space in Warehouses 58-60. Wharf Plaza with Education Pavilion (Figure 2), will serve as the initial education center location and provide docking space for the Exploration Vessel (E/V) Nautilus, the research vessel operated by the Ocean Exploration Trust (OET). Led by Dr. Robert Ballard, members of OET will provide education programs for local students and community residents. The Education Pavilion will provide scenic outdoor amphitheater-style seating where students and lifelong learners will attend lectures demonstrations and exhibitions. The pavilion will also contain an indoor classroom, rest rooms and a coffee or snack bar.



Architectural Rendering of the Wharf Plaza and Education Pavilion at AltaSea

Warehouses 58-60 will play a critical role in transforming AltaSea into a hub for collaboration and innovation in the oceanographic community. These large facilities will serve as the primary workspace for the marine innovation business and research tenants on-site. AltaSea has already confirmed interest from tenants that will occupy and pay rent for these workspaces as soon as construction is completed in 2017-2018.



Architectural Rendering of the Research and Business Hub at AltaSea

Business Model and Project Financials

Business Model

As the Phase 1A construction projects described above are completed, AltaSea will market and lease space with various businesses, research and educational organizations, whose interests align with AltaSea's mission and the clusters, or areas of focus, defined by AltaSea and its partners. While AltaSea anticipates and has already signed MOU's and planning contracts with many long-term tenants, its facilities are designed to accommodate flexible lease terms and structures, including short-term (e.g., 3-6 months) leases for organizations with focused project-related facility needs. Once stabilized leases have been achieved (90% occupancy), AltaSea forecasts sustaining revenue in the form of rent and related income. Rental income for warehouses 58-60 alone are projected to cover AltaSea's operating overhead expenses, and community serving programs. There also exists the potential for equity positions or royalty income from commercial ventures incubated at AltaSea. No income from these potential interests have been included in our income forecasts.

The following business plan has been developed to address the requirements of Section 13.4.1 of the amended and restated Lease No. 904 Dated as of_____2017 ("Master Lease") addressing certain general business terms anticipated to be included in future subleases for portions of the Berth 58 – 60 premises (Subleases), located on Parcels B58-B60 as described in Exhibit A "Premises Map" to the Master Lease. The attached Sublease Template (Exhibit N-2) will be utilized for Subtenants within the above referenced portion of the premises with variations allowable in the following areas.

Specific Section 13.4 Business Plan Terms

(i). Sublease Term. The duration of Subleases will be established in a manner that is flexible so as to accommodates a varying range of tenants, specific improvement requirements, market conditions and the degree of their positive impact furthering AltaSea's mission and vision. Typical leases for commercial and institutional tenants will range from three (3) years to ten (10) years. Subtenant options to extend are common in the industrial real estate market and will be incorporated into Subleases on a case-by-case basis, when necessary, and on terms appropriate for a given Subtenant's requirements and when in the best interest of AltaSea. Subtenant option term length when added to the initial term length will not exceed ten (10) years without consent by the Board.

Typical general principles and guidelines used in determining appropriate Sublease durations for both the primary term of the lease and extension options, if included are listed below:

a. Subtenant General Requirements. Subtenant requirements will to a great extent drive the primary term of a given Sublease. Types of use and duration of the project or activities to be conducted in the Sublease premises.

b. Tenant Improvements. Subtenant and/or AltaSea respective investment(s) in tenant improvements to the Sublease premises. Generally speaking the larger the tenant improvement investments, the longer the term of

the Sublease. Longer subleases allow for Subtenant and/or AltaSea to amortize the cost of improvements over a longer period.

c. Subtenant Financial Capacity also impacts the Sublease term. Tenants worthy of an investment rating by a rating agency otherwise known as "Credit Tenants" can command longer and more favorable lease terms as a consideration for their relative lower level of risk of default in comparison to tenants without a balance sheet worthy of an investment rating. Tenants without a strong balance sheet and/or credit history will generally only be offered shorter term leases without additional mitigating factors that justify a longer term.

d. Shorter term Subleases will be entered into when necessary to accommodate a tenant requirement (project related use of a specific limited duration) and as necessary to keep the Berth 58 – 60 premises leased up and generating maximum income. Shorter term Subleases may also be granted to Subtenants which AltaSea determines advance AltaSea's mission of fostering and sustaining innovation and collaboration in the Subtenant mix within the facility.

(ii). For certain Subtenants such as, start-up and business incubation level companies in particular, there may be opportunities for AltaSea to receive equity interests or interests in operating or royalty revenue, in lieu of, or in addition, to rent. These opportunities will be evaluated on a case-by-case basis and are anticipated to represent a very small portion, if any, of the Subleases as leasing solicitation will focus on established companies and/or Credit Tenants that are able to immediately contribute to AltaSea's mission. Where appropriate and applicable, AltaSea, will require at least a 3% in equity for start-ups and/or incubators.

(iii). Termination Provisions. Subleases will include termination provisions that are consistent with the Master Lease. Subleases will provide AltaSea with typical and standard market termination rights and other landlord remedies covering non-performance by Subtenants. Sublease default terms will be consistent with those contained in the multi-tenant industrial lease forms of the American Industrial Real Estate Association (AIR).

Tenants

AltaSea is actively seeking scientific research, educational and commercial tenants that share its commitment to the ocean and a passion for finding solutions to the challenges facing the ocean. The co-location of these diverse disciplines will foster collaboration in the interest of addressing these challenges. AltaSea is currently discussing lease agreements with several potential tenants. The below table includes a preliminary list of core tenants and program providers that have already executed planning memoranda of understanding with AltaSea as of April 2016. These tenants and program providers will play an important role in making advancements in the Blue Tech and Sustainable Aquaculture Clusters AltaSea has prioritized.

Science	Business	Education
Southern California Marine Institute (SCMI)	Catalina Sea Ranch	Ocean Exploration Trust
California Institute of Technology	Blue Robotics	Long Beach City College
	Los Angeles CleanTech Incubator	Los Angeles Maritime Institute
	Seatrec	Cabrillo Marine Aquarium*
	Boeing	

* Organizations will be providing programs on site.

Financial Forecasts

The rent described above will serve as the primary revenue source for AltaSea during the duration of its lease with the Port of Los Angeles. AltaSea expects that rent paid by tenants will cover the operating expenses of these facilities (i.e., utility costs, insurance, etc.). The rental income assumed is based only on rental income from the warehouses 58-60. Rental income from the dock, wharf and water adjacent to these warehouses is not included.

Contributed income from individuals, foundations and corporations, program related investments, and special event income are being developed. This income will be in addition to the gross revenue depicted above and will serve to increase AltaSea's top line income and help ensure that AltaSea is financially sustainable for the long term.

AltaSea

AltaSea Pro Forma

	2015	2016	2017	2018	2019	2020	2021	2022
Gross Income	$ 11,000	$ 60,000	$ 1,714,000	$ 1,766,000	$ 1,818,000	$ 1,974,000	$ 3,181,000	$ 3,436,000
POLA Rent	-	30,000	60,000	60,000	60,000	60,000	60,000	60,000
General Expenses	-	-	404,000	416,000	429,000	577,000	594,000	612,000
Payroll	-	90,000	433,000	446,000	459,000	473,000	487,000	502,000
Debt Service	-	-	238,000	238,000	238,000	504,000	504,000	504,000
Net Income	$ 11,000	$ (60,000)	$ 579,000	$ 606,000	$ 633,000	$ 361,000	$ 1,536,000	$ 1,760,000
Cumulative Income	11,000	(49,000)	530,000	1,136,000	1,768,000	2,129,000	3,665,000	5,425,000
Gross Income / Net Profit Total Expenses		120,000	1,135,000	1,159,000	1,185,000	1,613,000	1,645,000	1,676,000

	2023	2024	2025	2026	2027	2028	2029	2030
Gross Income	$ 3,586,000	$ 3,931,000	$ 4,226,000	$ 4,352,000	$ 4,482,000	$ 4,617,000	$ 4,755,000	$ 4,898,000
POLA Rent	1,415,000	1,458,000	1,501,000	1,546,000	1,593,000	1,641,000	1,690,000	1,740,000
General Expenses	642,000	728,000	753,000	775,000	799,000	823,000	847,000	873,000
Payroll	517,000	532,000	548,000	564,000	581,000	599,000	617,000	635,000
Debt Service	795,000	795,000	795,000	795,000	795,000	795,000	795,000	795,000
Net Income	$ 227,000	$ 419,000	$ 629,000	$ 671,000	$ 715,000	$ 760,000	$ 807,000	$ 855,000
Cumulative Income	5,652,000	6,071,000	6,699,000	7,369,000	8,084,000	8,844,000	9,650,000	10,505,000
Gross Income / Net Profit Total Expenses	3,368,000	3,512,000	3,597,000	3,681,000	3,767,000	3,857,000	3,948,000	4,043,000

EXHIBIT N-2

SUBLEASE

[Subtenant Name]
[Location]

THIS SUBLEASE (this "Sublease") is made and entered into as of _____, 20__ ("Effective Date"), by and between AltaSea at the Port of Los Angeles ("AltaSea"), a California Public Benefit Corporation ("Sublandlord"), and _____("Subtenant").

A. Pursuant to that certain Amended and Restated Lease No. 904 dated _____, 2017 between the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners, ("Master Landlord") and AltaSea (as amended from time to time before, on or after the Effective Date, the "Master Lease"), Sublandlord is leasing from Master Landlord, certain real property consisting of "Parcel _____" defined in the Master Lease ("Initial Total Premises"). The Initial Total Premises together with any and all "Parcels" (defined in the Master Lease) that are added from time to time before, on or after the Effective Date, to the "Demised Premises" (defined in the Master Lease) excluding any "Parcel(s)" that are removed from such "Demised Premises", are sometimes referenced herein as the "Total Premises". A copy of the Master Lease and all amendments thereto executed on or before the Effective Date is attached hereto as Exhibit A.

B. Sublandlord desires to sublease to Subtenant, and Subtenant desires to sublease from Sublandlord, a portion of the Total Premises more particularly described and shown on Exhibit B attached hereto and incorporated by reference ("Premises").

In consideration of the foregoing, and of the terms and conditions set forth herein, Sublandlord and Subtenant hereby agree as follows:

ARTICLE 1. Sublease of Premises.

Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, for the term and upon the terms and conditions hereinafter set forth, the Premises. Notwithstanding anything to the contrary, Subtenant understands and agrees that Sublandlord is the lessee of the Premises by virtue of the Master Lease, and that this Sublease is and shall at all times be subject to and subordinate to the provisions of the Master Lease. The Premises consist of approximately _____ square feet of rentable area ("Rentable Area of the Premises"). The size and location of the Premises are more particularly shown on the floor plans attached hereto as Exhibit B. The rentable area of the Premises as specified above is only an approximation and no variation between the amount so stated and the actual rentable area of the Premises shall alter the obligations of Sublandlord and Subtenant under this Sublease. Without limiting the generality of the foregoing:

(a) As used herein, the term "Incorporated Provisions" means all of the provisions of the Master Lease except the following provisions of the Master Lease:

(i) Section 1 (Grants and Findings).

(ii) Section 2 (Effective Date; Term and Holdover).

(iii) Section 3.1, Section 3.2, Section 3.3 (except to the extent the Subtenant is permitted or required under this Sublease to make any alteration, installation, addition, improvement or other modification in or to the Premises) 3.4, 3.7(c), the first sentence of Section 3.11 (except to the extent Sublandlord grants to Subtenant any exclusive parking right under this Sublease; notwithstanding anything to the contrary, Subtenant shall not be entitled to any parking

rights under this Sublease except as expressly set forth in Article 22 of this Sublease), and Section 3.12, (except to the extent the Subtenant is permitted or required under this Sublease to make any alteration, installation, addition, improvement or other modification in or to the Premises).

(iv) Sections 4.1 and 4.2; provided, however, notwithstanding anything to the contrary, (A) Subtenant shall use the Premises for the purposes permitted in Article 6 of this Sublease, (B) Subtenant shall not use, or cause, permit or suffer to be used, the Premises for any purpose except as permitted in Article 6 of this Sublease, and shall not use, or cause, permit or suffer to be used, the Premises for any purpose or in any manner that is not expressly permitted by the Master Lease, (C) Subtenant shall not be required to spend the required minimum investment in the Premises under Section 3.3 of the Master Lease except as provided in Article 8 of this Sublease, and (D) Subtenant shall not be required to fund a renovation fund in accordance with Section 3.4 of the Master Lease, except as provided in Article 3 of this Sublease.

(v) Section 5.1, Section 5.2, Section 5.3, Section 5.4, Section 5.6, Section 5.7, and Section 5.8. Notwithstanding anything to the contrary, Subtenant shall not be entitled to use any "Rent Credit" or other credit, reduction or abatement described in the Master Lease.

(vi) Section 6.2.3 (except the first sentence thereof), Section 6.2.3(a), and Section 6.2.3(b).

(vii) Section 7.1, Section 7.2 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.3 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.4 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.5 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), and Section 7.8 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease).

(viii) Section 8.8.1 and Section 8.8.3.

(ix) Section 9.1(f) (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 9.1(g) (except to the extent Subtenant is required to provide non-monetary compensation applicable to the Premises under this Sublease), and Section 9.8 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease).

(x) Section 11.5 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease).

(xi) Section 12.2.2(d) (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 12.2.3 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the

Premises under this Sublease), and Section 12.2.4. The Incorporated Provisions also exclude any provision of the Master Lease providing for Master Landlord to provide any insurance.

(xii) Section 13.4, Section 13.9, Section 13.10.

(xiii) Section 15.2. Notwithstanding anything to the contrary, Subtenant shall not use any service mark, trademark, name, title, description slogan, emblem, logo or other intellectual property owned or used by Master Landlord or Sublandlord, except with the prior written consent of Sublandlord.

(xiv) The second sentence of Section 16.4, Section 16.9, Section 16.27, and Section 16.29, and Section 16.31.

(xv) Exhibits L, M, N1 and N2.

(xvi) The Incorporated Provisions exclude all provisions of the Master Lease providing for Master Landlord to indemnify, defend and/or hold harmless Sublandlord; or

(xvii) The Incorporated Provisions exclude any and all provisions of the Master Lease redacted from the copy thereof attached to this Sublease as Exhibit A.

(b) Except as otherwise expressly provided in, or otherwise inconsistent with this Sublease, the Incorporated Provisions are hereby incorporated in this Sublease by reference with the same force and effect as if set forth herein, except that, unless the context requires otherwise:

(i) References in such provisions to the Master Landlord, "City", "City Council", "Council", "Board", "Executive Director", "Harbor Department" (except in Sections _____ of the Master Lease), and "Harbor Engineer" (except in Sections _____ of the Master Lease) in the Incorporated Provisions shall be deemed to refer to Sublandlord in this Sublease;

(ii) References in such provisions to "Tenant" in the Incorporated Provisions shall be deemed to refer to Subtenant in this Sublease;

(iii) References in such provisions to the "Demised Premises" or "Premises" in the Incorporated Provisions shall be deemed to refer to the Premises in this Sublease;

(iv) References to the "Term" in the Incorporated Provisions shall be deemed to refer to the Term of this Sublease.

(v) References to the Master Lease in the Incorporated Provisions shall be deemed to refer to this Sublease.

(vi) References in the Incorporated Provisions to other provisions of the Master Lease that are not incorporated in this Sublease shall be disregarded; and

(vii) References in such provisions to subleases, sublettings or subtenants shall be deemed to refer to sub-subleases, sub-sublettings or sub-subtenants (it being understood that no sub-subtenants shall be permitted without the written approval of Master Landlord).

(c) Sublandlord shall not be deemed to have given any representation or warranty made by Master Landlord in any of the Incorporated Provisions. Moreover, Sublandlord shall not be obligated:

(i) To perform any obligation or provide any of the services or utilities that Master Landlord has agreed in the Master Lease to provide;

(ii) To make any of the installations, alterations, additions, improvements, other modifications, repairs or restorations that Master Landlord has agreed in the Master Lease to make;

(iii) To comply with any laws or requirements of public authorities with which Master Landlord has agreed to in the Master Lease to comply;

(iv) To remove, encapsulate or otherwise treat any asbestos-containing materials or other hazardous materials located in the Premises and/or the Total Premises;

(v) To provide any insurance that Master Landlord has agreed to provide; provided, however, that this clause (v) does not mean that Master Landlord has agreed to provide any insurance; or

(vi) To take any action with respect to the operation, administration or control of the Total Premises or any other area that the Master Landlord has agreed in the Master Lease to take.

(all the foregoing being herein called the "Master Landlord Services"). Sublandlord shall have no liability to Subtenant on account of any failure of Master Landlord to do so, or on account of any failure by Master Landlord to observe or perform any of the terms, covenants or conditions of the Master Lease required to be observed or performed by Master Landlord. Subtenant hereby expressly waives the provisions of any statute, ordinance or judicial decision, now or hereafter in effect, which would give Subtenant the right to make repairs at the expense of Sublandlord, or to claim any actual or constructive eviction by virtue interruption in access or services to, or failure to make repairs in or to, the Premises or the Total Premises.

(d) Sublandlord agrees:

(i) Upon Subtenant's request, to use reasonable efforts (excluding litigation, arbitration, administrative or other proceedings), at Subtenant's expense, to cause Master Landlord to provide any Master Landlord Service, and

(ii) That, if under the Master Lease any right or remedy of Sublandlord or any duty or obligation of Master Landlord is subject to or conditioned upon Sublandlord's making any demand upon Master Landlord or giving any notice or request to Master Landlord, if Subtenant shall so request, Sublandlord, at Subtenant's expense, shall make such demand or give such notice or request, except that Sublandlord shall not be required to request Master Landlord's consent or approval with respect to any act or thing as to which Sublandlord shall have determined in accordance with this Sublease to withhold its consent or approval.

(e) Whenever Subtenant desires to do any act or thing which requires the consent or approval of Master Landlord:

(i) Subtenant shall not do such act or thing without first Subtenant's having obtained the consent or approval of Sublandlord and Sublandlord's having obtained the consent or approval of Master Landlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord);

(ii) Subtenant shall not request Master Landlord's consent or approval directly (and no efforts by Sublandlord to obtain Master Landlord's consent or approval shall constitute Sublandlord's consent or approval or prejudice Sublandlord's right to withhold consent or approval); and

(iii) In no event shall Sublandlord be required to give its consent or approval prior to Master Landlord doing so. Sublandlord may give or refuse to give its consent or approval under this Sublease in its sole and absolute discretion, except as otherwise provided in this Sublease. Subtenant shall reimburse Sublandlord for all reasonable costs incurred by Sublandlord in processing any request by Subtenant for Sublandlord's consent or approval or request by Sublandlord for Master Landlord's consent or approval.

(f) The time limits contained in the Incorporated Provisions for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the tenant thereunder, or for the exercise by the tenant thereunder of any right, remedy or option, are changed for the purposes of incorporation herein by reference by shortening the same in each instance by ten (10) days, so that in each instance Subtenant shall have ten (10) days less time to observe or perform hereunder than Sublandlord has as the tenant under the Master Lease. If Master Landlord shall give any notice of failure or default under the Master Lease arising out of any failure by Subtenant to perform any of its obligations hereunder (other than the payment of money), then Sublandlord shall promptly furnish Subtenant with a copy thereof. If the Master Lease shall provide any grace or cure period for such failure or default then the grace or cure period hereunder shall expire ten (10) days prior to the date on which the grace or cure period under the Master Lease shall expire. In no event shall this Section 4.6 extend the time, date or period by or within which Subtenant is required to perform.

(g) If (i) Subtenant shall fail to perform any of its obligations hereunder and such failure shall continue beyond any cure period provided for herein, or (ii) Master Landlord shall give Sublandlord any notice of failure or default under the Master Lease arising out of any failure by Subtenant to perform any of its obligations hereunder then, in either case, Sublandlord shall have the right (but not the obligation) to perform or endeavor to perform such obligation, at Subtenant's expense, and Subtenant shall, within ten (10) days of Sublandlord's demand from time to time, reimburse Sublandlord for all costs and expenses incurred by Sublandlord in doing so. Sublandlord shall have the right to enter the Premises in connection with exercising its rights under this clause (g).

(h) This Sublease is and shall at all times be subject and subordinate to the Master Lease. Subtenant shall not do anything, or permit anything to be done, in connection with Subtenant's use or occupancy of the Premises which would violate any covenants or agreements contained in the Master Lease. Master Landlord (under the Master Lease) or Sublandlord may enforce directly against Subtenant, each in its own capacity, any of the rights granted to Master Landlord pursuant to the incorporated provisions of the Master Lease, except as expressly modified by this Sublease. Sublandlord may not grant to Subtenant, and nothing in this Sublease shall be construed to grant, any greater rights than Sublandlord has received as tenant from Master Landlord pursuant to the Master Lease. Subtenant does not have any greater rights against Sublandlord with respect to this Sublease or the Premises than Sublandlord has as tenant against Master Landlord with respect to the Master Lease.

(i) During the Term of this Sublease, and thereafter for obligations that arose during the term of this Sublease, Subtenant (i) hereby expressly assumes and agrees to perform and comply with, for the benefit of Sublandlord, every duty, liability, obligation and responsibility of Sublandlord with

respect to the Premises under the Master Lease which accrue during the term of this Sublease, and (ii) hereby agrees to observe all negative covenants of Sublandlord as tenant under the Master Lease (collectively, the "Assumed Obligations"). Subtenant shall defend, indemnify and hold Sublandlord harmless from and against any and all claims, demands, directives, orders, actions, causes of action, judgments, damages, penalties, fines, liabilities, losses, obligations, costs and expenses (including, without, limitation attorney's fees and costs, consultant fees, expert fees and settlement payments) (collectively, "Claims") arising from or in connection with any failure by Subtenant to perform the Assumed Obligations.

(j) Any non-liability, release, indemnity or hold harmless provision, and any provisions pertaining to waiver of subrogation rights and or the naming of a party under an insurance policy, in the Master Lease for the benefit of Master Landlord which is an Incorporated Provision, shall be deemed to inure to the benefit of Sublandlord and Master Landlord, for the purpose of incorporation by reference in this Sublease.

(k) Any Additional Charges resulting from Subtenant's abnormal use of services or otherwise attributable to Subtenant's use of the Premises shall, notwithstanding any other provision of this Sublease, be promptly paid by Subtenant to Sublandlord upon demand.

(l) Any Master Lease provisions with respect to rent abatements (whether in connection with a destruction of the Premises or otherwise) shall only entitle Subtenant to a Base Rental abatement hereunder for any portion of the Premises, and during any period, for which Sublandlord actually receives a rent abatement under the Master Lease.

(m) Where the Master Lease grants Sublandlord any discretionary right to terminate the Master Lease as to all or any portion of the Total Premises, whether due to casualty, condemnation, or otherwise, Sublandlord shall be entitled to exercise or not exercise such right in its sole and absolute discretion, but only after notice to Subtenant if the Premises are affected. If the Master Lease shall terminate for any reason then this Sublease shall also terminate. Neither Sublandlord nor Master Landlord shall be liable to Subtenant for any such termination.

(n) Any right of the Master Landlord for access or inspection and any right of the Master Landlord under the Master Lease to do work in the Premises or in the Total Premises or in any other area, and any right of the Master Landlord in respect of policies, rules, regulations and directives, shall be deemed to inure to the benefit of Sublandlord and Master Landlord, for the purpose of incorporation by reference in this Sublease.

(o) Subtenant's rights, title and interests under this Sublease are subject nevertheless to the terms and conditions of this Sublease and to the Master Lease and any other leases, mortgages, deeds of trust, lines, covenants, conditions, restrictions, easements and other encumbrances to which this Sublease is or becomes subordinate.

ARTICLE 2. Term.

(a) The term of this Sublease (the "Term") shall commence on _____ (the "Commencement Date") and shall end on _____ ("Expiration Date"), for a total term of _____ years, unless sooner terminated in accordance with this Sublease, including the Incorporated Provisions. If Sublandlord does not tender possession of the Premises to Subtenant by the Commencement Date, then the Subtenant shall not be obligated to pay rent until the Sublandlord tenders such possession and Subtenant may, by at least ten (10) days' prior written

notice to Sublandlord, termination the Sublease if Sublandlord has not tendered such possession on or before the date ninety (90) days after the Commencement Date.

(b) Subtenant shall vacate and surrender the Premises in accordance with this Sublease, including the Incorporated Provisions, on the earlier of the Expiration Date or the earlier termination of this Sublease. Subtenant has no right to holdover thereafter. Subtenant shall defend, indemnify and hold harmless Sublandlord from and against any and all Claims in connection with Subtenant's failure to so vacate and surrender the Premises in accordance with this Sublease, including without limitation, liabilities to real estate brokers, Master Landlord, new subtenant(s) or others. Such damages shall include, without limitation, the rentable value of the Premises in a monthly amount not less than one hundred fifty percent (150%) of all rent due during the last full month prior to such Expiration Date or earlier termination of this Sublease, plus any additional hold over rent owing under the Master Lease for the Total Premises.

ARTICLE 3. Rental.

(a) **Basic Rental.** Subtenant agrees to pay to Sublandlord during the term hereof, at Sublandlord's office or to such other person or at such other place as directed from time to time by written notice to Subtenant from Sublandlord, the initial sum of _____ ($_____) per year ("Basic Rental"), due and payable in equal monthly installments in advance on the first day of each calendar month, without demand, set off or deduction. Notwithstanding the foregoing, the rent applicable to the first month of the Sublease Term together with the Security Deposit referred to in Article 3 below, shall be paid to the Sublandlord concurrently with the execution of this Sublease. Basic Rental shall be increased each year by the same percentage and at the same time as the percentage by which and the time at which the "Minimum Annual Rent" for "Parcel _____" is increased for such year under Section 5 of the Master Lease.

(b) **Equity and Royalty Rent** Subtenant shall pay to Sublandlord, without demand, setoff or deduction, equity and royalty payments pursuant to a separate agreement between Subtenant and Sublandlord, and Subtenant's payment obligations under such separate agreement shall survive the Expiration Date and any earlier termination of this Sublease. Unless approved by the "Board" (described in the Master Lease) and the Sublandlord, such separate agreement shall provide for payment by Subtenant to Sublandlord of at least a two (2) percent royalty or equity interest in accordance with such separate agreement. FOR BUSINESS INCUBATOR SPACE.]

(c) **Additional Fees**. This is a triple net Sublease. Subtenant shall pay to Sublandlord, due and payable in equal monthly installments in arrears on the first day of each calendar month, without demand, set off or deduction, as "Additional Fees" a "Proportionate Share" equal to a fraction, the numerator of which is the number of rentable square feet of space of the Premises, and the denominator of which is the number of rentable square feet of space in the improvements on Parcel(s) ___ that are rented to a subtenant or subtenants, of the following items allocated by Sublandlord to Parcel(s) ___, without duplication; provided, however, that Sublandlord may allocate a difference percentage of any of the following amounts to Subtenant if Sublandlord determines that such different percentage should be used due to the Premises or Subtenant's use of the Premises:

(i) All "Additional Rent" owing by Sublandlord under the Master Lease, including, without limitation, "Tariff Charges" (described in the Master Lease) and other amounts described in Section 5.6 and the other provisions of the Master Lease to the extent such amounts are not paid directly by Subtenant to Master Landlord;

(ii) Fees, charges, reimbursements, taxes, common area expenses, general and administrative expenses, overhead and other costs and expenses incurred by Sublandlord, including, without limitation, the following items: (A) any and all real estate taxes and other similar charges on real property, leaseholds or improvements, assessments, water and sewer charges, and all other charges assessed or levied upon the project and appurtenances thereto and the parking or other facilities thereof, or the real property (the "Property") thereunder (collectively the "Real Property') or attributable thereto or on the rents, issues, profits or income received or derived therefrom which are assessed or levied by the United States, the State of California or any local government authority or agency or any political subdivision thereof, and shall include Sublandlord's legal fees, costs and disbursements incurred in connection with proceedings for reduction of any of the foregoing or any part thereof, but shall not include any net income taxes; provided, however, if at any time after the date of this Sublease the methods of taxation now prevailing shall be altered so that in lieu of or as a supplement to or a substitute for the whole or any part of any tax costs, there shall be assessed or levied (1) a tax, assessment, levy, imposition or charge wholly or partially as a net income, capital or franchise levy or otherwise on the rents, issues, profits or income derived therefrom, or (2) a tax, assessment, levy (including but not limited to any municipal, state or federal levy), imposition or charge measured by or based in whole or in part upon the Real Property and imposed upon Sublandlord, or (3) a license fee measured by the rent payable under this Sublease, then all such taxes, assessments or levies or the part thereof so measured or based, shall be deemed to be included under this clause (A); and (B) all costs and expenses incurred by the Sublandlord in connection with the maintenance, operation, replacement, ownership and repair of the Total Premises, the equipment, adjacent walks, and landscaped and common areas and the parking structure areas and facilities of the Total Premises, including, but not limited to, salaries, wages, medical, and general welfare benefits and pension payments, payroll taxes, fringe benefits, employment taxes, workers' compensation, uniforms and dry-cleaning thereof for all persons who perform duties connected with the operation, maintenance and repair of the Total Premises, its equipment and the adjacent walks, including janitorial, gardening, security, operating engineer, painting, plumbing, electrical, carpentry, hired services, an allowance for depreciation of the cost of acquiring or the rental expense of personal property used in the maintenance operation and repair of the Total Premises, accountant's fees incurred in the preparation of rent adjustment statements, legal fees, real estate tax consulting fees, personal property taxes on property used in the maintenance and operation of the Total Premises, capital expenditures incurred to effect economies of operation but only to the extent of the estimated annual savings, and capital expenditures required by government regulations, laws, or ordinances; the cost of all charges for electricity, gas, water and other utilities furnished to the Total Premises, including any taxes thereon; the cost of all charges for fire and extended coverage, liability and all other insurance for the Total Premises carried by Sublandlord; the cost of all building and cleaning materials; the cost of all charges for cleaning, maintenance and service contracts and other services with independent contractors (including property management fees); license, permit and inspection fees relating to the Total Premises; costs and expenses ("Capital Expenses") which Sublandlord or Sublandlord's managing agent has incurred or will incur (without offset for any revenue derived from any source whatsoever) in the making or installation of capital improvements, modifications or additions to any of the Total Premises (including, without limitation, an amortized amount of the required minimum investments under Section 4.14 of the Master Lease) and/or the machinery, equipment and facilities related thereto and/or capital reserves established for the repair or replacement of any of the foregoing, either, (1) required by directive of a government, quasi-government or regulatory agency or authority, but only those Capital Expenses which are so required either, pursuant to a law or statute newly enacted after the execution of this Sublease, or pursuant to an interpretation of a law or statute existing as of the execution of this Sublease, which interpretation is newly promulgated after the execution of this Sublease, (2) made with the intent of reducing common area maintenance

charges; or (3) deemed reasonably necessary by Sublandlord to maintain the quality, integrity and/or charter of any of the Total Premises and/or the machinery, equipment and facilities related thereto, all as existing at the time of execution of this Sublease; and

(iii) Electric, gas, power, water, cable, telephone, internet, WIFI, trash collection, janitorial, security and other services and utility costs, expenses and charges to the extent not paid directly by Subtenant.

On the first day of each month in advance, Subtenant shall pay to Sublandlord the Subtenant's share of the foregoing amounts, as estimated by Sublandlord from time to time. After the end of each calendar year, Sublandlord may provide to Subtenant a reconciliation of the difference between such estimated payments made by Subtenant and the actual amounts owing by Subtenant under this clause (c). If, for any calendar year, such actual amounts exceed the estimated payments by Subtenant, then Subtenant shall pay to Sublandlord such excess on or before the date thirty (30) days after receipt of any such reconciliation showing such excess. If, for any calendar year, the estimated payments by Subtenant exceed such actual amounts, then Sublandlord shall give to Subtenant credit in the amount of such excess against the Additional Fees payments first due after delivery of such reconciliation. Neither Sublandlord's failure to deliver nor the late delivery of any such estimate shall constitute a default by Sublandlord hereunder or a waiver of Sublandlord's right to receive Subtenant's share of such amounts. Notwithstanding that the term of this Sublease has expired or been terminated, Subtenant shall pay to Sublandlord any additional sums due Sublandlord and Sublandlord shall rebate to Subtenant the amount of any credit due to Subtenant, as set forth in the reconciliation for the year in which this Sublease term expired or terminated.

(d) **Tariff**. Subtenant shall pay to Master Landlord the Tariff and Tariff Charges, if any, billed directly by Master Landlord to Subtenant, and Subtenant shall pay to Sublandlord the Tariff and Tariff Charges, if any, billed by Master Landlord to Sublandlord for the Subtenant's operations and/or for the Premises.

(e) **Non-Monetary Compensation**. Subtenant shall provide to Sublandlord the "Non-Monetary Compensation" services and public benefits established in Exhibit A, Master Lease (see Exhibit F of Master Lease) attached hereto, in general and as applicable to the Premises.

(f) **Other Rent Provisions**. Subtenant shall make each of its payments due to Sublandlord under this Lease to Sublandlord at _____ or in accordance with other payment instructions designated by Sublandlord from time to time, in U.S. Dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds. Subtenant's obligations to pay rent and other amounts and Non-Monetary Compensation to Sublandlord under this Sublease shall be absolute and unconditional and shall be unaffected by any circumstance, including, without limitation, off-set, counterclaim, recoupment, defense or other right which Subtenant may have against Sublandlord or Master Landlord. If any payment by Subtenant is for a period shorter than one calendar month, the compensation for that fractional calendar month shall accrue and be prorated on a daily basis for each day of that fractional month at a daily rate equal to 1/365 of the total annual compensation. Any payment required to be made by Subtenant under this Sublease which has not been paid within ten (10) calendar days of the date such payment is due ("grace period") shall be subject to a service charge assessed as simple interest at the rate equal to the lesser of 1/30 of two percent (2%) of the amount remaining unpaid each day or the maximum rate of interest allowed by applicable law. Subtenant acknowledges that it knows the day of the month its payments hereunder are due and that the grace period commences from the date such payments are due to be made, not the date of any invoice therefor.

Said service charge shall be imposed whether or not a deposit required by Article 4 below is applied to the amount due. Sublandlord has the unqualified right, upon thirty (30) days' prior written notice to Subtenant, to change the level of the delinquency service charge.

(g) **Subtenant Improvements.** Subtenant shall pay when due any and all amounts owing by Subtenant under the provisions set forth in Exhibit A, Master Lease (see Exhibit C of Master Lease), attached hereto.

ARTICLE 4. Security Deposit.

Subtenant shall deposit with Sublandlord, concurrently with the execution of this Sublease, the sum of $_____ as security for the timely full and faithful performance of every provision of this Sublease to be performed by Subtenant. If Subtenant breaches any provision of this Sublease, including but not limited to the payment of rent, Sublandlord may use all or any part of this security deposit for the payment of any rent or any other sums in default, or to compensate Sublandlord for any other loss or damage which Sublandlord may suffer by reason of Subtenant's default. If any portion of said deposit is so used or applied, Subtenant shall, within five (5) days after written demand therefor, deposit cash with Sublandlord in an amount sufficient to restore the security deposit to its original amount, and Subtenant's failure to do so shall constitute a material breach of this Sublease. If monthly Basic Rental is increased, whether pursuant to subparagraph 3(a) or otherwise, the amount of the security deposit required to be maintained by Subtenant shall also be increased so as to equal, at all times and from time to time, _____ month's Basic Rental. No trust relationship between Sublandlord and Subtenant shall be created hereby with respect to such security deposit, and Sublandlord shall not be required to hold such deposit separate from its general accounts. Subtenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in force, which (a) establish a time frame within which a landlord must refund a security deposit under a lease, and/or (b) provide that Sublandlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Subtenant or to clean the Premises, it being agreed that Sublandlord may, in addition, claim those sums reasonably necessary to compensate Sublandlord for any other loss or damage caused by the default of Subtenant under this Lease, including without limitation all damages or rent due upon termination of this Sublease pursuant to Section 1951.2 of the California Civil Code. If Subtenant performs all of Subtenant's obligations hereunder, such deposit, or so much thereof as has not been applied by Sublandlord, shall be returned to Subtenant (or, at Sublandlord's option, to the last assignee, if any, of Subtenant's interest hereunder), without interest, following the expiration of the term hereof and after Subtenant has vacated the Premises.

ARTICLE 5. Personal Property Taxes.

Subtenant shall pay prior to delinquency all taxes assessed or levied upon fixtures, furnishings, equipment and all other personal property of Subtenant located in the Premises. In the event any or all of Subtenant's fixtures, furnishings, equipment and other personal property shall be assessed and taxed with the property of Sublandlord, Subtenant shall pay to Sublandlord its share of such taxes within ten (10) days after delivery to Subtenant by Sublandlord of a statement in writing setting forth the amount of such taxes applicable to Subtenant's property. Subtenant shall assume and pay to Sublandlord at the time of paying Basic Rental any excise, sales, use, rent, occupancy, garage, parking, gross receipts or other taxes (other than net income taxes) which may be imposed on or on account of letting of the Premises or the payment of Basic Rental or any other sums due or payable hereunder, and which Sublandlord may be required to pay or collect under any law now in effect or hereinafter enacted. Subtenant shall pay directly to the party or entity entitled thereto all business license fees, gross receipts taxes and similar taxes and impositions which may from time to time be assessed against or levied upon Subtenant, as and when the same become due and before delinquency. Notwithstanding anything to the contrary contained herein,

any sums payable by Subtenant under this Article 5 shall not be included in the computation of tax costs under Section 3(c).

ARTICLE 6. Use.

Subtenant shall use and occupy the Premises only for _____ and shall not use or occupy the Premises or cause, permit or suffer the same to be used or occupied for any other purpose, and Subtenant agrees that it will use the Premises in such a manner so as not to interfere with or infringe the rights of Sublandlord or other subtenants or other users of the Total Premises. Subtenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental regulations or requirements now in force or which may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises or the Total Premises, including structural changes not related to or affected by Subtenant's improvements or acts. Subtenant shall not do or cause, permit or suffer to be done anything which will invalidate or increase the cost of any fire and extended coverage insurance policy covering any of the Total Premises and/or the property located therein and Subtenant shall comply with all rules, orders, regulations and requirements of any organization which sets out standards, requirements or recommendations commonly referred to by major fire insurance underwriters. Subtenant shall promptly upon demand reimburse Sublandlord for any additional premium charges for such policy by reason of Subtenant's failure to comply with the provisions of this Article. Subtenant or Subtenant's representative shall occupy and be open to the public for a minimum of _____. Failure to meet the minimum operational days will result in a termination of this Sublease at the option of the Sublandlord. Notwithstanding anything to the contrary, Subtenant shall not use, or cause, permit or suffer to be used, any of the Premises for any purpose or any manner that is not expressly permitted by the first paragraph of Section 4.1 or other provision of the Master Lease or that is prohibited by Section 4.2 or any other provision of the Master Lease.

ARTICLE 7. Condition of Premises.

Subtenant hereby agrees that the Premises shall be taken in an "as is", "where is" and "with all faults" condition, without any representation or warranty, expressed or implied, and Subtenant hereby warrants that it has inspected the condition of the Premises and the suitability of same for Subtenant's purposes, and Subtenant does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the Total Premises or the suitability of same for Subtenant's purposes. Subtenant acknowledges that neither Sublandlord nor Master Landlord nor any agent nor any employee of Sublandlord or Master Landlord has made any representation or warranty with respect to this Sublease, the Premises or the Total Premises, with respect to the suitability of either for the conduct of Subtenant's business or with respect to any other matter. The taking of possession of the Premises by Subtenant shall conclusively establish that the Premises and the Total Premises were at such time in satisfactory condition. Subtenant hereby waives Sections 1941 and 1942 of the Civil Code of California or any successor provision of law.

ARTICLE 8. Repair and Alterations.

(a) Subtenant agrees to accept the Premises strictly in an "AS IS", "WHERE IS" and "WITH ALL FAULTS" condition, without any express or implied warranty as to the safety, condition, compliance with laws or regulations, or fitness for use of the Premises or any fixtures or appurtenances therein or any common areas to be used in connection therewith or otherwise. It is understood and agreed, notwithstanding any other provision of this Sublease or the Master Lease, that neither Sublandlord nor Master Landlord shall have any responsibility to make any alteration, addition, improvement or repair to the Premises in connection with this Sublease, nor to bear any

cost incident to any such alteration, addition, improvement or repair which may be requested or undertaken by Subtenant, except that Sublandlord shall deliver the Premises in broom clean condition.

(b) Without limiting the generality of the Incorporated Provisions, in the event that Subtenant desires to make any installation, alteration, addition, improvement or other modification in or to the Premises, and in the event that any governmental authority requires any other installation, alterations, additions, improvements or other modifications to be made to any of the Total Premises as a condition to permitting Subtenant to make its desired modification(s), Subtenant shall not be permitted to make its desired modifications unless Subtenant also makes all of the modifications so required by governmental authorities, at Subtenant's sole expense.

(c) Subtenant shall not make any alteration, installation, addition, improvement or other modification in or to the Premises without first Sublandlord's having obtained the consent or approval of Master Landlord if and to the extent required by the Master Lease and Subtenant's having obtained the consent or approval of Sublandlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord). If Master Landlord and Sublandlord shall consent to or approve of any alteration, installation, addition, improvement or other modification, then Subtenant shall observe and perform all of the terms, covenants and conditions of the Master Lease and this Sublease applicable thereto.

(d) Exhibit B attached hereto sets forth the work plan, rights and obligations of Sublandlord and Subtenant in connection with certain improvements, alterations, installations, additions, and other modifications, if any, to be constructed by Sublandlord or Subtenant and the payments by Sublandlord or Subtenant in connection therewith.

ARTICLE 9. Liens.

Subtenant shall keep the Premises and the Total Premises free from any mechanics' lien, material man's lien, vendor's lien or any other lien, security interest or encumbrance arising out of any work performed, materials furnished or obligations incurred by Subtenant, and agrees to defend, indemnify and hold harmless Sublandlord from and against any such lien, security interest or encumbrance, or any Claim incurred by Sublandlord in connection with any such lien, security interest or encumbrance. Before commencing any work of alteration, installation, addition or improvement to the Premises, Subtenant shall give Sublandlord at least ten (10) business days' written notice of the proposed commencement of such work (to afford Sublandlord an opportunity to post appropriate notices of non-responsibility) and shall secure, at Subtenant's own cost and expense, a completion and lien indemnify bond, satisfactory to Sublandlord, for said work. In the event that there shall be recorded against the Premises or any of the Total Premises or the property of which the Premises is a part any claim or lien arising out of any such work performed, materials furnished or obligations incurred by Subtenant and such claim or lien shall not be removed or discharged within ten (10) days of filing, Sublandlord shall have the right but not the obligation to pay and discharge said lien, security interest or encumbrance, without regard to whether such lien, security interest or encumbrance shall be lawful or correct or to require that Subtenant deposit with Sublandlord in cash, lawful money of the United States, 150% of the amount of such claim, which sum may be retained by Sublandlord until such claim shall have the right to apply such deposit in discharge of the judgment on said claim and any costs, including attorney's fees and costs incurred by Sublandlord, and shall remit the balance thereof to Subtenant.

ARTICLE 10. Utilities.

All general common area utilities will be included in common area maintenance charges pursuant to Section 3(c). An individual duplex power outlet is available as an optional rental item for _____ ($_____) per month for the duration of the Sublease term. Individual password protected access to secure WIFI network is available as an optional rental item for _____ ($_____) per month for the duration of the Sublease term.

ARTICLE 11. Rights of Sublandlord.

Sublandlord and its agents shall have the right to enter the Premises at all reasonable times with one (1) business day notice, except in the case of emergency in which case no advance notice is required, for the purpose of examining or inspecting the Premises, serving or posting and Sublandlord keeping posted thereon notices as provided by law, or which Sublandlord deems necessary for the protection of Sublandlord or the Total Premises showing the same to prospective subtenants (during the last 6 months of the Sublease) or purchasers of the Master Lease, in the case of emergency, and for making such alterations, repairs, improvements or additions to the Premises or to the Total Premises as Sublandlord may deem necessary or desirable. If Subtenant shall not be personally present to open and permit an entry into the Premises at any time when such an entry by Sublandlord is necessary or permitted hereunder, Sublandlord may enter, without liability to Subtenant and without affecting this Sublease.

ARTICLE 12. Indemnity of Sublandlord from Liability.

(a) Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to indemnify, defend or hold harmless Sublandlord, Subtenant shall be required also to indemnify, defend and hold harmless Master Landlord and such other persons as shall be entitled thereto under the Master Lease. In addition to Subtenant's obligations under the Incorporated Provisions, Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all Claims arising out of (i) action taken by Sublandlord at Subtenant's request, (ii) any failure by Subtenant to observe or perform any of the terms, covenants or conditions of this Sublease required to be observed or performed by Subtenant, including any claims, actions, causes of action, losses, damages, liabilities, obligations, costs and expenses (including attorneys' fees and costs)which may result from (A) any default under or termination of the Master Lease arising by reason of any such failure, or (B) any holding over by Subtenant in the Premises beyond the expiration or earlier termination of this Sublease, including any such liability with respect to the entire Total Premises arising out of such holding over by Subtenant, (iii) Subtenant's use of the Premises or from the conduct of its business or from any activity, of work or thing which may be caused, permitted or suffered by Subtenant in or about the Premises or (iv) any negligence or willful misconduct of Subtenant or any of its agents, contractors, employees or invitees, patrons, customers or members.

(b) Subtenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Subtenant hereby waives all claims in respect thereof against Sublandlord, excepting where the damage is caused solely by the gross negligence or willful misconduct of Sublandlord. Subtenant hereby agrees that Sublandlord shall not be liable for injury to Subtenant's business or any loss of income therefrom or for damage to goods, wares, merchandise or other property of Subtenant, Subtenant's employees, invitees, customers, or any other person in or about the Premises; nor shall Sublandlord be liable for injury to the person of Subtenant, Subtenant's employees, agents or contractors and invitees, whether such damage or injury is caused by results from fire, steam, electricity, gas, water or rain or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air

conditioning, lighting fixtures, or mechanical or electrical systems or from any other cause, whether the damage or injury results from conditions arising upon the Premises or upon other portions of the Total Premises, or from other sources or places, and regardless of whether the cause of the damage or injury or the means of repairing the same is inaccessible to Sublandlord or Subtenant. Sublandlord shall not be liable to Subtenant for any damage arising from any act or omission of any subtenant of the Total Premises.

(c) Subtenant acknowledges that any election by Sublandlord to provide mechanical surveillance or to post security personnel in any of the Total Premises is solely in Sublandlord's discretion; Sublandlord shall have no liability in connection with the decision whether or not to provide such services and Subtenant hereby waives all claims based thereon. Sublandlord shall not be liable for losses due to theft, vandalism, or like causes. Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all Claims arising out of any claim made by any employee, licensee, invitee, contractor, agent, or other person whose presence in, on or about the Premises or the Total Premises is attendant to the business of Subtenant.

ARTICLE 13. Insurance.

(a) Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to furnish insurance to or for Sublandlord, Subtenant also shall be required to furnish such insurance to or for Master Landlord and such other persons as shall be entitled thereto under the Master Lease, provided that, in the case of any such other person not named in the Master Lease, Sublandlord shall have notified Subtenant thereof. Without limiting the Subtenant's obligations to maintain insurance under the Incorporated Provisions, Subtenant, shall at all times during the term of this Sublease, and at its own cost and expense, procure and continue in force the following insurance coverage: (i) Commercial General Liability Insurance with a combined single limit for bodily injury and property damages of not less than Five Million Dollars ($5,000,000.00), including the Broad Form Comprehensive General Liability endorsement form (No. GL0404), products liability coverage, covering the insuring provisions of this Sublease and the performance of Subtenant of the indemnity agreements set forth in Article 12 above; (ii) a policy of All Risk extended coverage and special coverage insurance (all risks), including vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage where sprinklers are provided in an amount equal to the full replacement value new without deduction for depreciation of all fixtures, furniture, and leasehold improvements installed by or at the expense of Subtenant; (iii) Insurance on all plate or tempered glass in or enclosing the Premises; for the replacement and cost of such glass, and (iv) Worker's Compensation required by law.

(b) All policies of insurance maintained by Subtenant must comply with the requirements of the Incorporated Provisions. Also, all such policies for such insurance shall be in form and substance and with an insurer reasonably acceptable to Sublandlord (but such insurer must in any event have a rating of not less than A-X in Best's Insurance Guide), shall require at least thirty (30) days' prior written notice to Sublandlord for any termination or material alteration during the term of this Sublease, and shall waive any right of subrogation against Sublandlord or Master Landlord. Subtenant's liability insurance shall name as additional insureds and loss payee Sublandlord and all other persons reasonably designated by Sublandlord from time to time, and shall contain cross-liability endorsements and shall cover liabilities based on doctrines of strict liability. All such policies shall be endorsed to agree that Subtenant's policy is primary and that any insurance covered by Sublandlord is excess and not contributing with any insurance requirement hereunder. Subtenant shall furnish to Sublandlord, from the insurance companies, certificates of coverage with reasonable evidence that such policies are in effect and certificates

naming Sublandlord as additional insured or loss payee, as applicable. Subtenant shall, at least twenty (20) days prior to the expiration of any such policy, furnish Sublandlord with evidence of the renewal or replacement thereof.

(c) The minimum limits of policies maintained by Subtenant shall in no event limit the liability of Subtenant hereunder. Subtenant agrees that if Subtenant does not take out and maintain such insurance or furnish Sublandlord with renewals, Sublandlord may (but shall not be required to) procure said insurance on Subtenant's behalf and charge Subtenant the cost thereof, which amount shall be payable by Subtenant upon demand with interest from the date such sums are extended. Subtenant shall have the right to provide such insurance coverage, pursuant to blanket policies obtained by Subtenant, provided such blanket policies expressly afford coverage to the Premise and to Subtenant as required by this Sublease.

(d) Sublandlord shall, at Sublandlord's expense, procure and maintain at all times during the Term of this Sublease, a policy or policies of insurance covering loss or damage to the portion of the Total Premises of which the Premises are a part, in the amount of the full replacement cost without deduction for depreciation thereof (exclusive of Subtenant's trade fixtures, inventory, personal property and equipment), providing protection against all perils included within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage, and special extended coverage on the building. Additionally, Sublandlord may (but shall not be required to) carry (i) Bodily Injury and Property Damage Liability Insurance and/or Excess Liability Coverage Insurance; and (ii) Earthquake and/or Flood Damage Insurance; and (iii) Rental Income Insurance and its election of if required by its lender from time to time during the term hereof, in such amounts and with such limits as Sublandlord may deem appropriate. The costs of such insurance shall be included in common area maintenance charges described in Section 3(c).

(e) The parties release each other and their respective authorized representative from any claim for damage to any person or the Premises, and to the fixtures, personal property, improvements, and alterations of either Sublandlord or Subtenant, in or on the Premises, and the Total Premises, to the extent that such claim and damage are insured against under any insurance policies carried by any of the parties hereto and in force at the time of any such damage. Sublandlord and Subtenant shall each obtain from their respective insurers under all property and liability insurance now or hereafter required to be maintained under this Sublease during the term hereof insuring or covering the Premises or operations therein, a waiver of all rights of subrogation which the insurer of one party might have against the other party, and Sublandlord and Subtenant shall each indemnify, defend and hold harmless the other against any and all Claims resulting from the failure to obtain such waiver.

(f) Subtenant agrees that it will not at any time, during the term of this Sublease, carry any stock of goods (except art work) or do anything in or about the Premises that will in any way tend to increase the insurance rates upon any of the Total Premises. Subtenant agrees to pay Sublandlord forthwith upon demand the amount of any increase in premiums for insurance against loss by fire or other casualty that may be charged during the term of this Sublease on the amount of insurance to be carried by Sublandlord on any of the Total Premises resulting from the foregoing, or from Subtenant doing any act in or about the Premises that does so increase the insurance rates, whether or not Sublandlord shall have consorted to such act on the part of Subtenant. If Subtenant installs upon the Premises any electrical equipment which constitutes an overload of electrical lines of the Premises, Subtenant shall at its own expense make whatever changes are necessary to comply with requirements of the insurance underwriters and any governmental authority having jurisdiction thereover, but nothing herein contained shall be deemed to constitute

Sublandlord's consent to such overloading. Subtenant shall, at its own expense, comply with all requirements of the insurance having jurisdiction thereover necessary for the maintenance of reasonable fire and extended coverage insurance for the Premises, including without limitation thereto, the installation of fire extinguishers or an automatic dry chemical extinguishing system.

ARTICLE 14. Assignment and Subletting.

Independent of and in addition to any Incorporated Provision, including without limitation the obligation to obtain the Master Landlord's consent to any sublease or assignment, Subtenant shall not, either voluntarily or by operation of law, sell, assign, transfer or hypothecate this Sublease, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be occupied by anyone other than Subtenant or Subtenant's employees (each, a "Transfer") without first Subtenant's having obtained the consent or approval of Sublandlord in its reasonable discretion and Sublandlord's having obtained the consent or approval of Master Landlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord). Any Transfer by Subtenant without such prior written consent shall be void and shall, at the option of Sublandlord, terminate this Sublease. If Subtenant is a corporation, limited liability company, partnership, unincorporated association or other entity, then the sale, assignment, transfer or hypothecation of any stock or other ownership interest in such corporation, limited liability company, partnership, unincorporated association or other entity shall be deemed a prohibited Transfer within the meaning and provisions of this Article 14. Notwithstanding anything to the contrary, Sublandlord may condition its consent or approval of any Transfer on any of the following: (a) if required by Sublandlord, the transferee must enter into a new sublease directly with Sublandlord in the form requested by Sublandlord, and Subtenant must enter into any amendment to or termination of this Sublease in the form requested by Sublandlord), and/or (b) if required by Sublandlord, Subtenant must pay to Sublandlord all (or any lesser portion designated by Sublandlord) of the consideration paid or payable by the transferee in excess of the rent owing under this Sublease.

ARTICLE 15. Damage or Destruction.

(a) In the event of damage or destruction to the Premises or to the Total Premises or any part thereof, the Master Lease shall either continue or terminate with respect to the Premises pursuant to the terms thereof.

(b) If the Master Lease terminates, this Sublease shall also terminate and Subtenant shall not be entitled to any insurance proceeds or other remuneration except for insurance proceeds from insurance policies it purchased for its personal property.

(c) If the Master Lease does not terminate, then Sublandlord may commence the necessary repair or restoration of the Total Premises, including that portion of the Premises, suffering damage or destruction, but only to the extent insurance proceeds are available therefor and to the extent required of Sublandlord under the terms of the Master Lease; provided, however, that Sublandlord shall have no responsibility whatsoever to Subtenant for the repair or restoration of the Premises. If the Master Lease is not terminated, Subtenant shall be required to repair or replace the Subtenant's property at Subtenant's sole cost and expense. There shall be no reduction or abatement of rent for any period during which Subtenant is unable to use the Premises, in whole or in part, due to the repairs or restoration required under this paragraph unless Sublandlord actually receives a reduction or abatement in rent under the terms of the Master Lease and then, only to the extent such reduction or abatement relates to the Premises and the Term. If the Premises are not restored on or before the date _____ (__) months after such damage or destruction, then either party hereto may terminate this Sublease by giving at least

_____(__) days' prior written notice to other party hereto prior to such restoration. With respect to any damage which Sublandlord is obligated to repair or elects to repair, Subtenant, as a material inducement to Sublandlord entering into this Sublease, irrevocably waives and releases its rights under the provisions of Sections 1932(2) and 1933(4) of the California Civil Code.

ARTICLE 16. Eminent Domain.

(a) In the event a proceeding in eminent domain or condemnation is instituted against the Total Premises or any part thereof, the Master Lease shall either continue or terminate according to the terms thereof.

(b) If the Master Lease terminates, this Sublease shall also terminate and Subtenant shall not be entitled to any award of damages for Subtenant's interest in the Premises, other than for the taking of Subtenant's personal property and fixtures, all other sums being paid to the Sublandlord or Master Landlord, as their respective interests may appear.

(c) If all of the Premises have not been condemned or taken, then the Sublease shall continue in full force and effect except that the rent payable hereunder shall be reduced to the extent that rent applicable to the Premises is equitably reduced under the terms of the Master Lease. Neither Subtenant nor Sublandlord shall have any responsibility or obligation to rebuild or restore the Premises. There shall be no reduction or abatement of rent for any period during which Subtenant is unable to use the Premises, in whole or in part, due to the condemnation or taking unless Sublandlord actually receives a reduction or abatement in rent under the terms of the Master Lease (which claim Subtenant may pursue against Master Landlord pursuant to Section 4.4 above) and then, only to the extent such reduction or abatement relates to the Premises and the Term.

ARTICLE 17. Subordination.

This Sublease is subject and subordinate to all ground or underlying leases (including, without limitation, the Master Lease), mortgages and deeds of trust which now affect the Premises or the Total Premises and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, if the lessor under any such lease or the holder or holders of any such mortgage or deed of trust shall advise Sublandlord that it desires or requires this Sublease to be prior and superior thereto, upon written request of Sublandlord to Subtenant, Subtenant agrees to promptly execute, acknowledge and deliver any and all documents or instruments which Sublandlord or such lessor, holder or holders deem necessary or desirable for purposes thereof. Sublandlord shall have the right to cause this Sublease to be and become and remain subject and subordinate to any and all ground or underlying leases, mortgages or deeds of trust which may thereafter be executed covering the Premises or the Total Premises or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof, provided, however, that Subtenant agrees, within ten (10) days after Sublandlord's written request therefor, to execute, acknowledge and deliver upon request any and a subordination, nondisturbance and attornment agreement requested by Sublandlord to assure the subordination of this Sublease to any such mortgages, deed of trust, or leasehold estates. Subtenant hereby appoints Sublandlord the attorney-in-fact of Subtenant irrevocably to execute and deliver any such subordination, nondisturbance and attornment agreement provided for in this Article 17 for and in the name of Subtenant. Such power, being coupled with an interest, is irrevocable.

ARTICLE 18. Default.

Each of the following acts or omissions of Subtenant or of any guarantor of Subtenant's performance hereunder, or occurrence, shall constitute an "Event of Default."

(a) The occurrence of any of the events specified in Section 9.1 of the Master Lease; provided that, for purposes of this Article 18, "City" shall be read as "Sublandlord," "Tenant" shall be read as "Subtenant," and "Agreement" shall be read as "this Sublease".

(b) Failure or refusal to pay Basic Rental, Additional Fees or any other amount provided hereunder within three (3) days after written notice from Sublandlord to Subtenant of such failure (such three (3) days' notice shall constitute the notice required under Section 1161(2) of the California Code of Civil Procedure and Sublandlord shall not be required to provide to Subtenant any other notice under Section 1161(2) of the California Code of Civil Procedure);

(c) Failure to perform or observe any other covenant or condition of this Sublease to be performed or observed within thirty (30) days after delivery of written notice from Sublandlord to Subtenant of such failure (such thirty (30) days' notice shall constitute any notice required under Section 1161(2) of the California Code of Civil Procedure and Sublandlord shall not be required to provide to Subtenant any other notice under Section 1161 of the California Code of Civil Procedure);

(d) Abandonment or vacating or failure to accept tender of possession of the Premises or any signification portion thereof;

(e) The taking in execution or by similar process of law (other than by eminent domain) of the estate hereby created;

(f) The filing by Subtenant or any guarantor hereunder in any court pursuant to any statute of a petition in bankruptcy or insolvency or for reorganization or arrangement of for the appointment of a receiver of all or a portion of Subtenant's property; the filing against Subtenant or any guarantor hereunder of any such petition, or the commencement of a proceeding for the appointment of a trustee, receiver or liquidator for Subtenant, or for any guarantor hereunder, or of any of the property of either, or a proceeding by any governmental authority for the dissolution or liquidation of Subtenant or any guarantor hereunder, if such proceeding shall not be dismissed or trusteeship discontinue within thirty (30) days after commencement of such proceeding or the appointment of such trustee or receiver; or the making by Subtenant or any guarantor hereunder of an assignment for the benefit of creditors. Subtenant hereby stipulates to the lifting of the automatic stay in effect and relief from such stay for Sublandlord in the event Subtenant files a petition under the Federal Bankruptcy laws, for the purpose of Sublandlord pursuing its rights and remedies against Subtenant and/or a guarantor of this Sublease;/ or

(g) Subtenant's failure to cause to be released any mechanics liens filed against the Premises or the Total Premises within twenty (20) days after the date the same shall have been filed or recorded.

ARTICLE 19. Remedies.

(a) In the event of any such default by Subtenant as provided in Article 18, above, Sublandlord shall have, in addition to all other rights and remedies set forth in this Sublease or available at law or in equity, the same rights and remedies against Subtenant as Master Landlord has against Sublandlord as tenant under the Incorporated Provisions of the Master Lease.

(b) In the event of a default under this Sublease as provided in Article 18 above, Sublandlord may exercise all of its remedies as may be permitted by law, including but not limited to the remedies provided by Section 1951.2 of the California Civil Code and Section 1951.4 of the California Civil Code (Sublandlord has the remedy described in California Civil Code Section 1951.4). Sublandlord may continue this Sublease in effect after Subtenant's breach and abandonment and recover rent as it become due, if the Subtenant has the right to sublet or assign, subject only to reasonable limitations. Those remedies include, without limitation, the following:

(i) Terminate Subtenant's right to possession of the Premises by any lawful means, in which case this Sublease and the term hereof shall terminate and Subtenant shall immediately surrender possession of the Premises to Sublandlord. In such event Sublandlord shall be entitled to recover from Subtenant: (A) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (B) 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 the Subtenant proves could have been reasonably avoided; (C) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Subtenant proves could be reasonably avoided; and (D) any other amount necessary to compensate Sublandlord for all the detriment proximately caused by the Subtenant's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonably attorneys' fees, and that portion of the leasing commission paid by Sublandlord applicable to the unexpired term of this Sublease. The worth at the time of award of the amount referred to in provision (C) of the prior sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent. Efforts by Sublandlord to mitigate damages caused by Subtenant's Event of Default or breach of this Sublease shall not waive Lessor's right to recover damages under this Paragraph. If termination of this Sublease is obtained through the provisional remedy of unlawful detainer, Sublandlord shall have the right to recover in such proceeding the unpaid rent and damages as are recoverable therein, or Sublandlord may reserve therein the right to recover all or any part thereof in a separate suit for such rent and/or damages.

(ii) Sublandlord may continue this Sublease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, because the Subtenant has the right to sublet or assign, subject only to reasonable limitations. Notwithstanding anything to the contrary set forth herein, Sublandlord's re-entry to perform acts of maintenance or preservation of or in connection with efforts to re-let the Premises or any portion thereof, or the appointment of a receiver upon Sublandlord's initiative to protect Sublandlord's interest under this Sublease shall not terminate Subtenant's right to possession of the Premises or any portion thereof and, until Sublandlord does elects to terminate this Sublease, this Sublease shall continue in full force and effect and Sublandlord may enforce all of Sublandlord's rights and remedies hereunder including, without limitation, the right to recover from Subtenant as it becomes due hereunder all rent, additional fees, additional rent and other charges required to be paid by Subtenant under the terms hereof.

(c) Nothing in this Article 19 and no remedy described in this Article 19, including, without limitation, a termination of the Sublease, shall be deemed to affect Sublandlord's rights and Subtenant's obligations under the indemnification, defense and hold harmless provisions of this Sublease, and such indemnification, defense and hold harmless obligations of Subtenant shall survive the termination or expiration of this Sublease.

(d) All rights, powers and remedies of Sublandlord hereunder and under any other agreement now or hereafter in force between Sublandlord and Subtenant shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Sublandlord by law, and the exercise of one or more rights or remedies shall not impair Sublandlord's right to exercise any other right or remedy.

(e) Any amount due from Subtenant to Sublandlord hereunder which is not paid when due shall bear interest at the lower of 10% per annum or the maximum lawful rate of interest from the due date until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Subtenant under this Sublease. In addition to such interest: (a) if Basic Rental is not paid within 5 days after the same is due, a late charge equal to 10% of the amount overdue, shall be assessed and shall accrue for each calendar month or part thereof until such rental, including the late charge is paid in full, which late charge Subtenant hereby agrees is a reasonable estimate of the damages Sublandlord shall suffer as a result of Subtenant's late payment and (b) an additional charge of $25 shall be assessed for any check given to Sublandlord by or on behalf of Subtenant which is not honored by the drawee thereof; which damages include Sublandlord's additional administrative and other costs associated with such late payment and unsatisfied checks and the parties agree that it would be impracticable or extremely difficult to fix Sublandlord's actual damage in such event. Such charges for interest and late payments and unsatisfied checks are separate and cumulative and are in addition to and shall not diminish or represent a substitute for any or all of Sublandlord's rights or remedies under any other provision of this Sublease. If, in a singular instance, a Subtenant should provide a check that is not honored, said Subtenant shall be assessed the charge or charges mentioned above, but may continue to pay rent with a personal or business check. If any additional instances of insufficient funds occur, the Subtenant shall, from that point forward to the expiration of the term of this Sublease, pay all monies due by cash or cashier's check.

(f) All covenants and agreements to be performed by Subtenant under any of the terms of this Sublease shall be performed by Subtenant at Subtenant's sole cost and expense and without any abatement of rent. If Subtenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable period of notice set forth in this Sublease, Sublandlord may, but shall not be obligated to do so, and without waiving or releasing Subtenant from any obligations of Subtenant, make any such payment or perform any such other act on Subtenant's part to be made or performed as is in this Sublease provided. All sums so paid by Sublandlord and all reasonably incidental costs, together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Sublandlord, shall be payable to Sublandlord on demand and Subtenant covenants to pay any such sums, and Sublandlord shall have (in addition to any other right or remedy of Sublandlord) the same rights and remedies in the event of the nonpayment thereof by Subtenant as in the case of default by Subtenant in the payment of the rent.

ARTICLE 20. Transfer of Sublandlord's Interest.

In the event of any transfer of Sublandlord's interest in the Premises or in any real property of which the Premises are a part (such as a transfer of the tenant's interest under the Master Lease), other than a transfer for security purposes only, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Sublandlord from and after the date of such transfer, including without limitation the obligation of Sublandlord under Article 4 above to return the security deposit as provided therein.

ARTICLE 21. Broker.

In connection with this Sublease, Subtenant warrants and represents that it knows of no person or entity who is or might be entitled to a commission, finder's fee or other like payment in connection herewith and does hereby agree to indemnify, defend and hold harmless Sublandlord from and against any and all Claims that Sublandlord may incur should such warranty and representation prove incorrect, inaccurate or false.

ARTICLE 22. Parking.

Subtenant shall have the right, during the term of this Sublease, to use ____ parking spaces on Parcel B57, as set forth in the Master Lease, the extent the Master Landlord makes such spaces available to Sublandlord under the Master Lease, at the rates and subject to the terms and conditions set forth in the Master Lease. Subtenant shall have the right, during the term of this Sublease, to use parking spaces on an undifferentiated basis within the spaces in the improved parking lot located at 210 East 22nd Street, Los Angeles, California to the extent the Master Landlord makes such spaces available to Sublandlord under the Master Lease, at the rates and subject to the terms and conditions set forth in the Master Lease. Such spaces are available to Sublandlord, other tenants, other subtenants, and the public at large, and each user shall be subject to the parking fees, if any, as may be charged for such use. Such parking rights are subject to change in accordance with Section 3.11 of the Master Lease.

ARTICLE 23. Waiver.

No waiver by Sublandlord of any provisions of this Sublease shall be deemed to be a waiver of any other provision or of any subsequent breach by Subtenant of the same or any other provision. No provision of this Sublease may be waived, except by an instrument in writing executed by the waiving party. Sublandlord's consent to or approval of any act by Subtenant requiring Sublandlord's consent or approval shall not be deemed to render unnecessary the obtaining of Sublandlord's consent to or approval of any subsequent act of Subtenant, whether or not similar to the act so consented to or approved. No act or thing done by Sublandlord or Sublandlord's agents during the term of this Sublease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Sublandlord. Any payment by Subtenant or receipt by Sublandlord of an amount less than the total amount then due hereunder shall be deemed to be in partial payment only thereof and not a waiver of the balance due or an accord and satisfaction, notwithstanding any statement or endorsement to the contrary on any check or any other instrument delivered concurrently therewith or in reference thereto. Accordingly, Sublandlord may accept any such amount and negotiate any such check without prejudice to Sublandlord's right to recover all balances due and owing and to pursue its other rights and remedies against Subtenant under this Sublease, regardless of whether Sublandlord makes any notation on such instrument of payment or otherwise notifies Subtenant that such acceptance or negotiation is without prejudice to Sublandlord's rights.

ARTICLE 24. Estoppel Certificate.

Subtenant shall, at any time and from time to time, upon not less than ten (10) days' prior written notice from Sublandlord, execute, acknowledge and deliver to Sublandlord a statement in writing certifying (a) that this Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sublease, as modified, is in full force and effect), (b) the current amount of rentals and other charges owing by Subtenant hereunder and dates to which such rentals and other charges are paid, and the amount of Subtenant's security deposit, (c) that there is not, to Subtenant's knowledge, any uncured default on the part of Sublandlord hereunder, and no event, circumstance or condition then in existence which, with the passage of time or notice or both, would constitute a default

on the part of Sublandlord hereunder, or specifying such defaults, events or conditions, if any are claimed, and (d) such other matters as Sublandlord may reasonable request. It is expressly understood and agreed that any such statement may be relied upon by Sublandlord and any prospective purchaser or encumbrancer of all or any portion of the Total Premises. Subtenant's failure upon Sublandlord's request to deliver such statement within such time shall, at the option of Sublandlord, constitute a material default under this Sublease. Furthermore, Subtenant's failure to deliver such statement within such time shall constitute an admission by Subtenant that all statements contained therein are true and correct. Subtenant agrees to execute all documents required in accordance with this Article 24 within ten (10) days after delivery of said documents and the failure to execute such documents within ten (10) days shall entitle Sublandlord to execute such documents on behalf of Subtenant as Subtenant's attorney-in-fact. Subtenant does hereby make, constitute and irrevocably appoint Sublandlord as Subtenant's attorney-in-fact and Subtenant's name, place and stead to execute such documents pursuant to this Article, in the event of such failure. Such power, being coupled with an interest, is irrevocable.

ARTICLE 25. Liability of Sublandlord.

Subtenant agrees to look solely to Sublandlord's interest in the Premises (or the proceeds thereof) for the satisfaction of any remedy of Subtenant for the collection of a judgment (or other judicial process) requiring the payment of money by Sublandlord hereunder, and no other property or asset of Sublandlord, no property or asset of Master Landlord, or no property or asset any officer, director, shareholder, partner, member, trustee, agent, servant, employee or other representative of Sublandlord or Master Landlord, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Subtenant's remedies under or with respect to this Sublease, the relationship of Sublandlord and Subtenant hereunder, or Subtenant's use or occupancy of the Premises.

ARTICLE 26. Inability to Perform.

This Sublease and the obligations of Subtenant hereunder shall not be affected or impaired because Sublandlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of unavailability of materials, strike or other labor troubles or any other cause previously or at such time beyond the reasonable control or anticipation of Sublandlord.

ARTICLE 27. Environmentally Regulated Material.

(a) Subtenant shall perform all obligations under the Incorporated Provisions, and comply with the Incorporated Provisions related to "Environmentally Regulated Material" described in the Master Lease, including, without limitation, Section 6 of the Master Lease.

(b) In addition and not in limitation of the indemnification provisions set forth in the Incorporated Provisions, Subtenant shall indemnify, defend and hold harmless Sublandlord and Master Landlord from and against any and all Claims in connections with any default by Subtenant under the Incorporated Provisions related to any "Environmentally Regulated Material" (defined in the Master Lease) or any transportation, storage, installation, use, generation, manufacture, treatment, disposal, discharge, spill, or release of any Environmentally Regulated Material in, on, under, about, from or to the Premises during the Term of this Sublease. Such Claims include, without limitation, diminution in value of the Total Premises or the Master Lease, default under or termination of the Master Lease, loss or restriction of use of any of the Total Premises, adverse impact on marketing of space in the Total Premises, costs 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 or by Master Landlord

because of Environmentally Regulated Material present in the soil or ground water on or under the Total Premises.

(c) If Sublandlord pays or is required to pay any amount under the Master Lease or otherwise in connection with Environmentally Regulated Material, then such amount shall be a common area maintenance charge (and Subtenant shall pay Subtenant's Proportionate Share thereof in accordance with Article 3). To the extent any such payments are subsequently recovered by Sublandlord through insurance, or recovery from responsible third parties, or other action, Subtenant shall be entitled to a proportionate reimbursement to the extent it has paid its share of such amounts as Additional Fees.

(d) Subtenant agrees that it would not be unreasonable for Sublandlord to withhold its consent to any proposed Transfer if (i) the anticipated use of the Premises after such Transfer involves the transportation, storage, installation, use, generation, manufacture, treatment, disposal, discharge, spill, or release of any Environmentally Regulated Material, except to the extent approved in writing by Sublandlord and Master Landlord; (ii) the proposed user after such Transfer has been required by any other landlord, lender, or governmental authority to take remedial action in connection with Environmentally Regulated Material, or (iii) the proposed user after such Transfer is subject to an enforcement order issued by any governmental authority in connection with the use, disposal, or storage of an Environmentally Regulated Material.

ARTICLE 28. Surrender of Premises; Removal of Property.

(a) The voluntary or other surrender of this Sublease by Subtenant to Sublandlord, or a mutual termination hereof, shall not work a merger, and shall at the option of Sublandlord, operate as an assignment to it of any or all sub-subleases or sub-subtenancies affecting the Premises.

(b) Upon the expiration of the term of this Sublease, or upon any earlier termination of this Sublease, Subtenant shall comply with all of Subtenant's obligations under the Incorporated Provisions in connection with the surrender or vacation of the Premises, Subtenant shall quit and surrender possession of the Premises to Sublandlord in as good order and condition as the same are now and hereafter may be improved by Sublandlord or Subtenant, reasonable wear and tear excepted, and shall, without cost or expense to Sublandlord, remove or cause to be removed from the Premises all debris and rubbish, all furniture, equipment, and other articles of personal property owned by Subtenant, and all similar articles of any other persons claiming under Subtenant unless Sublandlord exercises its option to have any sub-subleases or sub-sub tenancies assigned to it, and Subtenant shall repair all damage to the Premises resulting from the removal of such items to be removed.

(c) Whenever Sublandlord shall re-enter the Premises as provided in this Sublease, any property of Subtenant not removed by Subtenant upon the expiration of the term of this Sublease (or within forty-eight (48) hours after a termination by reason of Subtenant's default), as provided in this Sublease, shall be considered abandoned and Sublandlord may remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Subtenant, and if Subtenant shall fail to pay the cost of storing any such property after it has been stored for a period of ninety (90) days or more, Sublandlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Sublandlord, in its sole and absolute discretion, may deem proper, without notice to or demand upon Subtenant, for the payment of all or any part of such charges of the removal of any such property, and shall apply the proceeds of such sale: first, to the cost and expense of such sale, including reasonable attorney's fees for services rendered; second, to the

payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Sublandlord from Subtenant under any of the terms hereof; and fourth, the balance, if any, to Subtenant.

(d) Any and all fixtures, equipment, alterations, additions and improvements installed by Subtenant must be removed by Subtenant from the Premises prior to the last day of the Sublease Term or the termination of this Sublease, unless Sublandlord instructs Subtenant otherwise.

(e) Subtenant shall, at least ninety (90) days before the last day of the Term hereof, give to Sublandlord a written notice of Subtenant's intention to surrender the Premises on the expiration date of the Term of this Sublease, but Subtenant's failure to give such notice shall not be construed as an extension of the Term hereof or as consent or approval of Sublandlord to any holding over by Subtenant.

ARTICLE 29. Miscellaneous.

(a) **Severability; Entire Agreement.** Any provision of this Sublease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect. This Sublease and the exhibits and any rider attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Sublease may be amended or supplemented except by an agreement in writing signed by the parties hereto or their permitted successors in interest. This Sublease shall be construed, interpreted, enforced and governed under and by the laws of the State of California, without reference to choice of law rules. Any action or proceeding arising out of or related to this Sublease shall be filed and litigated in the state or federal courts located in the County of Los Angeles, State of California, in the judicial district mandated by applicable court rules. If Sublandlord or Subtenant files or attempts to litigate an action in violation of this Section 29(a), the other party hereto shall be entitled to recover reasonable costs and attorneys' fees incurred to enforce this Section 29(a).

(b) **Attorney's Fees.**

(i) In the event of litigation or any other situation requiring the use of an attorney by Sublandlord, including without limitation all collection costs, between Subtenant and Sublandlord under this Sublease, the prevailing party shall be entitled to recover its court costs and the fees of its attorneys in such litigation in such amount as the court may adjudge reasonable.

(ii) If Subtenant or Sublandlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of or under this Sublease, including any suit by Sublandlord for the recovery of rent of possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(iii) Should Sublandlord, without fault on Sublandlord's part, be made a party to any litigation instituted by Subtenant or by any third party against Subtenant, or by or against any person holding under or using the Premises by license of Subtenant, or for the foreclosure of any lien for labor or material furnished to or for Subtenant or any such other person or otherwise arising out of or resulting from any act or transaction of Subtenant or of any such other person, Subtenant covenants to indemnify, defend and hold harmless Sublandlord from any and all

Claims against Sublandlord, the Premises or any of the Total Premises in connection with any of the foregoing.

(iv) Reasonable attorney's fees shall include fees for services rendered prior to the commencement of any such action or litigation and, when legal services are rendered by an attorney at law who is an employee of a party, shall be determined as to amount, including overhead, by consideration of the same factors, including but not limited by, the importance of the matter, time applied, difficulty and results, as are considered when an attorney not in the employ of a party is engaged to render such service.

(c) **Time of Essence.** Each of Subtenant's covenants herein is a condition and time is of the essence with respect to the performance of every provision of this Sublease and the strict performance of each shall be a condition precedent to Subtenant's right to remain in possession of the Premises or to have this Sublease continue in effect.

(d) **Headings.** The article headings contained in this Sublease are for convenience only and do not in any way limit or amplify any term or provision hereof. The terms "Sublandlord" and "Subtenant' as used herein shall include the plural as well as the singular, the neuter shall include the masculine and feminine genders and the obligations herein imposed upon Subtenant shall joint and several as to each of the persons, firms or corporations of which Subtenant may be composed.

(e) **Rules and Regulations.** Subtenant shall observe faithfully and comply strictly with any rules and regulations attached to this Sublease and made a part hereof, and such other rules and regulations as Sublandlord may from time to time reasonably adopt for the use, safety, care and cleanliness of the Total Premises or the Premises, the facilities thereof, or the preservation of good order therein. Sublandlord shall not be liable to Subtenant for violation of any such Rules and Regulations, or for the breach of any covenant or condition in any sublease by any other subtenant in the Total Premises. A waiver by Sublandlord of any rule or regulation for any other subtenant shall not constitute nor be deemed a waiver of the rule or regulation for this Subtenant.

(f) **Rent.** All payments required to be made by Subtenant hereunder shall be deemed to be rent, whether or not described as such

(g) **Successors and Assigns.** Subject to the provisions of Article 14 hereof, all of the covenants, conditions and provisions of this Sublease shall be binding upon and shall inure the benefit of the parties hereto and their representative heirs, personal representatives, successors and assigns.

(h) **No Third Parties Benefited**. This Sublease is made for the purpose of setting forth certain rights and obligations of Sublandlord and Subtenant, and no other person shall have any rights hereunder or by reason hereof; provided, however, that Master Landlord shall be entitled to the benefit of provisions of this Sublease pertaining to Master Landlord, including, without limitation, indemnification obligations in favor of Master Landlord.

(i) **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service evidenced by a signed receipt, registered or certified mail, return receipt requested, overnight professional courier, or email, addressed to Subtenant or to Sublandlord at the address set forth below its respective signature block below. Each such notice shall be deemed given upon delivery or tender of delivery to the recipient. Either party may, by notice given in accordance with this Article, change its address for notices under this Sublease. A copy of all notices to be given to Sublandlord hereunder shall be concurrently transmitted by Subtenant to such party hereafter designated by notice from Sublandlord to Subtenant. Any notices sent by

Sublandlord regarding or relating to eviction procedures, including without limitation three day notices, may be sent by regular mail.

(j) **Costs of Improvements.** Any and all costs attributable to or related to the applicable building codes and other laws arising from Subtenant's plans, specifications, improvements, alterations or otherwise shall be paid by Subtenant at its sole cost and expense.

(k) **Use of Project Name.** Subtenant shall not be allowed to use the name, picture or representation of the Total Premises, or words to that effect, in connection with any business carried on in the Premises or otherwise (except as Subtenant's address) without the prior written consent of Sublandlord. In the event that Sublandlord undertakes any additional improvements on the Total Premises. including, without limitation, new construction or renovation or additions to the existing improvements, Sublandlord shall not be liable to Subtenant for any noise, dust, vibration or interference with access to the Premises or disruption in Subtenant's business caused thereby and rental hereunder shall under no circumstances be abated.////

(l) **Signage.** No separate exterior signage shall be installed by Subtenant, except with the prior written consent of Sublandlord.

(m) **Exhibits.** The Exhibits attached hereto are incorporated by this reference into this Sublease as if fully set forth herein.

(n) **Further Assurances**. Each party hereto shall execute, acknowledge and deliver to each other party hereto all documents, and shall take all actions, reasonably required by such other party hereto from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Sublease.

(o) **Corporate Authority.** If Subtenant is a corporation, partnership, limited liability company, trust or other entity, then each individual executing this Sublease on behalf of Subtenant represents and warrants that such person is duly authorized to execute and deliver this Sublease on behalf of Subtenant in accordance with such entities organization documents, and that this Sublease is binding upon Subtenant in accordance with its terms. Subtenant shall provide to Sublandlord evidence thereof satisfactory to Sublandlord.

(p) **Counterparts**. This Sublease may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof and all of such counterparts shall be deemed to constitute one and the same instrument.

(q) **No Option.** The submission of this Sublease by Sublandlord, its agent or representative for examination or execution by Subtenant does not constitute an option or offer to sublease the Premises upon the terms and conditions contained herein or a reservation of the Premises in favor of Subtenant, it being intended hereby that this Sublease shall only become effective upon the execution and delivery hereof by Sublandlord and Subtenant.

IN WITNESS WHEREOF, Sublandlord and Subtenant have duly executed this Sublease as of the day and year first above written.

"SUBTENANT"

a_____

By: _____
Name: _____
Title: _____

Address for Notices:

_____
_____
_____
Attention: _____
Telephone: _____
Email: _____

"SUBLANDLORD"

AltaSea at the Port of Los Angeles,
a California Public Benefit Corporation

By: _____
Name: Jenny Krusoe
Title: Executive Director

Address for Notices:

Glaser Weil, LLP
333 S. Hope Street, Suite 2610
Los Angeles, CA 90071
Attention: Tim McOsker
Telephone: 310-556-7870
Email: TMcOsker@glaserweil.com

EXHIBIT N-3

SUBLEASE

SOUTHERN CALIFORNIA MARINE INSTITUTE
WAREHOUSE 57 AND ADJACENT WHARF AND WATER

THIS SUBLEASE (this "Sublease") is made and entered into as of _____, 20__ ("Effective Date"), by and between AltaSea at the Port of Los Angeles ("AltaSea"), a California Public Benefit Corporation ("Sublandlord"), and Southern California Marine Institute ("SCMI") ("Subtenant").

A. Pursuant to that certain Amended and Restated Lease No. 904 dated _____, 2017 between the City of Los Angeles, a municipal corporation, acting by and through its Board of Harbor Commissioners, ("Master Landlord") and AltaSea (as amended from time to time before, on or after the Effective Date, the "Master Lease"), Sublandlord is leasing from Master Landlord, certain real property consisting of "Parcel _____" defined in the Master Lease ("Initial Total Premises"). The Initial Total Premises together with any and all "Parcels" (defined in the Master Lease) that are added from time to time before, on or after the Effective Date, to the "Demised Premises" (defined in the Master Lease) excluding any "Parcel(s)" that are removed from such "Demised Premises", are sometimes referenced herein as the "Total Premises". A copy of the Master Lease and all amendments thereto executed on or before the Effective Date is attached hereto as Exhibit A.

B. Sublandlord desires to sublease to Subtenant, and Subtenant desires to sublease from Sublandlord, a portion of the Total Premises more particularly described and shown on Exhibit B attached hereto and incorporated by reference ("Premises").

In consideration of the foregoing, and of the terms and conditions set forth herein, Sublandlord and Subtenant hereby agree as follows:

ARTICLE 1. Sublease of Premises.

Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, for the term and upon the terms and conditions hereinafter set forth, the Premises. Notwithstanding anything to the contrary, Subtenant understands and agrees that Sublandlord is the lessee of the Premises by virtue of the Master Lease, and that this Sublease is and shall at all times be subject to and subordinate to the provisions of the Master Lease. The Premises consist of approximately _____ square feet of rentable area ("Rentable Area of the Premises"). The size and location of the Premises are more particularly shown on the floor plans attached hereto as Exhibit B. The rentable area of the Premises as specified above is only an approximation and no variation between the amount so stated and the actual rentable area of the Premises shall alter the obligations of Sublandlord and Subtenant under this Sublease. Without limiting the generality of the foregoing:

(a) As used herein, the term "Incorporated Provisions" means all of the provisions of the Master Lease except the following provisions of the Master Lease:

(i) Section 1 (Grants and Findings).

(ii) Section 2 (Effective Date; Term and Holdover).

(iii) Section 3.1, Section 3.2, Section 3.3 (except to the extent the Subtenant is permitted or required under this Sublease to make any alteration, installation, addition, improvement or other modification in or to the Premises) 3.4, 3.7(c), the first sentence of Section 3.11 (except to the extent Sublandlord grants to Subtenant any exclusive parking right under this Sublease; notwithstanding anything to the contrary, Subtenant shall not be entitled to any parking

rights under this Sublease except as expressly set forth in Article 22 of this Sublease), and Section 3.12, (except to the extent the Subtenant is permitted or required under this Sublease to make any alteration, installation, addition, improvement or other modification in or to the Premises).

(iv) Sections 4.1 and 4.2; provided, however, notwithstanding anything to the contrary, (A) Subtenant shall use the Premises for the purposes permitted in Article 6 of this Sublease, (B) Subtenant shall not use, or cause, permit or suffer to be used, the Premises for any purpose except as permitted in Article 6 of this Sublease, and shall not use, or cause, permit or suffer to be used, the Premises for any purpose or in any manner that is not expressly permitted by the Master Lease, (C) Subtenant shall not be required to spend the required minimum investment in the Premises under Section 3.3 of the Master Lease except as provided in Article 8 of this Sublease, and (D) Subtenant shall not be required to fund a renovation fund in accordance with Section 3.4 of the Master Lease, except as provided in Article 3 of this Sublease.

(v) Section 5.1, Section 5.2, Section 5.3, Section 5.4, Section 5.6, Section 5.7, and Section 5.8. Notwithstanding anything to the contrary, Subtenant shall not be entitled to use any "Rent Credit" or other credit, reduction or abatement described in the Master Lease.

(vi) Section 6.2.3 (except the first sentence thereof), Section 6.2.3(a), and Section 6.2.3(b).

(vii) Section 7.1, Section 7.2 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.3 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.4 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 7.5 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), and Section 7.8 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease).

(viii) Section 8.8.1 and Section 8.8.3.

(ix) Section 9.1(f) (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 9.1(g) (except to the extent Subtenant is required to provide non-monetary compensation applicable to the Premises under this Sublease), and Section 9.8 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease).

(x) Section 11.5 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease).

(xi) Section 12.2.2(d) (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the Premises under this Sublease), Section 12.2.3 (except to the extent Subtenant is required or permitted to make any installation, alteration, addition, improvement or other modification in or to the

Premises under this Sublease), and Section 12.2.4. The Incorporated Provisions also exclude any provision of the Master Lease providing for Master Landlord to provide any insurance.

(xii) Section 13.4, Section 13.9, Section 13.10.

(xiii) Section 15.2. Notwithstanding anything to the contrary, Subtenant shall not use any service mark, trademark, name, title, description slogan, emblem, logo or other intellectual property owned or used by Master Landlord or Sublandlord, except with the prior written consent of Sublandlord.

(xiv) The second sentence of Section 16.4, Section 16.9, Section 16.27, and Section 16.29, and Section 16.31.

(xv) Exhibits L, M, N1 and N2.

(xvi) The Incorporated Provisions exclude all provisions of the Master Lease providing for Master Landlord to indemnify, defend and/or hold harmless Sublandlord; or

(xvii) The Incorporated Provisions exclude any and all provisions of the Master Lease redacted from the copy thereof attached to this Sublease as Exhibit A.

(b) Except as otherwise expressly provided in, or otherwise inconsistent with this Sublease, the Incorporated Provisions are hereby incorporated in this Sublease by reference with the same force and effect as if set forth herein, except that, unless the context requires otherwise:

(i) References in such provisions to the Master Landlord, "City", "City Council", "Council", "Board", "Executive Director", "Harbor Department" (except in Sections _____ of the Master Lease), and "Harbor Engineer" (except in Sections _____ of the Master Lease) in the Incorporated Provisions shall be deemed to refer to Sublandlord in this Sublease;

(ii) References in such provisions to "Tenant" in the Incorporated Provisions shall be deemed to refer to Subtenant in this Sublease;

(iii) References in such provisions to the "Demised Premises" or "Premises" in the Incorporated Provisions shall be deemed to refer to the Premises in this Sublease;

(iv) References to the "Term" in the Incorporated Provisions shall be deemed to refer to the Term of this Sublease.

(v) References to the Master Lease in the Incorporated Provisions shall be deemed to refer to this Sublease.

(vi) References in the Incorporated Provisions to other provisions of the Master Lease that are not incorporated in this Sublease shall be disregarded; and

(vii) References in such provisions to subleases, sublettings or subtenants shall be deemed to refer to sub-subleases, sub-sublettings or sub-subtenants (it being understood that no sub-subtenants shall be permitted without the written approval of Master Landlord).

(c) Sublandlord shall not be deemed to have given any representation or warranty made by Master Landlord in any of the Incorporated Provisions. Moreover, Sublandlord shall not be obligated:

(i) To perform any obligation or provide any of the services or utilities that Master Landlord has agreed in the Master Lease to provide;

(ii) To make any of the installations, alterations, additions, improvements, other modifications, repairs or restorations that Master Landlord has agreed in the Master Lease to make;

(iii) To comply with any laws or requirements of public authorities with which Master Landlord has agreed to in the Master Lease to comply;

(iv) To remove, encapsulate or otherwise treat any asbestos-containing materials or other hazardous materials located in the Premises and/or the Total Premises;

(v) To provide any insurance that Master Landlord has agreed to provide; provided, however, that this clause (v) does not mean that Master Landlord has agreed to provide any insurance; or

(vi) To take any action with respect to the operation, administration or control of the Total Premises or any other area that the Master Landlord has agreed in the Master Lease to take.

(all the foregoing being herein called the "Master Landlord Services"). Sublandlord shall have no liability to Subtenant on account of any failure of Master Landlord to do so, or on account of any failure by Master Landlord to observe or perform any of the terms, covenants or conditions of the Master Lease required to be observed or performed by Master Landlord. Subtenant hereby expressly waives the provisions of any statute, ordinance or judicial decision, now or hereafter in effect, which would give Subtenant the right to make repairs at the expense of Sublandlord, or to claim any actual or constructive eviction by virtue interruption in access or services to, or failure to make repairs in or to, the Premises or the Total Premises.

(d) Sublandlord agrees:

(i) Upon Subtenant's request, to use reasonable efforts (excluding litigation, arbitration, administrative or other proceedings), at Subtenant's expense, to cause Master Landlord to provide any Master Landlord Service, and

(ii) That, if under the Master Lease any right or remedy of Sublandlord or any duty or obligation of Master Landlord is subject to or conditioned upon Sublandlord's making any demand upon Master Landlord or giving any notice or request to Master Landlord, if Subtenant shall so request, Sublandlord, at Subtenant's expense, shall make such demand or give such notice or request, except that Sublandlord shall not be required to request Master Landlord's consent or approval with respect to any act or thing as to which Sublandlord shall have determined in accordance with this Sublease to withhold its consent or approval.

(e) Whenever Subtenant desires to do any act or thing which requires the consent or approval of Master Landlord:

(i) Subtenant shall not do such act or thing without first Subtenant's having obtained the consent or approval of Sublandlord and Sublandlord's having obtained the consent or approval of Master Landlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord);

(ii) Subtenant shall not request Master Landlord's consent or approval directly (and no efforts by Sublandlord to obtain Master Landlord's consent or approval shall constitute Sublandlord's consent or approval or prejudice Sublandlord's right to withhold consent or approval); and

(iii) In no event shall Sublandlord be required to give its consent or approval prior to Master Landlord doing so. Sublandlord may give or refuse to give its consent or approval under this Sublease in its sole and absolute discretion, except as otherwise provided in this Sublease. Subtenant shall reimburse Sublandlord for all reasonable costs incurred by Sublandlord in processing any request by Subtenant for Sublandlord's consent or approval or request by Sublandlord for Master Landlord's consent or approval.

(f) The time limits contained in the Incorporated Provisions for the giving of notices, making of demands or performing of any act, condition or covenant on the part of the tenant thereunder, or for the exercise by the tenant thereunder of any right, remedy or option, are changed for the purposes of incorporation herein by reference by shortening the same in each instance by ten (10) days, so that in each instance Subtenant shall have ten (10) days less time to observe or perform hereunder than Sublandlord has as the tenant under the Master Lease. If Master Landlord shall give any notice of failure or default under the Master Lease arising out of any failure by Subtenant to perform any of its obligations hereunder (other than the payment of money), then Sublandlord shall promptly furnish Subtenant with a copy thereof. If the Master Lease shall provide any grace or cure period for such failure or default then the grace or cure period hereunder shall expire ten (10) days prior to the date on which the grace or cure period under the Master Lease shall expire. In no event shall this Section 4.6 extend the time, date or period by or within which Subtenant is required to perform.

(g) If (i) Subtenant shall fail to perform any of its obligations hereunder and such failure shall continue beyond any cure period provided for herein, or (ii) Master Landlord shall give Sublandlord any notice of failure or default under the Master Lease arising out of any failure by Subtenant to perform any of its obligations hereunder then, in either case, Sublandlord shall have the right (but not the obligation) to perform or endeavor to perform such obligation, at Subtenant's expense, and Subtenant shall, within ten (10) days of Sublandlord's demand from time to time, reimburse Sublandlord for all costs and expenses incurred by Sublandlord in doing so. Sublandlord shall have the right to enter the Premises in connection with exercising its rights under this clause (g).

(h) This Sublease is and shall at all times be subject and subordinate to the Master Lease. Subtenant shall not do anything, or permit anything to be done, in connection with Subtenant's use or occupancy of the Premises which would violate any covenants or agreements contained in the Master Lease. Master Landlord (under the Master Lease) or Sublandlord may enforce directly against Subtenant, each in its own capacity, any of the rights granted to Master Landlord pursuant to the incorporated provisions of the Master Lease, except as expressly modified by this Sublease. Sublandlord may not grant to Subtenant, and nothing in this Sublease shall be construed to grant, any greater rights than Sublandlord has received as tenant from Master Landlord pursuant to the Master Lease. Subtenant does not have any greater rights against Sublandlord with respect to this Sublease or the Premises than Sublandlord has as tenant against Master Landlord with respect to the Master Lease.

(i) During the Term of this Sublease, and thereafter for obligations that arose during the term of this Sublease, Subtenant (i) hereby expressly assumes and agrees to perform and comply with, for the benefit of Sublandlord, every duty, liability, obligation and responsibility of Sublandlord with

respect to the Premises under the Master Lease which accrue during the term of this Sublease, and (ii) hereby agrees to observe all negative covenants of Sublandlord as tenant under the Master Lease (collectively, the "Assumed Obligations"). Subtenant shall defend, indemnify and hold Sublandlord harmless from and against any and all claims, demands, directives, orders, actions, causes of action, judgments, damages, penalties, fines, liabilities, losses, obligations, costs and expenses (including, without, limitation attorney's fees and costs, consultant fees, expert fees and settlement payments) (collectively, "Claims") arising from or in connection with any failure by Subtenant to perform the Assumed Obligations.

(j) Any non-liability, release, indemnity or hold harmless provision, and any provisions pertaining to waiver of subrogation rights and or the naming of a party under an insurance policy, in the Master Lease for the benefit of Master Landlord which is an Incorporated Provision, shall be deemed to inure to the benefit of Sublandlord and Master Landlord, for the purpose of incorporation by reference in this Sublease.

(k) Any Additional Charges resulting from Subtenant's abnormal use of services or otherwise attributable to Subtenant's use of the Premises shall, notwithstanding any other provision of this Sublease, be promptly paid by Subtenant to Sublandlord upon demand.

(l) Any Master Lease provisions with respect to rent abatements (whether in connection with a destruction of the Premises or otherwise) shall only entitle Subtenant to a Base Rental abatement hereunder for any portion of the Premises, and during any period, for which Sublandlord actually receives a rent abatement under the Master Lease.

(m) Where the Master Lease grants Sublandlord any discretionary right to terminate the Master Lease as to all or any portion of the Total Premises, whether due to casualty, condemnation, or otherwise, Sublandlord shall be entitled to exercise or not exercise such right in its sole and absolute discretion, but only after notice to Subtenant if the Premises are affected. If the Master Lease shall terminate for any reason then this Sublease shall also terminate. Neither Sublandlord nor Master Landlord shall be liable to Subtenant for any such termination.

(n) Any right of the Master Landlord for access or inspection and any right of the Master Landlord under the Master Lease to do work in the Premises or in the Total Premises or in any other area, and any right of the Master Landlord in respect of policies, rules, regulations and directives, shall be deemed to inure to the benefit of Sublandlord and Master Landlord, for the purpose of incorporation by reference in this Sublease.

(o) Subtenant's rights, title and interests under this Sublease are subject nevertheless to the terms and conditions of this Sublease and to the Master Lease and any other leases, mortgages, deeds of trust, lines, covenants, conditions, restrictions, easements and other encumbrances to which this Sublease is or becomes subordinate.

ARTICLE 2. Term.

(a) The term of this Sublease (the "Term") shall commence on _____ (the "Commencement Date") and shall end on _____ ("Expiration Date"), for a total term of twenty-five (25) years, unless sooner terminated in accordance with this Sublease, including the Incorporated Provisions. If Sublandlord does not tender possession of the Premises to Subtenant by the Commencement Date, then the Subtenant shall not be obligated to pay rent until the Sublandlord tenders such possession and Subtenant may, by at least ten (10) days' prior

written notice to Sublandlord, termination the Sublease if Sublandlord has not tendered such possession on or before the date ninety (90) days after the Commencement Date.

(b) Subtenant shall vacate and surrender the Premises in accordance with this Sublease, including the Incorporated Provisions, on the earlier of the Expiration Date or the earlier termination of this Sublease. Subtenant has no right to holdover thereafter. Subtenant shall defend, indemnify and hold harmless Sublandlord from and against any and all Claims in connection with Subtenant's failure to so vacate and surrender the Premises in accordance with this Sublease, including without limitation, liabilities to real estate brokers, Master Landlord, new subtenant(s) or others. Such damages shall include, without limitation, the rentable value of the Premises in a monthly amount not less than one hundred fifty percent (150%) of all rent due during the last full month prior to such Expiration Date or earlier termination of this Sublease, plus any additional hold over rent owing under the Master Lease for the Total Premises.

ARTICLE 3. Rental.

(a) **Basic Rental.** Subtenant agrees to pay to Sublandlord during the term hereof, at Sublandlord's office or to such other person or at such other place as directed from time to time by written notice to Subtenant from Sublandlord, the initial sum of _____ ($_____) per year ("Basic Rental"), due and payable in equal monthly installments in advance on the first day of each calendar month, without demand, set off or deduction. Notwithstanding the foregoing, the rent applicable to the first month of the Sublease Term together with the Security Deposit referred to in Article 3 below, shall be paid to the Sublandlord concurrently with the execution of this Sublease. Basic Rental shall be increased each year by the same percentage and at the same time as the percentage by which and the time at which the "Minimum Annual Rent" for "Parcel _____" is increased for such year under Section 5 of the Master Lease.

(b) **Equity and Royalty Rent** Subtenant shall pay to Sublandlord, without demand, setoff or deduction, equity and royalty payments pursuant to a separate agreement between Subtenant and Sublandlord, and Subtenant's payment obligations under such separate agreement shall survive the Expiration Date and any earlier termination of this Sublease. Unless approved by the "Board" (described in the Master Lease) and the Sublandlord, such separate agreement shall provide for payment by Subtenant to Sublandlord of at least a two (2) percent royalty or equity interest in accordance with such separate agreement. FOR BUSINESS INCUBATOR SPACE.]

(c) **Additional Fees**. This is a triple net Sublease. Subtenant shall pay to Sublandlord, due and payable in equal monthly installments in arrears on the first day of each calendar month, without demand, set off or deduction, as "Additional Fees" a "Proportionate Share" equal to a fraction, the numerator of which is the number of rentable square feet of space of the Premises, and the denominator of which is the number of rentable square feet of space in the improvements on Parcel(s) ___ that are rented to a subtenant or subtenants, of the following items allocated by Sublandlord to Parcel(s) ___, without duplication; provided, however, that Sublandlord may allocate a difference percentage of any of the following amounts to Subtenant if Sublandlord determines that such different percentage should be used due to the Premises or Subtenant's use of the Premises:

(i) All "Additional Rent" owing by Sublandlord under the Master Lease, including, without limitation, "Tariff Charges" (described in the Master Lease) and other amounts described in Section 5.6 and the other provisions of the Master Lease to the extent such amounts are not paid directly by Subtenant to Master Landlord;

(ii) Fees, charges, reimbursements, taxes, common area expenses, general and administrative expenses, overhead and other costs and expenses incurred by Sublandlord, including, without limitation, the following items: (A) any and all real estate taxes and other similar charges on real property, leaseholds or improvements, assessments, water and sewer charges, and all other charges assessed or levied upon the project and appurtenances thereto and the parking or other facilities thereof, or the real property (the "Property") thereunder (collectively the "Real Property') or attributable thereto or on the rents, issues, profits or income received or derived therefrom which are assessed or levied by the United States, the State of California or any local government authority or agency or any political subdivision thereof, and shall include Sublandlord's legal fees, costs and disbursements incurred in connection with proceedings for reduction of any of the foregoing or any part thereof, but shall not include any net income taxes; provided, however, if at any time after the date of this Sublease the methods of taxation now prevailing shall be altered so that in lieu of or as a supplement to or a substitute for the whole or any part of any tax costs, there shall be assessed or levied (1) a tax, assessment, levy, imposition or charge wholly or partially as a net income, capital or franchise levy or otherwise on the rents, issues, profits or income derived therefrom, or (2) a tax, assessment, levy (including but not limited to any municipal, state or federal levy), imposition or charge measured by or based in whole or in part upon the Real Property and imposed upon Sublandlord, or (3) a license fee measured by the rent payable under this Sublease, then all such taxes, assessments or levies or the part thereof so measured or based, shall be deemed to be included under this clause (A); and (B) all costs and expenses incurred by the Sublandlord in connection with the maintenance, operation, replacement, ownership and repair of the Total Premises, the equipment, adjacent walks, and landscaped and common areas and the parking structure areas and facilities of the Total Premises, including, but not limited to, salaries, wages, medical, and general welfare benefits and pension payments, payroll taxes, fringe benefits, employment taxes, workers' compensation, uniforms and dry-cleaning thereof for all persons who perform duties connected with the operation, maintenance and repair of the Total Premises, its equipment and the adjacent walks, including janitorial, gardening, security, operating engineer, painting, plumbing, electrical, carpentry, hired services, an allowance for depreciation of the cost of acquiring or the rental expense of personal property used in the maintenance operation and repair of the Total Premises, accountant's fees incurred in the preparation of rent adjustment statements, legal fees, real estate tax consulting fees, personal property taxes on property used in the maintenance and operation of the Total Premises, capital expenditures incurred to effect economies of operation but only to the extent of the estimated annual savings, and capital expenditures required by government regulations, laws, or ordinances; the cost of all charges for electricity, gas, water and other utilities furnished to the Total Premises, including any taxes thereon; the cost of all charges for fire and extended coverage, liability and all other insurance for the Total Premises carried by Sublandlord; the cost of all building and cleaning materials; the cost of all charges for cleaning, maintenance and service contracts and other services with independent contractors (including property management fees); license, permit and inspection fees relating to the Total Premises; costs and expenses ("Capital Expenses") which Sublandlord or Sublandlord's managing agent has incurred or will incur (without offset for any revenue derived from any source whatsoever) in the making or installation of capital improvements, modifications or additions to any of the Total Premises (including, without limitation, an amortized amount of the required minimum investments under Section 4.14 of the Master Lease) and/or the machinery, equipment and facilities related thereto and/or capital reserves established for the repair or replacement of any of the foregoing, either, (1) required by directive of a government, quasi-government or regulatory agency or authority, but only those Capital Expenses which are so required either, pursuant to a law or statute newly enacted after the execution of this Sublease, or pursuant to an interpretation of a law or statute existing as of the execution of this Sublease, which interpretation is newly promulgated after the execution of this Sublease, (2) made with the intent of reducing common area maintenance

charges; or (3) deemed reasonably necessary by Sublandlord to maintain the quality, integrity and/or charter of any of the Total Premises and/or the machinery, equipment and facilities related thereto, all as existing at the time of execution of this Sublease; and

(iii) Electric, gas, power, water, cable, telephone, internet, WIFI, trash collection, janitorial, security and other services and utility costs, expenses and charges to the extent not paid directly by Subtenant.

On the first day of each month in advance, Subtenant shall pay to Sublandlord the Subtenant's share of the foregoing amounts, as estimated by Sublandlord from time to time. After the end of each calendar year, Sublandlord may provide to Subtenant a reconciliation of the difference between such estimated payments made by Subtenant and the actual amounts owing by Subtenant under this clause (c). If, for any calendar year, such actual amounts exceed the estimated payments by Subtenant, then Subtenant shall pay to Sublandlord such excess on or before the date thirty (30) days after receipt of any such reconciliation showing such excess. If, for any calendar year, the estimated payments by Subtenant exceed such actual amounts, then Sublandlord shall give to Subtenant credit in the amount of such excess against the Additional Fees payments first due after delivery of such reconciliation. Neither Sublandlord's failure to deliver nor the late delivery of any such estimate shall constitute a default by Sublandlord hereunder or a waiver of Sublandlord's right to receive Subtenant's share of such amounts. Notwithstanding that the term of this Sublease has expired or been terminated, Subtenant shall pay to Sublandlord any additional sums due Sublandlord and Sublandlord shall rebate to Subtenant the amount of any credit due to Subtenant, as set forth in the reconciliation for the year in which this Sublease term expired or terminated.

(d) **Tariff**. Subtenant shall pay to Master Landlord the Tariff and Tariff Charges, if any, billed directly by Master Landlord to Subtenant, and Subtenant shall pay to Sublandlord the Tariff and Tariff Charges, if any, billed by Master Landlord to Sublandlord for the Subtenant's operations and/or for the Premises.

(e) **Non-Monetary Compensation**. Subtenant shall provide to Sublandlord the "Non-Monetary Compensation" services and public benefits established in Exhibit A, Master Lease (see Exhibit F of Master Lease) attached hereto, in general and as applicable to the Premises.

(f) **Other Rent Provisions**. Subtenant shall make each of its payments due to Sublandlord under this Lease to Sublandlord at _____ or in accordance with other payment instructions designated by Sublandlord from time to time, in U.S. Dollars, either in the form of a check (drawn on a bank located in the State of California) or via electronically transmitted funds. Subtenant's obligations to pay rent and other amounts and Non-Monetary Compensation to Sublandlord under this Sublease shall be absolute and unconditional and shall be unaffected by any circumstance, including, without limitation, off-set, counterclaim, recoupment, defense or other right which Subtenant may have against Sublandlord or Master Landlord. If any payment by Subtenant is for a period shorter than one calendar month, the compensation for that fractional calendar month shall accrue and be prorated on a daily basis for each day of that fractional month at a daily rate equal to 1/365 of the total annual compensation. Any payment required to be made by Subtenant under this Sublease which has not been paid within ten (10) calendar days of the date such payment is due ("grace period") shall be subject to a service charge assessed as simple interest at the rate equal to the lesser of 1/30 of two percent (2%) of the amount remaining unpaid each day or the maximum rate of interest allowed by applicable law. Subtenant acknowledges that it knows the day of the month its payments hereunder are due and that the grace period commences from the date such payments are due to be made, not the date of any invoice therefor.

Said service charge shall be imposed whether or not a deposit required by Article 4 below is applied to the amount due. Sublandlord has the unqualified right, upon thirty (30) days' prior written notice to Subtenant, to change the level of the delinquency service charge.

(g) **Subtenant Improvements.** Subtenant shall pay when due any and all amounts owing by Subtenant under the provisions set forth in Exhibit A, Master Lease (see Exhibit C of Master Lease), attached hereto.

ARTICLE 4. Security Deposit.

Subtenant shall deposit with Sublandlord, concurrently with the execution of this Sublease, the sum of $_____ as security for the timely full and faithful performance of every provision of this Sublease to be performed by Subtenant. If Subtenant breaches any provision of this Sublease, including but not limited to the payment of rent, Sublandlord may use all or any part of this security deposit for the payment of any rent or any other sums in default, or to compensate Sublandlord for any other loss or damage which Sublandlord may suffer by reason of Subtenant's default. If any portion of said deposit is so used or applied, Subtenant shall, within five (5) days after written demand therefor, deposit cash with Sublandlord in an amount sufficient to restore the security deposit to its original amount, and Subtenant's failure to do so shall constitute a material breach of this Sublease. If monthly Basic Rental is increased, whether pursuant to subparagraph 3(a) or otherwise, the amount of the security deposit required to be maintained by Subtenant shall also be increased so as to equal, at all times and from time to time, _____ month's Basic Rental. No trust relationship between Sublandlord and Subtenant shall be created hereby with respect to such security deposit, and Sublandlord shall not be required to hold such deposit separate from its general accounts. Subtenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in force, which (a) establish a time frame within which a landlord must refund a security deposit under a lease, and/or (b) provide that Sublandlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Subtenant or to clean the Premises, it being agreed that Sublandlord may, in addition, claim those sums reasonably necessary to compensate Sublandlord for any other loss or damage caused by the default of Subtenant under this Lease, including without limitation all damages or rent due upon termination of this Sublease pursuant to Section 1951.2 of the California Civil Code. If Subtenant performs all of Subtenant's obligations hereunder, such deposit, or so much thereof as has not been applied by Sublandlord, shall be returned to Subtenant (or, at Sublandlord's option, to the last assignee, if any, of Subtenant's interest hereunder), without interest, following the expiration of the term hereof and after Subtenant has vacated the Premises.

ARTICLE 5. Personal Property Taxes.

Subtenant shall pay prior to delinquency all taxes assessed or levied upon fixtures, furnishings, equipment and all other personal property of Subtenant located in the Premises. In the event any or all of Subtenant's fixtures, furnishings, equipment and other personal property shall be assessed and taxed with the property of Sublandlord, Subtenant shall pay to Sublandlord its share of such taxes within ten (10) days after delivery to Subtenant by Sublandlord of a statement in writing setting forth the amount of such taxes applicable to Subtenant's property. Subtenant shall assume and pay to Sublandlord at the time of paying Basic Rental any excise, sales, use, rent, occupancy, garage, parking, gross receipts or other taxes (other than net income taxes) which may be imposed on or on account of letting of the Premises or the payment of Basic Rental or any other sums due or payable hereunder, and which Sublandlord may be required to pay or collect under any law now in effect or hereinafter enacted. Subtenant shall pay directly to the party or entity entitled thereto all business license fees, gross receipts taxes and similar taxes and impositions which may from time to time be assessed against or levied upon Subtenant, as and when the same become due and before delinquency. Notwithstanding anything to the contrary contained herein,

any sums payable by Subtenant under this Article 5 shall not be included in the computation of tax costs under Section 3(c).

ARTICLE 6. Use.

Subtenant shall use and occupy the Premises only for _____ and shall not use or occupy the Premises or cause, permit or suffer the same to be used or occupied for any other purpose, and Subtenant agrees that it will use the Premises in such a manner so as not to interfere with or infringe the rights of Sublandlord or other subtenants or other users of the Total Premises. Subtenant shall at its sole cost and expense promptly comply with all laws, statutes, ordinances and governmental regulations or requirements now in force or which may hereafter be in force relating to or affecting the condition, use or occupancy of the Premises or the Total Premises, including structural changes not related to or affected by Subtenant's improvements or acts. Subtenant shall not do or cause, permit or suffer to be done anything which will invalidate or increase the cost of any fire and extended coverage insurance policy covering any of the Total Premises and/or the property located therein and Subtenant shall comply with all rules, orders, regulations and requirements of any organization which sets out standards, requirements or recommendations commonly referred to by major fire insurance underwriters. Subtenant shall promptly upon demand reimburse Sublandlord for any additional premium charges for such policy by reason of Subtenant's failure to comply with the provisions of this Article. Subtenant or Subtenant's representative shall occupy and be open to the public for a minimum of _____. Failure to meet the minimum operational days will result in a termination of this Sublease at the option of the Sublandlord. Notwithstanding anything to the contrary, Subtenant shall not use, or cause, permit or suffer to be used, any of the Premises for any purpose or any manner that is not expressly permitted by the first paragraph of Section 4.1 or other provision of the Master Lease or that is prohibited by Section 4.2 or any other provision of the Master Lease.

ARTICLE 7. Condition of Premises.

Subtenant hereby agrees that the Premises shall be taken in an "as is", "where is" and "with all faults" condition, without any representation or warranty, expressed or implied, and Subtenant hereby warrants that it has inspected the condition of the Premises and the suitability of same for Subtenant's purposes, and Subtenant does hereby waive and disclaim any objection to, cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of the condition of the Premises or the Total Premises or the suitability of same for Subtenant's purposes. Subtenant acknowledges that neither Sublandlord nor Master Landlord nor any agent nor any employee of Sublandlord or Master Landlord has made any representation or warranty with respect to this Sublease, the Premises or the Total Premises, with respect to the suitability of either for the conduct of Subtenant's business or with respect to any other matter. The taking of possession of the Premises by Subtenant shall conclusively establish that the Premises and the Total Premises were at such time in satisfactory condition. Subtenant hereby waives Sections 1941 and 1942 of the Civil Code of California or any successor provision of law.

ARTICLE 8. Repair and Alterations.

(a) Subtenant agrees to accept the Premises strictly in an "AS IS", "WHERE IS" and "WITH ALL FAULTS" condition, without any express or implied warranty as to the safety, condition, compliance with laws or regulations, or fitness for use of the Premises or any fixtures or appurtenances therein or any common areas to be used in connection therewith or otherwise. It is understood and agreed, notwithstanding any other provision of this Sublease or the Master Lease, that neither Sublandlord nor Master Landlord shall have any responsibility to make any alteration, addition, improvement or repair to the Premises in connection with this Sublease, nor to bear any

cost incident to any such alteration, addition, improvement or repair which may be requested or undertaken by Subtenant, except that Sublandlord shall deliver the Premises in broom clean condition.

(b) Without limiting the generality of the Incorporated Provisions, in the event that Subtenant desires to make any installation, alteration, addition, improvement or other modification in or to the Premises, and in the event that any governmental authority requires any other installation, alterations, additions, improvements or other modifications to be made to any of the Total Premises as a condition to permitting Subtenant to make its desired modification(s), Subtenant shall not be permitted to make its desired modifications unless Subtenant also makes all of the modifications so required by governmental authorities, at Subtenant's sole expense.

(c) Subtenant shall not make any alteration, installation, addition, improvement or other modification in or to the Premises without first Sublandlord's having obtained the consent or approval of Master Landlord if and to the extent required by the Master Lease and Subtenant's having obtained the consent or approval of Sublandlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord). If Master Landlord and Sublandlord shall consent to or approve of any alteration, installation, addition, improvement or other modification, then Subtenant shall observe and perform all of the terms, covenants and conditions of the Master Lease and this Sublease applicable thereto.

(d) Exhibit B attached hereto sets forth the work plan, rights and obligations of Sublandlord and Subtenant in connection with certain improvements, alterations, installations, additions, and other modifications, if any, to be constructed by Sublandlord or Subtenant and the payments by Sublandlord or Subtenant in connection therewith.

ARTICLE 9. Liens.

Subtenant shall keep the Premises and the Total Premises free from any mechanics' lien, material man's lien, vendor's lien or any other lien, security interest or encumbrance arising out of any work performed, materials furnished or obligations incurred by Subtenant, and agrees to defend, indemnify and hold harmless Sublandlord from and against any such lien, security interest or encumbrance, or any Claim incurred by Sublandlord in connection with any such lien, security interest or encumbrance. Before commencing any work of alteration, installation, addition or improvement to the Premises, Subtenant shall give Sublandlord at least ten (10) business days' written notice of the proposed commencement of such work (to afford Sublandlord an opportunity to post appropriate notices of non-responsibility) and shall secure, at Subtenant's own cost and expense, a completion and lien indemnify bond, satisfactory to Sublandlord, for said work. In the event that there shall be recorded against the Premises or any of the Total Premises or the property of which the Premises is a part any claim or lien arising out of any such work performed, materials furnished or obligations incurred by Subtenant and such claim or lien shall not be removed or discharged within ten (10) days of filing, Sublandlord shall have the right but not the obligation to pay and discharge said lien, security interest or encumbrance, without regard to whether such lien, security interest or encumbrance shall be lawful or correct or to require that Subtenant deposit with Sublandlord in cash, lawful money of the United States, 150% of the amount of such claim, which sum may be retained by Sublandlord until such claim shall have the right to apply such deposit in discharge of the judgment on said claim and any costs, including attorney's fees and costs incurred by Sublandlord, and shall remit the balance thereof to Subtenant.

ARTICLE 10. Utilities.

All general common area utilities will be included in common area maintenance charges pursuant to Section 3(c). An individual duplex power outlet is available as an optional rental item for _____ ($_____) per month for the duration of the Sublease term. Individual password protected access to secure WIFI network is available as an optional rental item for _____ ($_____) per month for the duration of the Sublease term.

ARTICLE 11. Rights of Sublandlord.

Sublandlord and its agents shall have the right to enter the Premises at all reasonable times with one (1) business day notice, except in the case of emergency in which case no advance notice is required, for the purpose of examining or inspecting the Premises, serving or posting and Sublandlord keeping posted thereon notices as provided by law, or which Sublandlord deems necessary for the protection of Sublandlord or the Total Premises showing the same to prospective subtenants (during the last 6 months of the Sublease) or purchasers of the Master Lease, in the case of emergency, and for making such alterations, repairs, improvements or additions to the Premises or to the Total Premises as Sublandlord may deem necessary or desirable. If Subtenant shall not be personally present to open and permit an entry into the Premises at any time when such an entry by Sublandlord is necessary or permitted hereunder, Sublandlord may enter, without liability to Subtenant and without affecting this Sublease.

ARTICLE 12. Indemnity of Sublandlord from Liability.

(a) Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to indemnify, defend or hold harmless Sublandlord, Subtenant shall be required also to indemnify, defend and hold harmless Master Landlord and such other persons as shall be entitled thereto under the Master Lease. In addition to Subtenant's obligations under the Incorporated Provisions, Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all Claims arising out of (i) action taken by Sublandlord at Subtenant's request, (ii) any failure by Subtenant to observe or perform any of the terms, covenants or conditions of this Sublease required to be observed or performed by Subtenant, including any claims, actions, causes of action, losses, damages, liabilities, obligations, costs and expenses (including attorneys' fees and costs)which may result from (A) any default under or termination of the Master Lease arising by reason of any such failure, or (B) any holding over by Subtenant in the Premises beyond the expiration or earlier termination of this Sublease, including any such liability with respect to the entire Total Premises arising out of such holding over by Subtenant, (iii) Subtenant's use of the Premises or from the conduct of its business or from any activity, of work or thing which may be caused, permitted or suffered by Subtenant in or about the Premises or (iv) any negligence or willful misconduct of Subtenant or any of its agents, contractors, employees or invitees, patrons, customers or members.

(b) Subtenant hereby assumes all risk of damage to property or injury to persons in or about the Premises from any cause, and Subtenant hereby waives all claims in respect thereof against Sublandlord, excepting where the damage is caused solely by the gross negligence or willful misconduct of Sublandlord. Subtenant hereby agrees that Sublandlord shall not be liable for injury to Subtenant's business or any loss of income therefrom or for damage to goods, wares, merchandise or other property of Subtenant, Subtenant's employees, invitees, customers, or any other person in or about the Premises; nor shall Sublandlord be liable for injury to the person of Subtenant, Subtenant's employees, agents or contractors and invitees, whether such damage or injury is caused by results from fire, steam, electricity, gas, water or rain or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air

conditioning, lighting fixtures, or mechanical or electrical systems or from any other cause, whether the damage or injury results from conditions arising upon the Premises or upon other portions of the Total Premises, or from other sources or places, and regardless of whether the cause of the damage or injury or the means of repairing the same is inaccessible to Sublandlord or Subtenant. Sublandlord shall not be liable to Subtenant for any damage arising from any act or omission of any subtenant of the Total Premises.

(c) Subtenant acknowledges that any election by Sublandlord to provide mechanical surveillance or to post security personnel in any of the Total Premises is solely in Sublandlord's discretion; Sublandlord shall have no liability in connection with the decision whether or not to provide such services and Subtenant hereby waives all claims based thereon. Sublandlord shall not be liable for losses due to theft, vandalism, or like causes. Subtenant shall indemnify, defend and hold harmless Sublandlord from and against any and all Claims arising out of any claim made by any employee, licensee, invitee, contractor, agent, or other person whose presence in, on or about the Premises or the Total Premises is attendant to the business of Subtenant.

ARTICLE 13. Insurance.

(a) Whenever, pursuant to any of the Incorporated Provisions as incorporated herein, Subtenant is required to furnish insurance to or for Sublandlord, Subtenant also shall be required to furnish such insurance to or for Master Landlord and such other persons as shall be entitled thereto under the Master Lease, provided that, in the case of any such other person not named in the Master Lease, Sublandlord shall have notified Subtenant thereof. Without limiting the Subtenant's obligations to maintain insurance under the Incorporated Provisions, Subtenant, shall at all times during the term of this Sublease, and at its own cost and expense, procure and continue in force the following insurance coverage: (i) Commercial General Liability Insurance with a combined single limit for bodily injury and property damages of not less than Five Million Dollars ($5,000,000.00), including the Broad Form Comprehensive General Liability endorsement form (No. GL0404), products liability coverage, covering the insuring provisions of this Sublease and the performance of Subtenant of the indemnity agreements set forth in Article 12 above; (ii) a policy of All Risk extended coverage and special coverage insurance (all risks), including vandalism and malicious mischief endorsement, sprinkler leakage coverage and earthquake sprinkler leakage where sprinklers are provided in an amount equal to the full replacement value new without deduction for depreciation of all fixtures, furniture, and leasehold improvements installed by or at the expense of Subtenant; (iii) Insurance on all plate or tempered glass in or enclosing the Premises; for the replacement and cost of such glass, and (iv) Worker's Compensation required by law.

(b) All policies of insurance maintained by Subtenant must comply with the requirements of the Incorporated Provisions. Also, all such policies for such insurance shall be in form and substance and with an insurer reasonably acceptable to Sublandlord (but such insurer must in any event have a rating of not less than A-X in Best's Insurance Guide), shall require at least thirty (30) days' prior written notice to Sublandlord for any termination or material alteration during the term of this Sublease, and shall waive any right of subrogation against Sublandlord or Master Landlord. Subtenant's liability insurance shall name as additional insureds and loss payee Sublandlord and all other persons reasonably designated by Sublandlord from time to time, and shall contain cross-liability endorsements and shall cover liabilities based on doctrines of strict liability. All such policies shall be endorsed to agree that Subtenant's policy is primary and that any insurance covered by Sublandlord is excess and not contributing with any insurance requirement hereunder. Subtenant shall furnish to Sublandlord, from the insurance companies, certificates of coverage with reasonable evidence that such policies are in effect and certificates

naming Sublandlord as additional insured or loss payee, as applicable. Subtenant shall, at least twenty (20) days prior to the expiration of any such policy, furnish Sublandlord with evidence of the renewal or replacement thereof.

(c) The minimum limits of policies maintained by Subtenant shall in no event limit the liability of Subtenant hereunder. Subtenant agrees that if Subtenant does not take out and maintain such insurance or furnish Sublandlord with renewals, Sublandlord may (but shall not be required to) procure said insurance on Subtenant's behalf and charge Subtenant the cost thereof, which amount shall be payable by Subtenant upon demand with interest from the date such sums are extended. Subtenant shall have the right to provide such insurance coverage, pursuant to blanket policies obtained by Subtenant, provided such blanket policies expressly afford coverage to the Premise and to Subtenant as required by this Sublease.

(d) Sublandlord shall, at Sublandlord's expense, procure and maintain at all times during the Term of this Sublease, a policy or policies of insurance covering loss or damage to the portion of the Total Premises of which the Premises are a part, in the amount of the full replacement cost without deduction for depreciation thereof (exclusive of Subtenant's trade fixtures, inventory, personal property and equipment), providing protection against all perils included within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage, and special extended coverage on the building. Additionally, Sublandlord may (but shall not be required to) carry (i) Bodily Injury and Property Damage Liability Insurance and/or Excess Liability Coverage Insurance; and (ii) Earthquake and/or Flood Damage Insurance; and (iii) Rental Income Insurance and its election of if required by its lender from time to time during the term hereof, in such amounts and with such limits as Sublandlord may deem appropriate. The costs of such insurance shall be included in common area maintenance charges described in Section 3(c).

(e) The parties release each other and their respective authorized representative from any claim for damage to any person or the Premises, and to the fixtures, personal property, improvements, and alterations of either Sublandlord or Subtenant, in or on the Premises, and the Total Premises, to the extent that such claim and damage are insured against under any insurance policies carried by any of the parties hereto and in force at the time of any such damage. Sublandlord and Subtenant shall each obtain from their respective insurers under all property and liability insurance now or hereafter required to be maintained under this Sublease during the term hereof insuring or covering the Premises or operations therein, a waiver of all rights of subrogation which the insurer of one party might have against the other party, and Sublandlord and Subtenant shall each indemnify, defend and hold harmless the other against any and all Claims resulting from the failure to obtain such waiver.

(f) Subtenant agrees that it will not at any time, during the term of this Sublease, carry any stock of goods (except art work) or do anything in or about the Premises that will in any way tend to increase the insurance rates upon any of the Total Premises. Subtenant agrees to pay Sublandlord forthwith upon demand the amount of any increase in premiums for insurance against loss by fire or other casualty that may be charged during the term of this Sublease on the amount of insurance to be carried by Sublandlord on any of the Total Premises resulting from the foregoing, or from Subtenant doing any act in or about the Premises that does so increase the insurance rates, whether or not Sublandlord shall have consorted to such act on the part of Subtenant. If Subtenant installs upon the Premises any electrical equipment which constitutes an overload of electrical lines of the Premises, Subtenant shall at its own expense make whatever changes are necessary to comply with requirements of the insurance underwriters and any governmental authority having jurisdiction thereover, but nothing herein contained shall be deemed to constitute

Sublandlord's consent to such overloading. Subtenant shall, at its own expense, comply with all requirements of the insurance having jurisdiction thereover necessary for the maintenance of reasonable fire and extended coverage insurance for the Premises, including without limitation thereto, the installation of fire extinguishers or an automatic dry chemical extinguishing system.

ARTICLE 14. Assignment and Subletting.

Independent of and in addition to any Incorporated Provision, including without limitation the obligation to obtain the Master Landlord's consent to any sublease or assignment, Subtenant shall not, either voluntarily or by operation of law, sell, assign, transfer or hypothecate this Sublease, or sublet the Premises or any part thereof, or permit the Premises or any part thereof to be occupied by anyone other than Subtenant or Subtenant's employees (each, a "Transfer") without first Subtenant's having obtained the consent or approval of Sublandlord in its reasonable discretion and Sublandlord's having obtained the consent or approval of Master Landlord (and Sublandlord's right to withhold consent or approval shall be independent of Master Landlord's right and Sublandlord shall have no obligation to obtain the consent or approval of Master Landlord). Any Transfer by Subtenant without such prior written consent shall be void and shall, at the option of Sublandlord, terminate this Sublease. If Subtenant is a corporation, limited liability company, partnership, unincorporated association or other entity, then the sale, assignment, transfer or hypothecation of any stock or other ownership interest in such corporation, limited liability company, partnership, unincorporated association or other entity shall be deemed a prohibited Transfer within the meaning and provisions of this Article 14. Notwithstanding anything to the contrary, Sublandlord may condition its consent or approval of any Transfer on any of the following: (a) if required by Sublandlord, the transferee must enter into a new sublease directly with Sublandlord in the form requested by Sublandlord, and Subtenant must enter into any amendment to or termination of this Sublease in the form requested by Sublandlord), and/or (b) if required by Sublandlord, Subtenant must pay to Sublandlord all (or any lesser portion designated by Sublandlord) of the consideration paid or payable by the transferee in excess of the rent owing under this Sublease.

ARTICLE 15. Damage or Destruction.

(a) In the event of damage or destruction to the Premises or to the Total Premises or any part thereof, the Master Lease shall either continue or terminate with respect to the Premises pursuant to the terms thereof.

(b) If the Master Lease terminates, this Sublease shall also terminate and Subtenant shall not be entitled to any insurance proceeds or other remuneration except for insurance proceeds from insurance policies it purchased for its personal property.

(c) If the Master Lease does not terminate, then Sublandlord may commence the necessary repair or restoration of the Total Premises, including that portion of the Premises, suffering damage or destruction, but only to the extent insurance proceeds are available therefor and to the extent required of Sublandlord under the terms of the Master Lease; provided, however, that Sublandlord shall have no responsibility whatsoever to Subtenant for the repair or restoration of the Premises. If the Master Lease is not terminated, Subtenant shall be required to repair or replace the Subtenant's property at Subtenant's sole cost and expense. There shall be no reduction or abatement of rent for any period during which Subtenant is unable to use the Premises, in whole or in part, due to the repairs or restoration required under this paragraph unless Sublandlord actually receives a reduction or abatement in rent under the terms of the Master Lease and then, only to the extent such reduction or abatement relates to the Premises and the Term. If the Premises are not restored on or before the date _____ (__) months after such damage or destruction, then either party hereto may terminate this Sublease by giving at least

_____(__) days' prior written notice to other party hereto prior to such restoration. With respect to any damage which Sublandlord is obligated to repair or elects to repair, Subtenant, as a material inducement to Sublandlord entering into this Sublease, irrevocably waives and releases its rights under the provisions of Sections 1932(2) and 1933(4) of the California Civil Code.

ARTICLE 16. Eminent Domain.

(a) In the event a proceeding in eminent domain or condemnation is instituted against the Total Premises or any part thereof, the Master Lease shall either continue or terminate according to the terms thereof.

(b) If the Master Lease terminates, this Sublease shall also terminate and Subtenant shall not be entitled to any award of damages for Subtenant's interest in the Premises, other than for the taking of Subtenant's personal property and fixtures, all other sums being paid to the Sublandlord or Master Landlord, as their respective interests may appear.

(c) If all of the Premises have not been condemned or taken, then the Sublease shall continue in full force and effect except that the rent payable hereunder shall be reduced to the extent that rent applicable to the Premises is equitably reduced under the terms of the Master Lease. Neither Subtenant nor Sublandlord shall have any responsibility or obligation to rebuild or restore the Premises. There shall be no reduction or abatement of rent for any period during which Subtenant is unable to use the Premises, in whole or in part, due to the condemnation or taking unless Sublandlord actually receives a reduction or abatement in rent under the terms of the Master Lease (which claim Subtenant may pursue against Master Landlord pursuant to Section 4.4 above) and then, only to the extent such reduction or abatement relates to the Premises and the Term.

ARTICLE 17. Subordination.

This Sublease is subject and subordinate to all ground or underlying leases (including, without limitation, the Master Lease), mortgages and deeds of trust which now affect the Premises or the Total Premises and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, if the lessor under any such lease or the holder or holders of any such mortgage or deed of trust shall advise Sublandlord that it desires or requires this Sublease to be prior and superior thereto, upon written request of Sublandlord to Subtenant, Subtenant agrees to promptly execute, acknowledge and deliver any and all documents or instruments which Sublandlord or such lessor, holder or holders deem necessary or desirable for purposes thereof. Sublandlord shall have the right to cause this Sublease to be and become and remain subject and subordinate to any and all ground or underlying leases, mortgages or deeds of trust which may thereafter be executed covering the Premises or the Total Premises or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof, provided, however, that Subtenant agrees, within ten (10) days after Sublandlord's written request therefor, to execute, acknowledge and deliver upon request any and a subordination, nondisturbance and attornment agreement requested by Sublandlord to assure the subordination of this Sublease to any such mortgages, deed of trust, or leasehold estates. Subtenant hereby appoints Sublandlord the attorney-in-fact of Subtenant irrevocably to execute and deliver any such subordination, nondisturbance and attornment agreement provided for in this Article 17 for and in the name of Subtenant. Such power, being coupled with an interest, is irrevocable.

ARTICLE 18. Default.

Each of the following acts or omissions of Subtenant or of any guarantor of Subtenant's performance hereunder, or occurrence, shall constitute an "Event of Default."

(a) The occurrence of any of the events specified in Section 9.1 of the Master Lease; provided that, for purposes of this Article 18, "City" shall be read as "Sublandlord," "Tenant" shall be read as "Subtenant," and "Agreement" shall be read as "this Sublease".

(b) Failure or refusal to pay Basic Rental, Additional Fees or any other amount provided hereunder within three (3) days after written notice from Sublandlord to Subtenant of such failure (such three (3) days' notice shall constitute the notice required under Section 1161(2) of the California Code of Civil Procedure and Sublandlord shall not be required to provide to Subtenant any other notice under Section 1161(2) of the California Code of Civil Procedure);

(c) Failure to perform or observe any other covenant or condition of this Sublease to be performed or observed within thirty (30) days after delivery of written notice from Sublandlord to Subtenant of such failure (such thirty (30) days' notice shall constitute any notice required under Section 1161(2) of the California Code of Civil Procedure and Sublandlord shall not be required to provide to Subtenant any other notice under Section 1161 of the California Code of Civil Procedure);

(d) Abandonment or vacating or failure to accept tender of possession of the Premises or any signification portion thereof;

(e) The taking in execution or by similar process of law (other than by eminent domain) of the estate hereby created;

(f) The filing by Subtenant or any guarantor hereunder in any court pursuant to any statute of a petition in bankruptcy or insolvency or for reorganization or arrangement of for the appointment of a receiver of all or a portion of Subtenant's property; the filing against Subtenant or any guarantor hereunder of any such petition, or the commencement of a proceeding for the appointment of a trustee, receiver or liquidator for Subtenant, or for any guarantor hereunder, or of any of the property of either, or a proceeding by any governmental authority for the dissolution or liquidation of Subtenant or any guarantor hereunder, if such proceeding shall not be dismissed or trusteeship discontinue within thirty (30) days after commencement of such proceeding or the appointment of such trustee or receiver; or the making by Subtenant or any guarantor hereunder of an assignment for the benefit of creditors. Subtenant hereby stipulates to the lifting of the automatic stay in effect and relief from such stay for Sublandlord in the event Subtenant files a petition under the Federal Bankruptcy laws, for the purpose of Sublandlord pursuing its rights and remedies against Subtenant and/or a guarantor of this Sublease;/ or

(g) Subtenant's failure to cause to be released any mechanics liens filed against the Premises or the Total Premises within twenty (20) days after the date the same shall have been filed or recorded.

ARTICLE 19. Remedies.

(a) In the event of any such default by Subtenant as provided in Article 18, above, Sublandlord shall have, in addition to all other rights and remedies set forth in this Sublease or available at law or in equity, the same rights and remedies against Subtenant as Master Landlord has against Sublandlord as tenant under the Incorporated Provisions of the Master Lease.

(b) In the event of a default under this Sublease as provided in Article 18 above, Sublandlord may exercise all of its remedies as may be permitted by law, including but not limited to the remedies provided by Section 1951.2 of the California Civil Code and Section 1951.4 of the California Civil Code (Sublandlord has the remedy described in California Civil Code Section 1951.4). Sublandlord may continue this Sublease in effect after Subtenant's breach and abandonment and recover rent as it become due, if the Subtenant has the right to sublet or assign, subject only to reasonable limitations. Those remedies include, without limitation, the following:

(i) Terminate Subtenant's right to possession of the Premises by any lawful means, in which case this Sublease and the term hereof shall terminate and Subtenant shall immediately surrender possession of the Premises to Sublandlord. In such event Sublandlord shall be entitled to recover from Subtenant: (A) the worth at the time of the award of the unpaid rent which had been earned at the time of termination; (B) 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 the Subtenant proves could have been reasonably avoided; (C) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Subtenant proves could be reasonably avoided; and (D) any other amount necessary to compensate Sublandlord for all the detriment proximately caused by the Subtenant's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonably attorneys' fees, and that portion of the leasing commission paid by Sublandlord applicable to the unexpired term of this Sublease. The worth at the time of award of the amount referred to in provision (C) of the prior sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent. Efforts by Sublandlord to mitigate damages caused by Subtenant's Event of Default or breach of this Sublease shall not waive Lessor's right to recover damages under this Paragraph. If termination of this Sublease is obtained through the provisional remedy of unlawful detainer, Sublandlord shall have the right to recover in such proceeding the unpaid rent and damages as are recoverable therein, or Sublandlord may reserve therein the right to recover all or any part thereof in a separate suit for such rent and/or damages.

(ii) Sublandlord may continue this Sublease in effect after Subtenant's breach and abandonment and recover rent as it becomes due, because the Subtenant has the right to sublet or assign, subject only to reasonable limitations. Notwithstanding anything to the contrary set forth herein, Sublandlord's re-entry to perform acts of maintenance or preservation of or in connection with efforts to re-let the Premises or any portion thereof, or the appointment of a receiver upon Sublandlord's initiative to protect Sublandlord's interest under this Sublease shall not terminate Subtenant's right to possession of the Premises or any portion thereof and, until Sublandlord does elects to terminate this Sublease, this Sublease shall continue in full force and effect and Sublandlord may enforce all of Sublandlord's rights and remedies hereunder including, without limitation, the right to recover from Subtenant as it becomes due hereunder all rent, additional fees, additional rent and other charges required to be paid by Subtenant under the terms hereof.

(c) Nothing in this Article 19 and no remedy described in this Article 19, including, without limitation, a termination of the Sublease, shall be deemed to affect Sublandlord's rights and Subtenant's obligations under the indemnification, defense and hold harmless provisions of this Sublease, and such indemnification, defense and hold harmless obligations of Subtenant shall survive the termination or expiration of this Sublease.

(d) All rights, powers and remedies of Sublandlord hereunder and under any other agreement now or hereafter in force between Sublandlord and Subtenant shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Sublandlord by law, and the exercise of one or more rights or remedies shall not impair Sublandlord's right to exercise any other right or remedy.

(e) Any amount due from Subtenant to Sublandlord hereunder which is not paid when due shall bear interest at the lower of 10% per annum or the maximum lawful rate of interest from the due date until paid, unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Subtenant under this Sublease. In addition to such interest: (a) if Basic Rental is not paid within 5 days after the same is due, a late charge equal to 10% of the amount overdue, shall be assessed and shall accrue for each calendar month or part thereof until such rental, including the late charge is paid in full, which late charge Subtenant hereby agrees is a reasonable estimate of the damages Sublandlord shall suffer as a result of Subtenant's late payment and (b) an additional charge of $25 shall be assessed for any check given to Sublandlord by or on behalf of Subtenant which is not honored by the drawee thereof; which damages include Sublandlord's additional administrative and other costs associated with such late payment and unsatisfied checks and the parties agree that it would be impracticable or extremely difficult to fix Sublandlord's actual damage in such event. Such charges for interest and late payments and unsatisfied checks are separate and cumulative and are in addition to and shall not diminish or represent a substitute for any or all of Sublandlord's rights or remedies under any other provision of this Sublease. If, in a singular instance, a Subtenant should provide a check that is not honored, said Subtenant shall be assessed the charge or charges mentioned above, but may continue to pay rent with a personal or business check. If any additional instances of insufficient funds occur, the Subtenant shall, from that point forward to the expiration of the term of this Sublease, pay all monies due by cash or cashier's check.

(f) All covenants and agreements to be performed by Subtenant under any of the terms of this Sublease shall be performed by Subtenant at Subtenant's sole cost and expense and without any abatement of rent. If Subtenant shall fail to pay any sum of money, other than rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue beyond any applicable period of notice set forth in this Sublease, Sublandlord may, but shall not be obligated to do so, and without waiving or releasing Subtenant from any obligations of Subtenant, make any such payment or perform any such other act on Subtenant's part to be made or performed as is in this Sublease provided. All sums so paid by Sublandlord and all reasonably incidental costs, together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Sublandlord, shall be payable to Sublandlord on demand and Subtenant covenants to pay any such sums, and Sublandlord shall have (in addition to any other right or remedy of Sublandlord) the same rights and remedies in the event of the nonpayment thereof by Subtenant as in the case of default by Subtenant in the payment of the rent.

ARTICLE 20. Transfer of Sublandlord's Interest.

In the event of any transfer of Sublandlord's interest in the Premises or in any real property of which the Premises are a part (such as a transfer of the tenant's interest under the Master Lease), other than a transfer for security purposes only, the transferor shall be automatically relieved of any and all obligations and liabilities on the part of Sublandlord from and after the date of such transfer, including without limitation the obligation of Sublandlord under Article 4 above to return the security deposit as provided therein.

ARTICLE 21. Broker.

In connection with this Sublease, Subtenant warrants and represents that it knows of no person or entity who is or might be entitled to a commission, finder's fee or other like payment in connection herewith and does hereby agree to indemnify, defend and hold harmless Sublandlord from and against any and all Claims that Sublandlord may incur should such warranty and representation prove incorrect, inaccurate or false.

ARTICLE 22. Parking.

Subtenant shall have the right, during the term of this Sublease, to use ____ parking spaces on Parcel B57, as set forth in the Master Lease, the extent the Master Landlord makes such spaces available to Sublandlord under the Master Lease, at the rates and subject to the terms and conditions set forth in the Master Lease. Subtenant shall have the right, during the term of this Sublease, to use parking spaces on an undifferentiated basis within the spaces in the improved parking lot located at 210 East 22nd Street, Los Angeles, California to the extent the Master Landlord makes such spaces available to Sublandlord under the Master Lease, at the rates and subject to the terms and conditions set forth in the Master Lease. Such spaces are available to Sublandlord, other tenants, other subtenants, and the public at large, and each user shall be subject to the parking fees, if any, as may be charged for such use. Such parking rights are subject to change in accordance with Section 3.11 of the Master Lease.

ARTICLE 23. Waiver.

No waiver by Sublandlord of any provisions of this Sublease shall be deemed to be a waiver of any other provision or of any subsequent breach by Subtenant of the same or any other provision. No provision of this Sublease may be waived, except by an instrument in writing executed by the waiving party. Sublandlord's consent to or approval of any act by Subtenant requiring Sublandlord's consent or approval shall not be deemed to render unnecessary the obtaining of Sublandlord's consent to or approval of any subsequent act of Subtenant, whether or not similar to the act so consented to or approved. No act or thing done by Sublandlord or Sublandlord's agents during the term of this Sublease shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by Sublandlord. Any payment by Subtenant or receipt by Sublandlord of an amount less than the total amount then due hereunder shall be deemed to be in partial payment only thereof and not a waiver of the balance due or an accord and satisfaction, notwithstanding any statement or endorsement to the contrary on any check or any other instrument delivered concurrently therewith or in reference thereto. Accordingly, Sublandlord may accept any such amount and negotiate any such check without prejudice to Sublandlord's right to recover all balances due and owing and to pursue its other rights and remedies against Subtenant under this Sublease, regardless of whether Sublandlord makes any notation on such instrument of payment or otherwise notifies Subtenant that such acceptance or negotiation is without prejudice to Sublandlord's rights.

ARTICLE 24. Estoppel Certificate.

Subtenant shall, at any time and from time to time, upon not less than ten (10) days' prior written notice from Sublandlord, execute, acknowledge and deliver to Sublandlord a statement in writing certifying (a) that this Sublease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Sublease, as modified, is in full force and effect), (b) the current amount of rentals and other charges owing by Subtenant hereunder and dates to which such rentals and other charges are paid, and the amount of Subtenant's security deposit, (c) that there is not, to Subtenant's knowledge, any uncured default on the part of Sublandlord hereunder, and no event, circumstance or condition then in existence which, with the passage of time or notice or both, would constitute a default

on the part of Sublandlord hereunder, or specifying such defaults, events or conditions, if any are claimed, and (d) such other matters as Sublandlord may reasonable request. It is expressly understood and agreed that any such statement may be relied upon by Sublandlord and any prospective purchaser or encumbrancer of all or any portion of the Total Premises. Subtenant's failure upon Sublandlord's request to deliver such statement within such time shall, at the option of Sublandlord, constitute a material default under this Sublease. Furthermore, Subtenant's failure to deliver such statement within such time shall constitute an admission by Subtenant that all statements contained therein are true and correct. Subtenant agrees to execute all documents required in accordance with this Article 24 within ten (10) days after delivery of said documents and the failure to execute such documents within ten (10) days shall entitle Sublandlord to execute such documents on behalf of Subtenant as Subtenant's attorney-in-fact. Subtenant does hereby make, constitute and irrevocably appoint Sublandlord as Subtenant's attorney-in-fact and Subtenant's name, place and stead to execute such documents pursuant to this Article, in the event of such failure. Such power, being coupled with an interest, is irrevocable.

ARTICLE 25. Liability of Sublandlord.

Subtenant agrees to look solely to Sublandlord's interest in the Premises (or the proceeds thereof) for the satisfaction of any remedy of Subtenant for the collection of a judgment (or other judicial process) requiring the payment of money by Sublandlord hereunder, and no other property or asset of Sublandlord, no property or asset of Master Landlord, or no property or asset any officer, director, shareholder, partner, member, trustee, agent, servant, employee or other representative of Sublandlord or Master Landlord, shall be subject to levy, execution or other enforcement procedure for the satisfaction of Subtenant's remedies under or with respect to this Sublease, the relationship of Sublandlord and Subtenant hereunder, or Subtenant's use or occupancy of the Premises.

ARTICLE 26. Inability to Perform.

This Sublease and the obligations of Subtenant hereunder shall not be affected or impaired because Sublandlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of unavailability of materials, strike or other labor troubles or any other cause previously or at such time beyond the reasonable control or anticipation of Sublandlord.

ARTICLE 27. Environmentally Regulated Material.

(a) Subtenant shall perform all obligations under the Incorporated Provisions, and comply with the Incorporated Provisions related to "Environmentally Regulated Material" described in the Master Lease, including, without limitation, Section 6 of the Master Lease.

(b) In addition and not in limitation of the indemnification provisions set forth in the Incorporated Provisions, Subtenant shall indemnify, defend and hold harmless Sublandlord and Master Landlord from and against any and all Claims in connections with any default by Subtenant under the Incorporated Provisions related to any "Environmentally Regulated Material" (defined in the Master Lease) or any transportation, storage, installation, use, generation, manufacture, treatment, disposal, discharge, spill, or release of any Environmentally Regulated Material in, on, under, about, from or to the Premises during the Term of this Sublease. Such Claims include, without limitation, diminution in value of the Total Premises or the Master Lease, default under or termination of the Master Lease, loss or restriction of use of any of the Total Premises, adverse impact on marketing of space in the Total Premises, costs 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 or by Master Landlord

because of Environmentally Regulated Material present in the soil or ground water on or under the Total Premises.

(c) If Sublandlord pays or is required to pay any amount under the Master Lease or otherwise in connection with Environmentally Regulated Material, then such amount shall be a common area maintenance charge (and Subtenant shall pay Subtenant's Proportionate Share thereof in accordance with Article 3). To the extent any such payments are subsequently recovered by Sublandlord through insurance, or recovery from responsible third parties, or other action, Subtenant shall be entitled to a proportionate reimbursement to the extent it has paid its share of such amounts as Additional Fees.

(d) Subtenant agrees that it would not be unreasonable for Sublandlord to withhold its consent to any proposed Transfer if (i) the anticipated use of the Premises after such Transfer involves the transportation, storage, installation, use, generation, manufacture, treatment, disposal, discharge, spill, or release of any Environmentally Regulated Material, except to the extent approved in writing by Sublandlord and Master Landlord; (ii) the proposed user after such Transfer has been required by any other landlord, lender, or governmental authority to take remedial action in connection with Environmentally Regulated Material, or (iii) the proposed user after such Transfer is subject to an enforcement order issued by any governmental authority in connection with the use, disposal, or storage of an Environmentally Regulated Material.

ARTICLE 28. Surrender of Premises; Removal of Property.

(a) The voluntary or other surrender of this Sublease by Subtenant to Sublandlord, or a mutual termination hereof, shall not work a merger, and shall at the option of Sublandlord, operate as an assignment to it of any or all sub-subleases or sub-subtenancies affecting the Premises.

(b) Upon the expiration of the term of this Sublease, or upon any earlier termination of this Sublease, Subtenant shall comply with all of Subtenant's obligations under the Incorporated Provisions in connection with the surrender or vacation of the Premises, Subtenant shall quit and surrender possession of the Premises to Sublandlord in as good order and condition as the same are now and hereafter may be improved by Sublandlord or Subtenant, reasonable wear and tear excepted, and shall, without cost or expense to Sublandlord, remove or cause to be removed from the Premises all debris and rubbish, all furniture, equipment, and other articles of personal property owned by Subtenant, and all similar articles of any other persons claiming under Subtenant unless Sublandlord exercises its option to have any sub-subleases or sub-sub tenancies assigned to it, and Subtenant shall repair all damage to the Premises resulting from the removal of such items to be removed.

(c) Whenever Sublandlord shall re-enter the Premises as provided in this Sublease, any property of Subtenant not removed by Subtenant upon the expiration of the term of this Sublease (or within forty-eight (48) hours after a termination by reason of Subtenant's default), as provided in this Sublease, shall be considered abandoned and Sublandlord may remove any or all of such items and dispose of the same in any manner or store the same in a public warehouse or elsewhere for the account and at the expense and risk of Subtenant, and if Subtenant shall fail to pay the cost of storing any such property after it has been stored for a period of ninety (90) days or more, Sublandlord may sell any or all of such property at public or private sale, in such manner and at such times and places as Sublandlord, in its sole and absolute discretion, may deem proper, without notice to or demand upon Subtenant, for the payment of all or any part of such charges of the removal of any such property, and shall apply the proceeds of such sale: first, to the cost and expense of such sale, including reasonable attorney's fees for services rendered; second, to the

payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Sublandlord from Subtenant under any of the terms hereof; and fourth, the balance, if any, to Subtenant.

(d) Any and all fixtures, equipment, alterations, additions and improvements installed by Subtenant must be removed by Subtenant from the Premises prior to the last day of the Sublease Term or the termination of this Sublease, unless Sublandlord instructs Subtenant otherwise.

(e) Subtenant shall, at least ninety (90) days before the last day of the Term hereof, give to Sublandlord a written notice of Subtenant's intention to surrender the Premises on the expiration date of the Term of this Sublease, but Subtenant's failure to give such notice shall not be construed as an extension of the Term hereof or as consent or approval of Sublandlord to any holding over by Subtenant.

ARTICLE 29. Miscellaneous.

(a) **Severability; Entire Agreement.** Any provision of this Sublease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect. This Sublease and the exhibits and any rider attached hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Sublease may be amended or supplemented except by an agreement in writing signed by the parties hereto or their permitted successors in interest. This Sublease shall be construed, interpreted, enforced and governed under and by the laws of the State of California, without reference to choice of law rules. Any action or proceeding arising out of or related to this Sublease shall be filed and litigated in the state or federal courts located in the County of Los Angeles, State of California, in the judicial district mandated by applicable court rules. If Sublandlord or Subtenant files or attempts to litigate an action in violation of this Section 29(a), the other party hereto shall be entitled to recover reasonable costs and attorneys' fees incurred to enforce this Section 29(a).

(b) **Attorney's Fees.**

(i) In the event of litigation or any other situation requiring the use of an attorney by Sublandlord, including without limitation all collection costs, between Subtenant and Sublandlord under this Sublease, the prevailing party shall be entitled to recover its court costs and the fees of its attorneys in such litigation in such amount as the court may adjudge reasonable.

(ii) If Subtenant or Sublandlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of or under this Sublease, including any suit by Sublandlord for the recovery of rent of possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorney's fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

(iii) Should Sublandlord, without fault on Sublandlord's part, be made a party to any litigation instituted by Subtenant or by any third party against Subtenant, or by or against any person holding under or using the Premises by license of Subtenant, or for the foreclosure of any lien for labor or material furnished to or for Subtenant or any such other person or otherwise arising out of or resulting from any act or transaction of Subtenant or of any such other person, Subtenant covenants to indemnify, defend and hold harmless Sublandlord from any and all

Claims against Sublandlord, the Premises or any of the Total Premises in connection with any of the foregoing.

(iv) Reasonable attorney's fees shall include fees for services rendered prior to the commencement of any such action or litigation and, when legal services are rendered by an attorney at law who is an employee of a party, shall be determined as to amount, including overhead, by consideration of the same factors, including but not limited by, the importance of the matter, time applied, difficulty and results, as are considered when an attorney not in the employ of a party is engaged to render such service.

(c) **Time of Essence.** Each of Subtenant's covenants herein is a condition and time is of the essence with respect to the performance of every provision of this Sublease and the strict performance of each shall be a condition precedent to Subtenant's right to remain in possession of the Premises or to have this Sublease continue in effect.

(d) **Headings.** The article headings contained in this Sublease are for convenience only and do not in any way limit or amplify any term or provision hereof. The terms "Sublandlord" and "Subtenant' as used herein shall include the plural as well as the singular, the neuter shall include the masculine and feminine genders and the obligations herein imposed upon Subtenant shall joint and several as to each of the persons, firms or corporations of which Subtenant may be composed.

(e) **Rules and Regulations.** Subtenant shall observe faithfully and comply strictly with any rules and regulations attached to this Sublease and made a part hereof, and such other rules and regulations as Sublandlord may from time to time reasonably adopt for the use, safety, care and cleanliness of the Total Premises or the Premises, the facilities thereof, or the preservation of good order therein. Sublandlord shall not be liable to Subtenant for violation of any such Rules and Regulations, or for the breach of any covenant or condition in any sublease by any other subtenant in the Total Premises. A waiver by Sublandlord of any rule or regulation for any other subtenant shall not constitute nor be deemed a waiver of the rule or regulation for this Subtenant.

(f) **Rent.** All payments required to be made by Subtenant hereunder shall be deemed to be rent, whether or not described as such

(g) **Successors and Assigns.** Subject to the provisions of Article 14 hereof, all of the covenants, conditions and provisions of this Sublease shall be binding upon and shall inure the benefit of the parties hereto and their representative heirs, personal representatives, successors and assigns.

(h) **No Third Parties Benefited.** This Sublease is made for the purpose of setting forth certain rights and obligations of Sublandlord and Subtenant, and no other person shall have any rights hereunder or by reason hereof; provided, however, that Master Landlord shall be entitled to the benefit of provisions of this Sublease pertaining to Master Landlord, including, without limitation, indemnification obligations in favor of Master Landlord.

(i) **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal service evidenced by a signed receipt, registered or certified mail, return receipt requested, overnight professional courier, or email, addressed to Subtenant or to Sublandlord at the address set forth below its respective signature block below. Each such notice shall be deemed given upon delivery or tender of delivery to the recipient. Either party may, by notice given in accordance with this Article, change its address for notices under this Sublease. A copy of all notices to be given to Sublandlord hereunder shall be concurrently transmitted by Subtenant to such party hereafter designated by notice from Sublandlord to Subtenant. Any notices sent by

Sublandlord regarding or relating to eviction procedures, including without limitation three day notices, may be sent by regular mail.

(j) **Costs of Improvements.** Any and all costs attributable to or related to the applicable building codes and other laws arising from Subtenant's plans, specifications, improvements, alterations or otherwise shall be paid by Subtenant at its sole cost and expense.

(k) **Use of Project Name.** Subtenant shall not be allowed to use the name, picture or representation of the Total Premises, or words to that effect, in connection with any business carried on in the Premises or otherwise (except as Subtenant's address) without the prior written consent of Sublandlord. In the event that Sublandlord undertakes any additional improvements on the Total Premises. including, without limitation, new construction or renovation or additions to the existing improvements, Sublandlord shall not be liable to Subtenant for any noise, dust, vibration or interference with access to the Premises or disruption in Subtenant's business caused thereby and rental hereunder shall under no circumstances be abated.////

(l) **Signage.** No separate exterior signage shall be installed by Subtenant, except with the prior written consent of Sublandlord.

(m) **Exhibits.** The Exhibits attached hereto are incorporated by this reference into this Sublease as if fully set forth herein.

(n) **Further Assurances**. Each party hereto shall execute, acknowledge and deliver to each other party hereto all documents, and shall take all actions, reasonably required by such other party hereto from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Sublease.

(o) **Corporate Authority.** If Subtenant is a corporation, partnership, limited liability company, trust or other entity, then each individual executing this Sublease on behalf of Subtenant represents and warrants that such person is duly authorized to execute and deliver this Sublease on behalf of Subtenant in accordance with such entities organization documents, and that this Sublease is binding upon Subtenant in accordance with its terms. Subtenant shall provide to Sublandlord evidence thereof satisfactory to Sublandlord.

(p) **Counterparts**. This Sublease may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof and all of such counterparts shall be deemed to constitute one and the same instrument.

(q) **No Option.** The submission of this Sublease by Sublandlord, its agent or representative for examination or execution by Subtenant does not constitute an option or offer to sublease the Premises upon the terms and conditions contained herein or a reservation of the Premises in favor of Subtenant, it being intended hereby that this Sublease shall only become effective upon the execution and delivery hereof by Sublandlord and Subtenant.

IN WITNESS WHEREOF, Sublandlord and Subtenant have duly executed this Sublease as of the day and year first above written.

"SUBTENANT"

Southern California Marine Institute,
a_____

By: _____
Name: _____
Title: _____

Address for Notices:

_____
_____
_____
Attention: _____
Telephone: _____
Email: _____

DRAFT

"SUBLANDLORD"

AltaSea at the Port of Los Angeles,
a California Public Benefit Corporation

By: _____
Name: Jenny Krusoe
Title: Executive Director

Address for Notices:

Glaser Weil, LLP
333 S. Hope Street, Suite 2610
Los Angeles, CA 90071
Attention: Tim McOsker
Telephone: 310-556-7870
Email: TMcOsker@glaserweil.com

DRAFT

EXHIBIT O - AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is $100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is $5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such contract:

A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.

2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.

3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS ($10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the

Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve

months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

1. Every contract of $5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;

2. Classroom preparation for the job when not apprenticeable;

3. Pre-apprenticeship education and preparation;

4. Upgrading training and opportunities;

5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;

6. The entry of qualified women, minority and all other journeymen into the industry; and

7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

EXHIBIT P

BUSINESS TAX REGISTRATION CERTIFICATE (BTRC) NUMBER

The City of Los Angeles Office of Finance requires all firms that engage in any business activity within the City of Los Angeles to pay City business taxes. Each firm or individual (other than a municipal employee) is required to obtain the necessary Business Tax Registration Certification (BTRC) and pay business tax. (Los Angeles Municipal Code Section 21.09 et seq.)

All firms and individuals that do business with the City of Los Angeles will be required to provide a BTRC number or an exemption number as proof of compliance with Los Angeles City business tax requirements in order to receive payment for goods or services. Beginning October 14, 1987, payments for goods or services will be withheld unless proof of tax compliance is provided to the City.

The Tax and Permit Division of Los Angeles Office of Finance has the sole authority to determine whether a firm is covered by business tax requirements. Those firms not required to pay will be given an exemption number.

If you do NOT have a BTRC number contact the Tax and Permit Division at the office listed below, or log on to www.lacity.org/finance to download the business tax registration application.

MAIN OFFICE

LA City Hall	201 N. Main Street, Rm. 101	(844) 663-4411

EXHIBIT Q

Pledge Commitment/Grant Agreement

THIS GRANT AGREEMENT (this "Agreement") is made and entered into effective as of _____, by and between _____, a _____ ("Grantor"), and _____, a _____ ("Grantee").

WHEREAS, Grantee has proposed that Grantor make a grant to Grantee (the "Grant"), pursuant to that certain _____ dated _____ (the "Grant Application").

WHEREAS, the purpose of the Grant is to fund Grantee's _____ (the "Program"), as provided in the Grant Application (the "Grant Purposes").

WHEREAS, Grantor is willing to make the Grant to Grantee pursuant to the specific terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, and premises contained herein, the parties hereto hereby agree as follows:

1. Grant; Payment of Grant Funds. Subject to the provisions of this Agreement, Grantor hereby agrees to grant to Grantee the aggregate amount of $_____ (the "Grant Funds"), to be paid to Grantee [upon Grantor's receipt of an executed original of this Agreement] [in equal annual installments of $_____ (collectively, the "Annual Grant Installments") over the period of _____ (__) years. The payment of the first Annual Grant Installment shall be made upon the execution of this Agreement by Grantee; and the payment of the subsequent Annual Grant Installments shall be made on the anniversaries of the first such payment]. The Grant Funds shall be used only as set forth in the Grant Application and only for charitable purposes qualified under Section 170(c)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code"); and neither the Grant Funds nor the income therefrom may be used for purposes other than the Grant Purposes. The Grant Application is incorporated herein and made part of this Agreement as if set forth in full, as Exhibit A.

2. Additional Agreements, Representations and Warranties.

a. [For a period of ____ (__) years from the date hereof,] [During the term of this Agreement,] Grantee shall provide regular reports to Grantor (not less frequently

than _____) regarding the Program and the use of the Grant Funds, together with any substantiating documentation reasonably requested by Grantor (the "Program Reports").

b. Grantee represents and warrants that it is an organization exempt under Section 501(c)(3) of the Code, and it is not a private foundation as defined by Section 509(a)(1) of the Code. Grantee shall immediately notify the Grantor if (i) Grantee's federal tax status is revoked or altered; (ii) Grantee has grounds to believe that its tax status may be revoked or altered; or (iii) Grantee has reason to believe that the Grant Funds cannot be expended, or continue to be expended, for the Grant Purposes. Grantee shall cooperate with Grantor in supplying information to, or in complying with any procedures that may be required by, any governmental agency in order for Grantor to establish that it has observed all requirements of the law with respect to the Grant.

c. Grantee agrees that it shall:

i. Use the Grant Funds exclusively for the Grant Purposes.

ii. Not use any of the Grant Funds:

A. to intervene in any election; to support or oppose any political party or candidate for public office; or to engage in any lobbying or voter registration; or

B. to make any grant to any other organization or to any individual; or

C. to undertake any activity for any purposes other than one that is exclusively for charitable, scientific, literary or educational purposes as defined in Section 170(c)(2)(B) of the Code.

iii. Give the Grantor opportunity to review and approve any public announcement of the Grant by submitting to Grantor a copy of the proposed press release or other public announcement at least one week prior to the announcement.

3. Termination. This Agreement shall terminate and the Grantor shall have no further obligations hereunder upon the occurrence of any of the following:

a. Grantee ceases to be an organization that is exempt under Section 501(c)(3) of the Code or becomes a private foundation under Section 509(a) of the Code.

b. At the election of the Grantor and upon on notice to Grantee, upon the breach by Grantee of any provision of this Agreement or the failure of any representation or warranty of Grantee under this Agreement.

c. Grantee has terminated, abandoned, cancelled or substantially altered, or is likely to terminate, abandon, cancel or substantially alter, the Program.

Upon the termination of this Agreement, Grantee shall return all Grant Funds not theretofore expended as set forth in the Grant Application, and Grantee shall provide to Grantor such reports, financial or otherwise, concerning Grantee, its activities and the use of the Grant Funds, as Grantor shall reasonably request.

4. Other Provisions.

a. Nothing herein shall create a partnership or joint venture relationship between Grantee and the Grantor; and, Grantee shall at all times be solely responsible for its debts and obligations.

b. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof, and the provisions hereof supersede any and all prior and contemporaneous agreements or understandings relating to the matters specifically addressed herein. No amendment or modification of this Agreement shall be effective unless set forth in a writing executed by the parties hereto.

c. This Agreement has been negotiated, executed and delivered and will be performed in the State of California and shall be governed by and construed in accordance with its laws.

[signatures on following page]

The parties hereto have executed this Agreement effective as of the date herein above set forth.

Grantee

_____

By: _____

Its: _____

Grantor

_____

By: _____

Its: _____

Exhibit A
Grant Application

Exhibit R

EXHIBIT R

THE PORT OF LOS ANGELES
425 S. Palos Verdes Street | Post Office Box 151 | San Pedro, CA 90733-0151 | TEL/TDD 310 SEA-PORT | www.portoflosangeles.org

Eric Garcetti | *Mayor, City of Los Angeles*

Board of Harbor Commissioners | Ambassador Vilma S. Martinez, *President* | David Arian, *Vice President* | Patricia Castellanos | Anthony Pirozzi, Jr. | Edward R. Renwick

Eugene D. Seroka | *Executive Director*

(Date)

Frank M. Bush, General Manager
Los Angeles Department of Building & Safety
201 N. Figueroa Street, 10th floor
Los Angeles, CA 90012

RE: PORT OF LOS ANGELES BERTHS 58, 59, 60 AND 61/CITY DOCK 1, LADBS LOG NO. 96849-01

The City of Los Angeles Harbor Department (Harbor Department) is the trustee (on behalf of the People of the State of California) and owner of City of Los Angeles land and improvements, commonly known as City Dock 1 (attached map). Among the facilities within City Dock 1, are properties commonly known as Berths 58, 59, 60 and 61 (Parcels). The Parcels are improved with warehouses, loading docks, railroad tracks, wharfs, and appurtenant features. The improvements on these Parcels are located on uncertified fill dating back prior to 1913.

The Harbor Department has leased City Dock 1, including the Parcels, to AltaSea at the Port of Los Angeles ("AltaSea") under Lease No. 904. AltaSea intends to improve the Parcels with modular offices, restrooms, access ramps, glass storefronts, electrical closets, and other related improvements.

Pursuant to the terms of Lease No. 904, AltaSea intends to construct modular structures and other related new improvements on existing uncertified fill or on new fill placed on top of existing uncertified fill, depending upon the permit plans, without being required to construct additional pilings or other structural reinforcements as may normally be required by the City of Los Angeles Department of Building and Safety (LADBS). The Harbor Department acknowledges that soil settlement may occur due to these improvements being placed on uncertified fill without additional reinforcements. The Harbor Department further acknowledges that, as between the Harbor Department and LADBS, the Harbor Department agrees to be responsible for future maintenance and repair for any such soil settlement occurrences relating specifically to the scope of work referenced in this letter and only applicable to the LADBS permit application referenced by Log No. 96849-01.

AN EQUAL EMPLOYMENT OPPORTUNITY - AFFIRMATIVE ACTION EMPLOYER

Printed on recycled paper

The Harbor Department has negotiated with AltaSea pursuant to Lease No. 904 indemnification terms for the City of Los Angeles for any damages or injuries to persons or property, including costs related to litigation, resulting from any such settlement. Nothing in this letter prevents the Harbor Department from enforcing any indemnification and hold harmless obligations of AltaSea pursuant to Lease No. 904, AltaSea's successors and assigns, or any Subtenant or occupant of B58-61.

EUGENE D. SEROKA
Executive Director
Port of Los Angeles

Acknowledge and Consent:

JENNY KRUSOE
Executive Director
AltaSea at the Port of Los Angeles

Acknowledge and Accept:

FRANK M. BUSH
General Manager and Building Superintendent
Los Angeles Department of Building & Safety

EXHIBIT S
Definitions

1. Demised Premises. The area occupied by the Tenant under the Agreement.

2. Tenant Improvements. Improvements required to be constructed by the Tenant in Section 3.3.4 of the Agreement.

3. Existing City Improvements. See Exhibit C.

4. New City Improvements. Scope of City Improvements described in Section 3.3.5 of the Agreement.

5. San Pedro Waterfront Design Guidelines. The guidelines established in the San Pedro Waterfront EIR which can be referenced at:

   https://www.portoflosangeles.org/EIR/SPWaterfront/DEIR/AppxC2_SPWdesignguidelines.pdf.

   The guidelines are subject to periodic change and the current version at the time of submission of a Development Proposal shall apply.

6. Capital Campaign Plan. A plan including a goal amount of money to be raised, schedule, and explanation of the capital stack including projected percentages to be raised from various sources such as private donors, foundations, government grants, earned income, etc.

7. Committed Capital. Pledges, grants, or existing money deposited that is allocated for a specific parcel Tenant Improvements.

8. Pledge Commitment Agreement. See Exhibit Q.

9. Demised Premises Tenant Improvements. The Tenant Improvements that are required based on the requirements established in the Agreement based on the portion the premises which the Tenant has accepted and occupied.

10. Non-Monetary Compensation. The services and public benefits programs provided by the Tenant and described in Exhibit F of the Agreement.

11. Development Proposal. Includes information required in Section 3.2.1.1(a-d) of the Agreement in addition to a detailed description of the Tenant Improvements for the subject parcel as described in Section 3.3.4 of the Agreement including project scope, schedule, and estimated investment.

12. Project. City Dock No. 1 Urban Marine Research Center Project described in the Final Environmental Impact Report SCH#2010121013 including any existing or future addendums or supplements.

13. Agreement. Restated and Amended Lease No. 904.

14. Design Proposal. A conceptual design package that defines the site to be developed, identifies scope of land side and waterside improvements and provides a clearly defined and feasible concept. Schematic drawings shall be included and should represent basic spaces, scale and relationship of components.

15. Public Access Infrastructure. Capital projects that provide pedestrian and vehicular access to the Project and that integrate with larger public access capital improvements within the San Pedro Waterfront and as described in the San Pedro Waterfront EIR. These types of improvements may include street improvements, sidewalks, walking and bike paths, public gathering spaces and structures dedicated to public engagement.

16. Public Promenade. An improved public walkway that is open to the public and adjacent to or connecting to the water's edge.

17. Business Plan. Written document, as approved by the Board, that describes the proposed business activities for specific parcels of the Project including a description of the nature of the business or business unit within the larger organization, the sales and marketing strategy, the financial background and a projected profit and loss statement or pro forma.

18. Uncertified Fill. Reclaimed land that was created with no grading permit from Los Angeles Department of Building and Safety which is typical of reclaimed land within the Harbor District.

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8-10-17
6.

RECOMMENDATION APPROVED;
RESOLUTION NO. 17-8147 (LEASE 904) ADOPTED
BY THE BOARD OF HARBOR COMMISSIONERS

August 10, 2017

AMBER M. KLESGES
Board Secretary

THE PORT OF LOS ANGELES
Executive Director's Report to the Board of Harbor Commissioners

DATE: AUGUST 7, 2017

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. 17-8147 APPROVE PROPOSED AMENDED AND RESTATED LEASE NO. 904 WITH ALTASEA AT THE PORT OF LOS ANGELES

SUMMARY:

Staff requests the Board of Harbor Commissioners (Board) approve the Amended and Restated Lease No. 904 (Restated Lease) with AltaSea at the Port of Los Angeles (AltaSea). Lease No. 904 was granted by the Board to the Rockefeller Philanthropy Advisors, Inc. on November 7, 2013 and subsequently assigned to AltaSea. The premises, located at City Dock No. 1, is for use as a water-dependent, academic, governmental, non-profit and for profit marine research facility. AltaSea is a tenant in good standing and has complied with all provisions of the Lease.

AltaSea requested the City of Los Angeles Harbor Department (Harbor Department) to consider various changes to its Lease in order to expedite activation and development of the AltaSea premises; reduce each party's financial obligation without compromising the original mission and goals including providing comparable public access infrastructure, educational and public programming, job creation and economic activity and; provide clarity and efficiency in lease administration by revising the original lease document. The rent and rent credit structure remains unchanged. The 50-year lease term began on December 23, 2013. The Restated Lease will have approximately 45 years remaining until its expiration on December 22, 2063, and the compensation structure remains unchanged.

The Restated Lease maintains AltaSea's relationship with Southern California Marine Institute (SCMI) and the requirement to establish a new SCMI headquarters facility at Berth 57. During the first ten years of the Restated Lease, AltaSea is expected to invest approximately $105 million in capital projects that will create 180,000 square feet of water-dependent subtenant space at Warehouse 58-60, the Wharf Plaza and Educational Pavilion at Berth 57.5, a new headquarters for SCMI at Berth 57, and an Engagement Center at Berth 56 that will provide a new publicly accessible attraction on the LA Waterfront. In the same time frame, the Harbor Department is expected to invest approximately $37 million in street improvement projects, sea wall repair, and site remediation.

SUBJECT: PROPOSED AMENDED AND RESTATED LEASE NO. 904 - ALTASEA AT THE PORT OF LOS ANGELES

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that it is in the best interest of the City of Los Angeles Harbor Department to allow AltaSea at the Port of Los Angeles Lease No. 904 to be amended and restated;
2. Consider the Second Addendum to the certified Environmental Impact Report for the City Dock No. 1 Marine Research Center Project;

3. Find that in accordance with the provisions of the California Environmental Quality Act Guidelines Section 15164, the revisions made to the project elements will not result in any new significant environmental effects or substantially more severe effects than previously analyzed in the certified City Dock No. 1 Marine Research Center Project Environmental Impact Report (State Clearinghouse #2010121013 certified in 2012), Addendum #1 considered in September 2013, and Addendum #2, considered herein;

4. Find, pursuant to City Charter Section 654(a)(1), that leasing 4,510 linear feet of waterfront to AltaSea is in the best interest of the City of Los Angeles Harbor Department and the City of Los Angeles, due to the development of new public waterfront access and the access that will be provided to the government, academic, and business subtenants;

5. Find that it is in the best interest of the City of Los Angeles Harbor Department to deviate from the Rate-of-Return Policy, due to the financial structure required to create of an urban research facility, and in consideration of the significant Non-Monetary Compensation received in the form of education and public programming, job creation, and other local and regional economic benefits;

6. Find that it is in the best interest of the City of Los Angeles Harbor Department to deviate from Section IX.2 Market Rent of the Waterfront Commercial Leasing Guidelines, due to the in kind compensation received in the form of education and public programming, job creation, and other economic activity;

7. Find that the forms of the following documents meet the criteria as defined in the Amended and Restated Lease No. 904:
    a. Business Plans for Berths 58-60
    b. Sublease Template for Berths 58-60
    c. SCMI Sublease at Berth 57;
    d. Pledge Commitment/Grant Agreement

8. Approve the Amended and Restated Lease No. 904 with AltaSea at the Port of Los Angeles in substantially the form submitted;

9. Direct the Board Secretary to transmit the Amended and Restated Lease No. 904 to the City Council for approval pursuant to Charter Sections 654(a)(1), 606 and 607(a);

10. Authorize the Executive Director to execute and the Board Secretary to attest to the Amended and Restated Lease No. 904 upon approval by the City Council; and

11. Adopt Resolution No. 17-8147.

DISCUSSION:

Background – Since the commencement of the Lease in December 2013, AltaSea has continued to develop the organization and adjust short and long-term objectives to ensure success in achieving the larger mission of creating a marine focused research, education and commercial campus on the LA Waterfront. Based on the organization's evolution since the commencement of the lease, AltaSea has revised their larger capital program scope and proposed project schedule. The proposed Restated Lease (Transmittal 1) accelerates delivery schedules for both the Harbor Department and AltaSea projects and provides earlier site activation, thereby facilitating AltaSea's fund raising efforts. The revised project scope was assessed in the Second Addendum to the certified Environmental Impact Report for the City Dock No. 1 Marine Research Center Project, published on February 22, 2017 (Transmittal 2).

Summary of Significant Provisions:

1. Premises - Located at City Dock I (Transmittal 3), AltaSea's premises consist of 35.62 acres of land, wharf, warehouse and water parcels, with 4,510 linear feet of water frontage. AltaSea's revised permit premises map (Transmittal 4) has been re-numbered to coincide with the berth numbers (B56, B57, B58, etc.) rather than the sequence in which AltaSea was to take possession of the parcels (1A, 1B, 2A, 2C, etc.) and to better reflect the project elements as amended. The total area of the premises was adjusted to accommodate the 22nd Street realignment and the need of an adjacent tenant at Berth 71, resulting in a total net reduction of 0.87 acres. The use of the premises remain the same with Berths 58-60 serving as a hub for research and marine innovation businesses; Berth 57 as the SCMI headquarters; and the construction of the Engagement Center (formerly Interpretive Center) at Berth 56. The requirement to create a public promenade along the water's edge connecting the public spaces remains the same. A new element is the construction of an Education Pavilion and Wharf Plaza at Berth 57.5.

2. Project Scope and Investment - Under the Restated Lease, AltaSea's proposed capital commitments for Berths 56 and 57 (including Berth 57.5) increases from $82 million to $89.9 million. However, AltaSea proposes to not redevelop Warehouses 58-60 in the scale originally planned because the capital improvements originally described in the Lease were determined unnecessary for prospective tenants. This resulted in a reduction in AltaSea's proposed financial commitment to completely redevelop Berths 58-60 warehouses from $130 million to $15 million, and a corresponding reduction in the potential Harbor Department obligation, from $146 million to $6 million for remediation. In spite of the reduction in investments, the resulting project will still serve the same utility and purpose as a workspace for collaboration among academic researchers and

commercial entities engaged in marine research and innovation. AltaSea's proposed revision in this area of the project provides earlier utilization of these buildings for commercial tenants at a much lower investment level by both parties, and will allow Tenants to permanently occupy space within two years instead of the estimated 8-10 years as planned in Lease No. 904.

As a result of the analysis of the SCMI Berth 57 project concept alternatives, it was determined that an alternative not requiring an extensive re-working of the wharf was most feasible. This alternative relieves the Harbor Department from its obligation to construct the wharf at an estimated cost of $28 million, as well as the obligation to maintain and repair the wharf in the future.

The proposed changes are conceived to provide comparable facilities for SCMI, the same the scope of research activities, and public access benefits.

3. Project Delivery Schedule - AltaSea's original project assumed development of: 1) interim use in Berths 58-60 to last no longer than 2023; 2) development of Berths 56 and 57 starting in 2018; 3) permanent development of Berths 58-60 beginning in 2023; and 4) development of Berths 70-71 commencing between 2023 and 2043.

   AltaSea's revised project delivery scope essentially reduces schedules for various project elements from 1 to 15 years and includes: 1) commencement and completion of public access and education space at Berth 57.5 within 12 months and 24 months of effective date, respectively; 2) permanent use of Berths 58-60 to be completed within 24 months of the effective date; 3) Berth 57 to commence by 2019 and to be complete by 2024; 4) Berth 56 to be commenced by 2023 and be complete by 2028; and 5) commence Berths 70-71 between 2028 to 2029.

4. Early Site Activation – The Restated Lease requires projects at Berths 58-60 and 57.5 to be completed within 24 months from approval of the Restated Lease which will activate a large portion of the premises with economic activity. Expedited activation of the site within 24 months of effective date creates better leverage to drive the larger fund raising campaign, especially considering how that activation can highlight AltaSea's new partnership with Dr. Robert Ballard and the Ocean Exploration Trust (Nautilus).

   To meet these schedule requirements, AltaSea is currently processing Building Permits for the improvements for tenant operations at Berths 58-60, which includes new subsurface utilities, accessible hardscape, restrooms and signage infrastructure. Installation of concrete piles and timber piles will support the development of the Education Pavilion and Wharf Plaza at Berth 57.5 which provide public space improvements with viewing bleachers and seating, and docking of research vessels. These proposed investments will modernize the historic warehouses and infrastructure to allow Business Hub entrepreneurs at Berths 58-60 to sufficiently access the public utilities required for code compliance and specialized marine technology operations.

SUBJECT: PROPOSED AMENDED AND RESTATED LEASE NO. 904 - ALTASEA AT THE PORT OF LOS ANGELES

On December 1, 2016, the Board approved Resolution No. 16-7934 between the Harbor Department and AltaSea for U.S. Department of Commerce Economic Development Administration (EDA) grant funds for an approximately $8,588,000 project (of which $3,000,000 is reimbursable through the EDA grant) which will make up a portion of the overall $19.6 million project for Berths 57.5 and 58-60.

The proposed plans activate the development faster with new project elements such as the at Berth 57.5, and expedite the delivery of certain projects by beginning design of City Improvements sooner in the fundraising cycle (Berths 56 and 57)

The activation schedule and capital commitments for Berths 56 to Berth 61 have changed as follows:

				Investment			
Parcel Number:		Deadline for Acceptance & Possession		AltaSea		Port of Los Angeles	
Lease No. 904	Restated Lease	Lease No. 904	Restated Lease	Lease No. 904	Restated Lease	Lease No. 904	Restated Lease
n/a	522		12/31/2023				$12.04M
1A, 1B	56A, 56B	12/22/18	12/31/23	$34M	$50.3M		
2A	57	12/22/23	12/31/19	$48M	$35M	$57M	$18.62M
2B		12/22/28	12/31/19				
2A	57.5	12/22/23	by +/- September 2019		$4.6M		
3 & 4	58-61	12/22/23	by +/- September 2019	$130M	$15M	$146M[1]	$6M[1]
4A	61A	12/22/23	12/31/19				
Changes to Potential Investment				$212M	$104.9M	$57M	$36.66

[1]was subject to future Board Approval and not included in changes to Potential Investment

The capital commitments by AltaSea for Berths 70 and 71 have not changed but the activation schedule has been accelerated, and the total minimum investment for the entire facility are as follows:

				Investment			
Parcel Number:		Deadline for Acceptance & Possession		AltaSea		Port of Los Angeles	
Lease No. 904	Restated Lease	Lease No. 904	Restated Lease	Lease No. 904	Restated Lease	Lease No. 904	Restated Lease
5 & 7	70 or 71, or jointly	12/22/28	12/31/23[2]	$67M (5 & 7), $129M (6) & No Minimum (8)	$98M or $196M	TBD[3]	TBD[3]
6	71	12/22/28	12/31/23[2]				
8	70	12/22/43	12/31/29				
Minimum Investment for Berths 70-71				$196M	$196M	TBD	TBD
Total Minimum Investment for entire facility				$408M	$300.9M	$203M +TBD	$36.66M +TBD

[2]submit a conceptual project proposal for B70 and B71, or B71 only

[3]POLA responsible for soil, groundwater, and sediment remediation

5. Parcel Acceptance Process – The proposed Harbor Department obligations for reimbursement of remediation costs, design work and construction under the Restated Agreement are now contingent on AltaSea progressively delivering significant project components as depicted in the flow chart attached as Transmittal 5. The Restated Lease incorporated these obligations and clarifies and streamlines the document structure to allow for better understanding of the sequence of public and private development and the milestones required to advance future project elements.

6. Rent and Rent Credits - There is no change in the rent and rent credit structure. Similar to Lease No. 904, under the Restated Lease, provided that AltaSea meets the requirements for in-kind or Non-Monetary Compensation, AltaSea is not obligated to pay rent for areas designated primarily for public use such as the Engagement Center (Berth 56) and the public promenade. Similarly, providing such in-kind compensation, AltaSea is entitled to only pay 10 percent of market rent for other parcels occupied by rent paying subtenants including B57 (SCMI), B57.5 (Launch/Wharf Plaza), B58-60 (Business Hub) and B61A (service facility) and B61B (saltwater pipeline).

   Non-Monetary Compensation is comprised of providing regular and ongoing education and public programs, tours, lecture series, and job creation requirements. AltaSea's performance under these requirements is reported and reviewed annually. Currently, Market Rent is $4.20 per square foot per year for warehouse and wharf space, and $1.00 per square foot per year of water space.

   The provision for rent readjustment every five years for the monetary compensation (10% of Market Rent) remains the same and AltaSea's performance with respect to the in-kind services it has provided will also be reviewed every five years during the rent reset process.

   AltaSea's costs of redevelopment of the historic warehouses and development of the public promenade are eligible for rent credits towards the market rent. It is anticipated that eligible Rent Credit improvements for Berths 56-61 will surpass AltaSea's projected monetary rent obligation.

7. Indemnification – The installation of certain improvements upon the Permit Premises requires pile foundations based on the requirements of the Los Angeles Department of Building and Safety. However, AltaSea desires to not install such foundations. At AltaSea's request, the Harbor Department will send the Los Angeles Department of Building and Safety a letter accepting responsibility for maintenance and repair of structures to be built with no pile foundations. Section 12.1.4 of the Restated Lease includes indemnification and hold harmless provisions in favor of the Harbor Department from AltaSea for the subject Tenant Improvements which AltaSea will also be required to maintain.

8. Current Education, Public Programming, and Potential Tenants - On July 5, 2016, AltaSea was granted possession of the southern half of Warehouse and Berth 58 and a 90' long length of wharf on the northernmost side of Berth 59. AltaSea has developed educational programs for students and adults who have had the opportunity to attend classes, lectures, performances and view multi-media exhibits that immerse participants in the subject of marine environments. Participants have also had the opportunity to visit the Exploration Vessel E/V Nautilus, owned by Dr. Robert Ballard, which has been wintering at Berth 58/59 as AltaSea's subtenant since October 2016.

Catalina Sea Ranch (CSR) houses its research and development laboratory and offices, hatchery, storage, and vessels at the northern portion of Warehouse and Berth 58 as a

tenant of the Harbor Department under Revocable Permit No. 16-05. CSR operates an aquaculture facility six miles offshore in U.S. federal waters for sustainable mollusk shellfish (mussels, scallops, oysters, etc.) and seaweed crops. Upon AltaSea's request for possession of the remainder of Warehouse 58, CSR will become a subtenant of AltaSea and will continue their research in the advancement of offshore aquaculture.

Findings – In consideration of the revisions made to Lease No. 904, which include changes to the premises, compensation, scope of work and improvements, phasing of improvements, maintenance and repair, indemnity and insurance, and tenant transfers of interest, the Board is requested to affirm the findings as follows:

1. The revised project elements are not greater in magnitude than the original elements analyzed under the certified City Dock No. 1 Marine Research Center Project Environmental Impact Report (State Clearinghouse #2010121013 certified in 2012), Addendum #1 considered in September 2013, and Addendum #2, considered herein; As such, there are no new signficant environmental effects or substantially more severe effects since the impact from the revisions in the scope of projects is less than previously analyzed.

2. It is in the best interest of the Harbor Department to lease 4,510 linear feet (l.f.) of waterfront to AltaSea: Granting the premises to AltaSea under the Restated Lease provides substantial waterfront access through public promenades that will connect the proposed development to the LA Waterfront. The Wharf Plaza and Education Pavilion at Berth 57.5 will serve as docking space for the Exploration Vessel (E/V) Nautilus and as the initial education center location with an indoor classroom, and an outdoor ampitheater-style seating for lecture demonstrations and exhibits. AltaSea's use of the historic warehouses on Berths 58-60, measuring 180,000 square feet (s.f.) for water-dependent academic and business research entities will create economic activity and jobs in an area that is currently underutilized. The goal is to enable marine innovation businesses and research tenants to commercialize scientific research and emerging technologies.

   The Engagement Center at Berth 56 will serve as a waterfront public space for the promotion and immersion of visitors in marine research and education and commercial endeavors related to the ocean and maritime-related pursuits. The warehouse at Berth 57 will serve as the headquarters of the Southern California Marine Institute (SCMI), a consortium of the eight California State University (CSU) campuses, the University of Southern California (USC), Occidental College, and the University of California at Los Angeles (UCLA), and serve as a collaborative hub for water-dependent marine research and education.

   The multi-phased development described in greater detail below will utilize the significant waterfrontage to transform an area of the LA Waterfront into an active, accesible business and education center that will benefit the Port of Los Angeles and the citizens of the State of California.

3. It is in the best interest of the Harbor Department to deviate from the Board's Rate of Return Policy and the Waterfront Commerical Leasing Guidelines regarding Market Rent.

   The Board's rate of return goal is 10 percent on land value and 12 percent on improvements. The Leasing Guidelines indicate that Market Rent shall be adjusted to current market rates during the term of the lease.

AltaSea is a public/private partnership for the development and implementation of an urban marine research center. For the develoopment of its facilities, AltaSea relies on charitable donations and grants, reduced rent to the Harbor Department and income in the form of equity, royalty and rent from its subtenants. AltaSea will pay 10 percent of the Market Rent for the Business Hub (Berths 58-60) and SCMI Headquarters (Berth 57), and no rent on the Engagement Centert (Berth 56) so long it provides significant public access to these developments and Non-Monetary Compensation, as indicated in Exhibit F of Restated Lease No. 904 (Transmittal 6). As such, rent paid by AltaSea deviates from the Rate of Return Policy and Waterfront and Commercial Leasing Guidelines in consideration of AltaSea providing in kind compensation as follows:

- collaboration with other non-profit and City of Los Angeles (City) agencies such as the Cabrillo Marine Aquarium, the USS Iowa, the Los Angeles Maritime Institute, Port Tech LA, First Source Workflorce Developoment Office, etc.
- education and public programming
- participation in the Harbor Department internship program;
- providing opportunities for public to access to its premises such as exhibits, boat tours, lecture series, etc.
- operation and maintenance of the Engagement Center (upon completion) free of charge and with a minimum of 40 hours with tours, workshops, and open house
- develop a website to feature marine research activities an subtenant plans

The value of the Non-Monetary Compensation as it relates to the Rate of Return and the Market Rent is not quantified in the traditional method of using dollar amounts and therefore deviates from the policy and guidelines. However, the benefits derived from AltaSea's operations is significant as it will bring together leaders in science, business and education to promote interest in finding new ways to responsibly capitalize on, and preserve marine resources, while stimulating economic growth on a local and regional scale.

4. The Business Plan for Berths 58-60, Sublease Template for Berths 58-60, SCMI Sublease at Berth 57, and the Pledge Commitment/Grant Agreement for individual donors, foundations and corporations were reviewed by staff from the Financial Management Division, the Waterfront and Commercial Real Estate Division and the City Attorney's Office, and determined that such forms adhered

to the terms of the Restated Lease and are sufficient and appropriate for their intended purposes.

Conclusion – The Restated Lease allows AltaSea to pursue its mission and provide a comparable scope of activities and benefits much sooner with less investment from both AltaSea and the Harbor Department. Within two years, instead of by the year 2023 or later, AltaSea will increase research, educational and community serving programs and commercial activities, and stimulate economic growth in the region. In doing so, it will also accelerate the economic activity and public benefits it provides.

ENVIRONMENTAL ASSESSMENT:

The development of a marine research center at City Dock was assessed pursuant to CEQA in the City Dock No. 1 Marine Research Center Project Final Environmental Impact Report (FEIR) which was certified by the Board in October of 2012. The September 2013 First Addendum to the FEIR assessed the environmental impacts of extending the lease term from 30 to 50 years. The revised scope for the early site activation elements (Launch Plaza at Berth 57.5 and Business Hub development at Berths 58-60) referenced in this report were assessed in the February 2017 Second Addendum to the FEIR. Any additional revisions to the scope of work compared to what was assessed in the FEIR for other project elements that are still under development will be subject to separate environmental review and are not included as part of the current approval. The proposed action is limited to approval of an Amended and Restated Lease with AltaSea at the Port of Los Angeles which includes various nonmaterial revisions related to timing of project element delivery and financial commitments as well as consideration of the Second Addendum to the City Dock FEIR. Therefore, as an activity involving the amendment of a permit to use an existing facility involving negligible or no expansion of use and an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of CEQA, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(i) and Article III Class 1(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The 50-year lease term began on December 23, 2013 and the Restated Lease will have approximately 45 years remaining until its expiration on December 22, 2063. The rent and rent credit structure (compensation) remains unchanged.

The Harbor Department's investment is proposed to be reduced by approximately $166 million. As consideration for these proposed reductions in project commitment, and to provide a compressed schedule necessary for fund raising efforts, the Harbor Department will begin design of City Improvement elements earlier than required in the existing Lease.

The Harbor Department proposes to begin $1.7 million in design work for City Improvement projects for Signal Street improvements and Berth 57 wharf improvements contingent on AltaSea raising 25 percent of funds required for the proposed $35 million

SCMI research facility at Berth 57. The Harbor Department will also advance $840,000 in design work for the 22nd Street Realignment and Street Improvement Project contingent on AltaSea raising 25 percent of the proposed $50 million engagement center project at Berth 56. The 22nd Street Realignment and Street Improvement Project is a project the Harbor Department planned to complete apart from the AltaSea project. However, the Restated Lease provides a revised scope for this project that will move 22nd Street northward to provide a larger parcel for the Berth 56 development. Construction for these City Improvement projects will not commence until AltaSea has raised 75 percent of the proposed investment for either Berth 56 or 57 AltaSea improvements.

Funding of the Harbor Department's investments shall be coordinated closely with AltaSea to ensure that the budget requests are timely. No funding is expected to be required for the current FY 17/18. Funds for future fiscal year funding will be requested to be budgeted as part of the annual budget adoption process, subject to Board approval at that time.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Amended and Restated Lease No. 904 as to form and legality.

TRANSMITTALS:

1. Amended and Restated Lease No. 904
2. Second Addendum to the certified Environmental Impact Report for the City Dock No. 1 Marine Research Center Project
3. Site Map
4. Amended and Restated Lease No. 904 Permit Premises Map
5. AltaSea New Lease Structure (Flowchart)
6. Non-Monetary Compensation (Exhibit F)

FIS Approval: **(Initials)**
CA Approval: **(Initials)**

Rica Viola
for MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

Michael DiBernardo
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

EUGENE D. SEROKA
Executive Director

ES:MD:MG:RV:cb
Author: Rica Viola
BL684raw AltaSea

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPES
EXECUTIVE OFFICER

City of Los Angeles
CALIFORNIA

ERIC GARCETTI
MAYOR

OFFICE OF THE CITY CLERK

Council and Public Services Division
200 N. SPRING STREET, ROOM 395
LOS ANGELES, CA 90012
GENERAL INFORMATION - (213) 978-1133
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BRIAN E. WALTERS
DIVISION CHIEF

CLERK.LACITY.ORG

When making inquiries relative to this matter, please refer to the Council File No.: 13-1634

OFFICIAL ACTION OF THE LOS ANGELES CITY COUNCIL

August 16, 2017

Council File No.: 13-1634
Council Meeting Date: August 16, 2017
Agenda Item No.: 36
Agenda Description: COMMUNICATION FROM THE BOARD OF HARBOR COMMISSIONERS relative to the Amended and Restated Lease with AltaSea at the Port of Los Angeles and Second Addendum to the Certified Environmental Impact Report for the City Dock No. 1 Marine Research Center Project creating a marine-focused research, educational and commercial campus on the Los Angeles Waterfront.

Council Action: TRADE, TRAVEL AND TOURISM COMMITTEE REPORT - ADOPTED FORTHWITH

Council Vote:

YES	BLUMENFIELD	YES	HARRIS-DAWSON	YES	O'FARRELL
YES	BONIN	YES	HUIZAR	ABSENT	PRICE
YES	BUSCAINO	ABSENT	KORETZ	YES	RODRIGUEZ
YES	CEDILLO	YES	KREKORIAN	YES	RYU
YES	ENGLANDER	YES	MARTINEZ	YES	WESSON

HOLLY L. WOLCOTT
CITY CLERK

Pursuant to Charter/Los Angeles Administrative Code Section(s): 341

FILE SENT TO MAYOR: 08/16/2017

LAST DAY FOR MAYOR TO ACT: 08/28/2017

x		
APPROVED	***DISAPPROVED**	***VETO**

MAYOR

8/16/2017
DATE SIGNED

This form has been electronically signed and authorized by Eric Garcetti

THE PORT OF LOS ANGELES
425 S. Palos Verdes Street Post Office Box 151 San Pedro, CA 90733-0151 TEL/TDD 310 SEA-PORT www.portoflosangeles.org

Eric Garcetti, Mayor, City of Los Angeles
Board of Harbor Commissioners: Ambassador Vilma S. Martinez, President; David Arian, Vice President; Patricia Castellanos; Anthony Pirozzi, Jr.; Edward R. Renwick
Eugene D. Seroka, Executive Director

August 11, 2017

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. John White, City Clerk's Office

SUBJECT: RESOLUTION NO. 17-8147 – PROPOSED AMENDED AND RESTATED LEASE NO. 904 WITH ALTASEA AT THE PORT OF LOS ANGELES

Pursuant to Section 654(a)(1), 606 and 607(a) of the City Charter, enclosed for your approval is Resolution No. 17-8147 authorizing the proposed Amended and Restated Lease No. 904 with AltaSea at the Port of Los Angeles (AltaSea); which was approved at the August 10, 2017 meeting of the Board of Harbor Commissioners. Lease No. 904 was granted to the Rockefeller Philanthropy Advisors, Inc. on November 7, 2013 and subsequently assigned to AltaSea. The premises, located at City Dock No. 1, is for use as a water-dependent, academic, governmental, non-profit and for profit marine research facility. AltaSea is a tenant in good standing and has complied with all provisions of the Lease. AltaSea requested the City of Los Angeles Harbor Department to consider various changes to its Lease in order to expedite activation and development of the AltaSea premises; reduce each party's financial obligation without compromising the original mission and goals including providing comparable public access infrastructure, educational and public programming, job creation and economic activity and; provide clarity and efficiency in lease administration by revising the original lease document. The rent and rent credit structure remains unchanged. The 50-year lease term began on December 23, 2013. The Restated Lease will have approximately 45 years remaining until its expiration on December 22, 2063. The Harbor Department has received an Executive Directive-4 waiver for this item. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. CONSIDER the Second Addendum to the Certified Environmental Impact Report for the City Dock No. 1 Marine Research Center Project;

2. APPROVE Harbor Department Resolution No. 17-8147 authorizing the proposed Amended and Restated Lease No. 904 with AltaSea at the Port of Los Angeles; and

3. Return to the Board of Harbor Commissioners for further processing.

Respectfully Submitted,

AMBER M. KLESGES
FOR Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilman Buscaino
Councilman Bonin
Councilman Krekorian
Mandy Morales, Mayor's Office
Erick Martell, Harbor Representative
Alvin Newman, CAO
Dennis Gleason, CD15
Mandana Khatibshahidi, CLA

TRANSMITTAL

TO	DATE	COUNCIL FILE NO.
Eugene D. Seroka, Executive Director Harbor Department	AUG 0 4 2017	
FROM		COUNCIL DISTRICT
The Mayor		

PROPOSED AMENDED AND RESTATED LEASE NO. 904
WITH ALTASEA AT THE PORT OF LOS ANGELES

Approved and transmitted for further processing and Council consideration.

(Ana Guerrero) for

ERIC GARCETTI
Mayor

TRANSMITTAL

TO	DATE	COUNCIL FILE NO.
Eugene D. Seroka, Executive Director Harbor Department	8/4/17	
FROM		COUNCIL DISTRICT
The Mayor		

PROPOSED AMENDED AND RESTATED LEASE NO. 904
WITH ALTASEA AT THE PORT OF LOS ANGELES

Approved and transmitted for further processing and Council consideration.

(Ana Guerrero) for

ERIC GARCETTI
Mayor

Klesges, Amber

From: Martell, Erick
Sent: Wednesday, August 9, 2017 3:39 PM
To: Bubica, Christopher; Huerta, Julie; Klesges, Amber
Subject: Fwd: ED4 Waiver Alta Sea
Attachments: Waterfrtont Real Estate_AltaSea Board Report.pdf; ATT00001.htm; CAO Transmittal Doc Harbor.pdf; ATT00002.htm

FYI signed ED4 waiver to have documentation

Sent from my iPhone

Begin forwarded message:

> **From:** Mandy Morales <mandy.morales@lacity.org>
> **Date:** August 9, 2017 at 3:19:03 PM PDT
> **To:** "Martell, Erick" <emartell@portla.org>
> **Subject: Fwd: ED4 Waiver Alta Sea**
>
> Here is the pdf...the original should be ready for pick up by tomorrow.
>
> ---------- Forwarded message ----------
> From: **Mandy Morales** <mandy.morales@lacity.org>
> Date: Fri, Aug 4, 2017 at 3:46 PM
> Subject: ED4 Waiver Alta Sea
> To: "Martell, Erick" <emartell@portla.org>
> Cc: Alvin Newman <alvin.newman@lacity.org>, Robert Roth <robert.roth@lacity.org>, Sarai Bhaga <sarai.bhaga@lacity.org>, David Reich <david.reich@lacity.org>
>
> Mayor's Ofc is waiving ED4 review for the attached Alta Sea proposed board report.
>
> Once approved by your board, please address your transmittal to Council with a cc to Mayor and CAO.
>
> Thank you,
>
> —
>
> Eric Garcetti
> **Mandy Morales**
> **Legislative Coordinator**
> **Office of Los Angeles Mayor Eric Garcetti**
> **(213) 978-0620**
>
> —

Addendum #2 to the City Dock #1 Marine Research Center Project Final EIR

APP No. 100114-003

SCH# 2010121013

Prepared For:

Los Angeles City Harbor Department
Environmental Management Division
425 S. Palos Verdes St.
San Pedro, CA 90731
Contact: Christopher Cannon, Director
c/o Tara Tisopulos
Phone: (310) 732-7693

THE PORT OF LOS ANGELES

February 22, 2017

Transmittal 2

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EXECUTIVE SUMMARY

The Final Environmental Impact Report (EIR) for the City Dock #1 Marine Research Center Project was certified by the City of Los Angeles Board of Harbor Commissioners (Board) on October 18, 2012 (SCH No. 2010121013 and APP No. 100114-003). Subsequent to the certification of the Final EIR, an Addendum was prepared to clarify that the originally estimated 30-year lease beginning in 2012 and ending in 2042 was extended to 50 years and would then end on 2064. The Project involves the development of an urban marine research center within a 33.8-acre portion of the 400-acre San Pedro Waterfront Master Plan area along the west side of the Los Angeles Harbor's Main Channel. The proposed Project, as evaluated, included the following components: the reuse of existing transit sheds at Berths 57-60 to accommodate a marine research laboratory, classroom and meeting spaces; wharf retrofits; new building at Berth 56 with classrooms and a lecture hall/auditorium; the relocation of the Southern California Marine Institute (SCMI) facility; the development of an interpretive center; establishment of a marine science business park/incubator space at Berths 58-60; integration with and development of the waterfront promenade along the water's edge; and, development of a new facility for the National Oceanic and Atmospheric Administration (NOAA) operations at Berths 70-71.

Since the certification of the Final EIR in October 2012, a developer for the site has been identified and the Project is now a public private partnership referred to as *AltaSea at the Port of Los Angeles (AltaSea)*. The goals and objectives outlined in the Final EIR for City Dock #1 remain the same.

This second Addendum focuses on new changes to the original project description and impacts that would potentially occur as a result of project modifications as proposed by *AltaSea*. A brief summary of the changes to the project description as well as new or modified elements being addressed herein include the following: the operations and tenant occupancy of the currently vacant transit sheds at Berths 58-60 referred to herein as the "Business Hub," the addition of a Wharf Plaza between Berths 57 and 58 and improvements to the existing wharf between Berths 57 and 58 to make that area structurally sound for vessel onloading and offloading.

Wharf Plaza is a modified element that was previously an outdoor plaza area. It will now include a pavilion to house lectures and interactive learning for school groups and scientists visiting and in association with the research vessels visiting the site. Key features of Wharf Plaza include the pavilion, ramp and timber seating. The pavilion structure will be approximately 2,500 square feet.

The pavilion will have restrooms and space for providing light food service. The roof of the pavilion will slope to provide scenic outside amphitheater-style seating where students and visitors can attend outdoor lectures, demonstrations and exhibitions. The public will have continuous access to Wharf Plaza and will see the waterfront, as well as, observe the research and museum vessels docked at the wharf. There will also be timber seating to accommodate approximately 325 guests at any one time.

The construction of Wharf Plaza will require the structural retrofit of approximately 120 linear feet of wharf between Berths 57 and 58 to accommodate forklifts and cranes to service the research and museum vessels that will be on display in front of Wharf Plaza. The retrofit component of the wharf will require

the in-water installation of approximately 42 new concrete pilings that will be approximately 24" in diameter. The concrete piles would improve the structural and seismic stability and allow for a greater load capacity to this section of the wharf. The existing concrete and asphalt deck between Berths 57 and 58 will also be removed and replaced with a new deck. This component will require approximately 60 days for completion.

In addition to the wharf retrofits at Wharf Plaza, approximately 20 timber piles will be installed as replacement berthing fenders for the existing fendering system that has deteriorated over time. The waterside improvements will not be conducted until they have received approval from the U.S. Army Corps of Engineers (USACE) in the form of a Section 10 Permit and a 401 Certification from the Regional Water Quality Control Board.

This analysis has determined that there are no new significant environmental effects and no substantial increase in the severity of previously identified significant effects that would occur as a result of the proposed modified Project. Furthermore, there are no known mitigation measures or alternatives that were previously considered infeasible but are now considered feasible that would substantially reduce one or more significant effects on the environment previously identified in the Final EIR. Similarly, there are no known mitigation measures or alternatives that are considerably different and that would substantially reduce one or more significant effects on the environment identified in the certified Final EIR. Therefore, neither a subsequent EIR nor a supplemental EIR, as defined under the California Environmental Quality Act (CEQA) Guidelines Sections 15162 and 15163, respectively, is required. An Addendum to the adopted Final EIR, as permitted under Section 15164, is appropriate.

1.INTRODUCTION

1.1 Overview

This document analyzes the proposed modifications to the City Dock #1 Marine Research Center Project since the certification of the Final Environmental Impact Report (EIR) on October 18, 2012 (SCH No. 2010121013 and APP No. 100114-003). The Los Angeles Harbor Department (LAHD) has prepared this Addendum to the Final EIR in accordance with the California Environmental Quality Act (CEQA) (Public Resources Code [PRC] 21000 et seq.), and the State CEQA Guidelines Section 15164 to adequately assess the proposed modifications to the Final EIR.

1.2 CEQA and the Purpose of an Addendum

According to Section 15164(a) of the State CEQA Guidelines, the lead agency or the responsible agency shall prepare an Addendum to a previously certified EIR or adopted negative declaration if changes or additions are necessary, but none of the conditions described in Section 15162 calling for the preparation of a subsequent or supplemental to the adopted negative declaration have occurred. An Addendum need not be circulated for public review but can be included in or attached to the adopted negative declaration or certified EIR. The decision-making body considers the Addendum with the adopted EIR or negative declaration prior to making a decision on the Project.

Section 15162 of the State CEQA Guidelines states that, for a project covered by a certified EIR or adopted negative declaration, no subsequent EIR or negative declaration shall be prepared for that project unless the Lead Agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

1) Substantial changes are proposed in the project that will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

2) Substantial changes occur with respect to the circumstances under which the project is undertaken that will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

   a. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

   b. Significant effects previously examined will be substantially more severe than shown in the previous EIR or negative declaration;

c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

d. Mitigation measures or alternatives that are considerably different from those analyzed in the previous EIR or negative declaration would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

1.3 Scope and Content

This Addendum describes the affected environmental resources and evaluates the potential changes in the impacts that were previously described in the 2012 Final EIR with respect to building and operating the City Dock Marine Research Center. The criteria for determining the significance of environmental impacts in this Addendum analysis are the same as those contained within the certified EIR.

The analysis in this Addendum focuses on the changes to the impacts that would potentially occur as a result of project modifications to the original City Dock #1 Project. The scope of analysis contained within this Addendum addresses the environmental resource areas that were previously analyzed in the certified EIR as follows:

- Aesthetics
- Air Quality and Greenhouse Gases
- Biological Resources
- Cultural Resources
- Geology and Soils
- Groundwater and Soils
- Hazards and Hazardous Materials
- Land Use and Planning
- Noise
- Public Services
- Transportation and Circulation – Ground and Marine
- Utilities
- Water Quality, Sediments, and Oceanography
- Cumulative Impacts

1.4 Previous Environmental Documents Incorporated by Reference

Consistent with Section 15150 of the California State CEQA Guidelines, the following documents were used in preparation of this Addendum and are incorporated herein by reference:

- City Dock #1 Marine Research Center Draft Environmental Impact Report, May 2012.
- City Dock #1 Marine Research Center Final Environmental Impact Report, October 2012.
- Addendum to City Dock #1 Final Environmental Impact Report, September 2013.

2. PROPOSED PROJECT MODIFICATIONS

The City of Los Angeles Harbor Department (LAHD) has prepared this Addendum to address the potential environmental effects of the proposed modifications to the project scope since certification of the City Dock No. 1 EIR. This document addresses changes to the construction and operation of the transit sheds at Berths 58-60 for the Business Hub and modifications to the scope of work to include Wharf Plaza between Berths 57 and 58, as well as, improvements to a small portion of the wharf and the removal of the façade in front of the Transit Shed at Berth 57.

2.1 Project Location

The Port of Los Angeles is located at the southernmost portion of the city and comprises 43 miles of waterfront and 7,500 acres of land and water, with approximately 300 commercial berths. The Port is approximately 23 miles south of downtown Los Angeles and is surrounded by the community of San Pedro to the west, the Wilmington community to the north, the Port of Long Beach to the east and the Pacific Ocean to the south.

The proposed project site consists of 33.8 acres within the Port near the San Pedro Community and includes Berths 56-60 as well as Berths 70-71 within the San Pedro Waterfront area. The site is bounded by the East Channel to the west, the Main Channel to east, Len Aube Way to the north and the open water of the San Pedro Bay to the south. Please see Figure 1-1. The red areas indicate those portions of the project site being addressed within this Addendum.

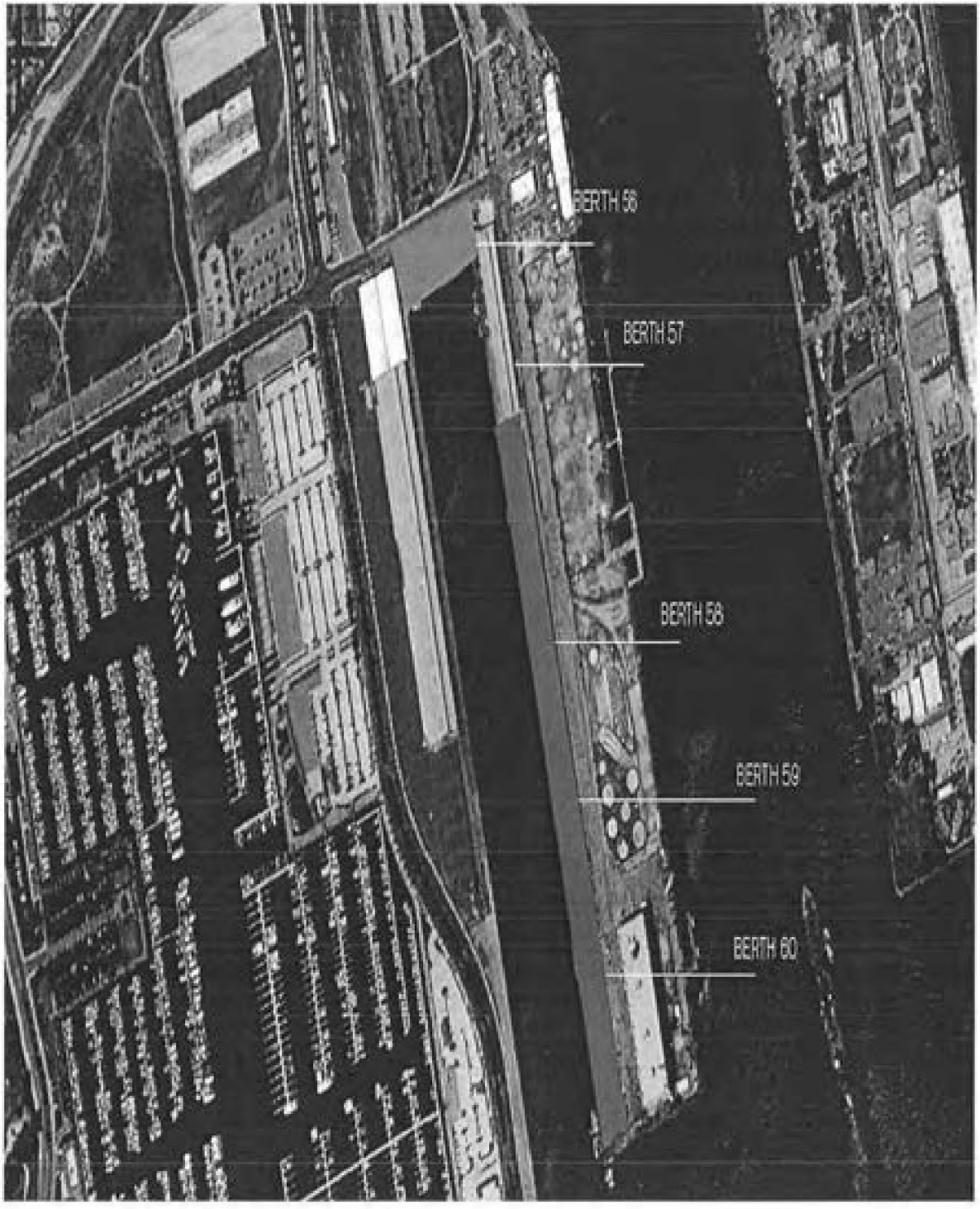


Figure 1-1
Addendum Project Footprint

2.2 Project Description

2.2.1 Final City Dock #1 EIR Project Components

Berth 56 originally included the construction of a new, two-story learning center that would be 11,500 square feet and would include lecture halls, auditoriums and classrooms. Berth 57 included a complete wharf rehabilitation and landside improvements needed for the construction of the new SCMI Research Facility. The SCMI Research facility was expected to occupy 46,500 square feet and included a seawater circulation and life support. Wharf rehabilitation was proposed with two options. One option involved the installation of 127 new steel pilings in water, the removal of the roof at Berth 57, the demolition of 18,288 square feet of existing slab and then replacing the deck slab and roof. The second option involved the installation of 252 steel piles outside of the water, the removal of the roof at Berth 57, the demolition of 6,300 square feet of concrete slab, pouring new pile caps and deck slab and replacing the roof. Upon completion of the wharf and ground improvements, the transit sheds at Berths 57-60 would be upgraded to meet current seismic code and renovated to meet the needs of its tenants. The transit sheds at Berths 58-60 is a 180,000 square foot rectangular building that measures 1,800 feet long and 100 feet wide and is approximately 35 feet high. The transit sheds were to be converted into a marine research facility and marine business incubator space that included office/administrative space, laboratory-related space and storage space for such things as robotics and instruments deployed on marine research vessels. While there were no specific tenants proposed at the time of Final EIR certification, this Addendum now includes tenants identified as potentially occupying this space.

The SCMI Research facility would include office space for faculty, staff and administration; laboratory space for teaching and research laboratories; lab support and building support spaces; outdoor space for outdoor teaching, classrooms and storage space that would be approximately 8,200 square feet; and, an outdoor public plaza that would be approximately 7,500 square feet. The inclusion of 18,500 square feet of floating docks to accommodate 12 vessel slips and the associated research vessels were part of the 2016 occupancy. Once occupied, the project components were estimated to include more than 1,000 vehicle trips per day between workers, students and visitors.

Table 2-1 Project Components Evaluated in City Dock #1 Final EIR now Proposed for Modification

Location	Project Element	Occupancy*
Berth 56	2-Story Learning Center (11,500 square feet)	2016
Berth 57	• SCMI Research Facility (46,500 square feet) Seawater Circulation and Life Support System • Rehabilitation of the wharf • Construction of floating docks • Demolish the existing SCMI facility at Berth 260	2016
Berths 58-60	• Convert transit sheds into Marine Research Facility/Business Incubator Space • Waterfront promenade • Seawater Circulation System • Rehabilitation of the Berths 58-60 wharf	2024

*Occupancy dates listed were based on the Final EIR for City Dock and have been revised.

2.2.2 Proposed Modifications

In keeping with the proposed use and vision of the City Dock #1 Marine Research Center Project, *AltaSea* is proposing to shift the order project components and include new components to support the future build out of *AltaSea's* marine research campus. The currently proposed improvements are considered minor changes in terms of scope and timing and are considerably less intensive in terms of both construction and operation than what was previously analyzed.

2.2.2.1 Wharf Retrofits

One component of the proposed Project is to rehabilitate a section of the existing wharf by removing and replacing approximately 120 linear feet of concrete and asphalt/concrete decking between Berths 57 and 58 which will be referred to as Launch Plaza. In addition, approximately 42 concrete piles each approximately 24 inches in diameter would be installed to improve the structural and seismic stability and provide a greater load capacity to this section of the wharf. This will allow research vessels to utilize cranes for loading and unloading in this 120 linear foot area. As described above, the original Project assumed significantly greater retrofits and wharf improvements than are currently proposed in this Addendum. Wharf rehabilitation was proposed with two options. One option involved the installation of 127 new steel pilings in water, the removal of the roof at Berth 57, the demolition of 18,288 square feet of existing slab and then replacing the deck slab and roof. The second option involved the installation of 252 steel piles outside of the water, the removal of the roof at Berth 57, the demolition of 6,300 square feet of concrete slab, pouring new pile caps and deck slab and replacing the roof.

This Addendum and proposed Project focuses on one small section of the wharf rather than the entire structure. In addition to the wharf itself, approximately 20 timber fender piles would be installed in three groups along the front of the wharf to allow for the safe berthing of vessels. The waterside improvements will need to obtain a Section 10 Permit from the U.S. ACE and will receive a Section 401 Water Quality Certification from the Regional Water Quality Control Board before any waterside construction can begin on the proposed Project.

2.2.2.2 Business Hub (Transit Sheds 58-60)

The LAHD constructed these transit sheds between 1914 and 1917. The buildings total 180,000 square feet. The transit sheds are comprised of three, single-story structures of 60,000 square feet each, separated by concrete walls and sliding fire doors. The structures have direct access to a 30-foot deep channel. The proposed Business Hub is intended to provide leasable space for tenants who qualify to occupy the transit sheds at Berths 58-60 with water-dependent and ocean-related activities.

While the transit sheds total approximately 180,000 square feet, a traffic analysis was conducted for the Business Hub usage under this Addendum that determined that only 140,000 square feet can be utilized for consistent uses under the Port Master Plan without triggering a potential traffic impact to a nearby intersections. As such, AltaSea tenants will be restricted to utilizing only 140,000 of the 180,000 square feet of warehouse space.

Potential business hub tenants are screened for consistency with the Port Master Plan prior to being granted occupancy in Business Hub. The Port Master Plan designates the project site as an *institutional*

use and requires future developments to be consistent with this designation. The Port Master Plan defines Institutional uses as "uses and facilities operated mostly by government agencies" and provides the following examples: 1) public safety (police, fire), 2) other local, state, and federal agencies, 3) education, 4) marine research facilities, 5) and non-profit organizations. Marine research facilities, universities and colleges, government research agencies, and business that conduct marine and ocean research and education would be considered an *institutional use*.

The concept of a business incubator within the Berths 58-60 transit sheds was evaluated in the Final EIR for City Dock #1 with construction beginning in 2013 and full build out in approximately 2024. *AltaSea* is now proposing to utilize this space to operate a Marine Research Business Hub starting in 2017. The scope of improvements to the warehouses associated with the business hub is much less that what was assessed in the EIR. Construction of the SCMI facility at Berth 57 was expected to begin in 2013 with occupancy to occur in 2016. This project component has not been implemented as originally planned. The Business Hub at Berth 58-60 is now proposed for occupancy in 2017 instead and would have significantly less overall construction-related impacts and operational impacts than what was evaluated in the Final EIR for this time period.

Construction related to the Business Hub is minimal as these are all existing structures with minor upgrades and modifications needed for their use. However, because the transit sheds at Berths 58-60 have not been used for anything other than storage in many decades, certain upgrades will be necessary in order to bring these buildings up to code and make them usable for the proposed tenants including but not limited to:

- New electrical service, electrical rooms and distribution
- Upgraded interior and exterior lighting
- New cold water system
- New fire alarm system
- Provisions for trailer hook-up within the sheds for office use
- Modular restroom facilities
- Modular ramp and stair systems for ADA access to each tenant space
- Modular storefront
- Modular trailers
- Chain link walls between tenant spaces
- New guardrails along loading dock
- Signage and environmental graphics displays
- Parking
- Removal of exterior façade in front of Transit Shed at Berth 57 to restore the building's original historical character
- Exterior seating
- New landscaping

During the development of the City Dock #1 Final EIR, it was unknown what specific tenants would be utilizing the space at Berths 58-60. Additional information about the tenants that will be occupying the

space has been made available and that information is provided herein to clarify and provide more detail to the project description. These tenants and their proposed operations do not pose a new environmental impact nor do they exacerbate a previously evaluated impact. It is important to note that the tenants described here do not represent an all-inclusive list of every potential tenant that could utilize space at Berths 58-60; but rather, are tenants that are known at this time. Any future tenants will be evaluated to ensure consistency with the land uses approved at this location and to ensure no new environmental impact would occur as a result of its occupancy at the transit sheds. The total occupied space will not exceed the 140,000 square feet described in this document.

2.2.2.2.1 Port Tech LA

PortTech LA is a business incubator helping clean technology entrepreneurs transform start-ups into businesses. PortTech works closely with the Port of Los Angeles' and Port of Long Beach's Technology Advancement Program (TAP), which is tasked with the responsibility of evaluating and helping fund technologies that support the Port's Clean Air Action Plan and Clean Truck Programs. PortTech's market-centric approach to incubation means that our programs and services are focused on helping entrepreneurs connect to customers in the following areas: one-on-one coaching, strategy sessions, PortTech pitch program, workshops and forums, pilot project facilitation, and PortTechEXPO. PortTech LA is an ancillary use which facilitates and bridges the research component of clean technologies for implementation into the port environment through pilot project assistance.

2.2.2.2.2 Blue Robotics

Blue Robotics is a Delaware Corporation located in California that designs and manufactures low-cost, high-quality components and systems to make marine robotics accessible to a wide market including academia, hobbyists, and new commercial applications. Blue Robotics is proposing to utilize approximately 5,000 square feet for office space for staff that are dedicated to developing new technologies in marine robotics. Blue Robotics operations are ancillary but complimentary to other marine research entities, including those proposed to be located at AltaSea. The underwater robotics are used to monitor underwater habitats, such as those used by Catalina Sea Ranch to monitor predators or growing conditions. Blue Robotics would also test current and proposed equipment at the facility, requiring proximity to the water.

2.2.2.2.3 Boeing, Advanced Technology Programs

The Advanced Technology Programs (ATP), directed by Lance Towers, is a division within Boeing Network and Space Systems that has approximately 500 employees throughout the United States who specialize in small, lightweight, low-power electronics, remote unattended sensors, network communications solutions, mission planning and field support, operations support and sustainment, unmanned underwater systems, and acoustics solutions. Boeing has expressed interest in occupying 60,000 square feet to expand its Echo Voyager operations and could bring as many as 120 employees to AltaSea.

2.2.2.2.4 Seatrec

Seatrec is a renewable energy spinoff company from NASA/JPL and Caltech. Seatrec's patented energy harvesting technology is applicable to vertically-profiling robots used for oceanographic research.

Potential exists for future applications in oceanic, terrestrial, and extra-terrestrial environments. Seatrec is interested in a 5,000 square foot facility at AltaSea. Seatrec would bring 8-10 employees for this operation and would require a narrow tank that is approximately 10 meters tall. There is no seawater intake/discharge system necessary for this operation nor does it include any discharge to the harbor.

2.2.2.2.5 *Catalina Sea Ranch*

Catalina Sea Ranch supports the goals of NOAA's National Shellfish Initiative, which are to increase commercial shellfish aquaculture and improve ecosystem health. Catalina Sea Ranch is proposing to occupy approximately 6,000 square feet of space with approximately 14 employees. The space would be used for storage, laboratory space for research related to commercial shellfish aquaculture and office space that will serve their headquarters. Catalina Sea Ranch is currently occupying warehouse space under a separate entitlement prior to AltaSea taking occupancy of the site. There is no seawater intake/discharge system necessary for this operation nor does it include any discharge to the harbor. Catalina Sea Ranch may need up to three vessels for its activity.

2.2.2.2.6 *Nautilus – Ocean Exploration Trust*

The Ocean Exploration Trust was founded in 2008 by Dr. Robert Ballard to engage in pure ocean exploration. Their international programs center on scientific exploration of the seafloor and many of the expeditions are launched from aboard Exploration Vessel (E/V) Nautilus, a 64-meter research vessel operated by the Ocean Exploration Trust.

E/V Nautilus began docking at AltaSea in July 2016 and will continue to deliver educational programs. Ocean Exploration Trust is also planning on occupying space within the Business Hub. Their foot print will likely occupy 10,000 square feet and will include mobile offices for telecommunications that will be directly tied to the operation of *E/V* Nautilus. 8-10 employees are projected to occupy this space.

2.2.2.3 *Wharf Plaza*

Wharf Plaza will be built between Berths 57 and 58 and adjacent to the waterfront. This area was designated in the Final EIR for City Dock as being a public plaza of approximately 7,500 square feet to be built during Phase I of the Project. It will now include a pavilion to house lectures and interactive learning for school groups and scientists visiting and in association with the research vessels visiting the site. Key features of Wharf Plaza include the pavilion, ramp and timber seating (see figures provided). The Wharf Plaza will be approximately 2,500 square feet.

The pavilion will have restrooms and space for providing light food service. The roof of the pavilion will slope to provide scenic outside amphitheater-style seating for approximately 325 people where students and visitors can attend outdoor lectures, demonstrations and exhibitions. The public will have continuous access to Wharf Plaza and will see the waterfront as well as observe the research and museum vessels docked at the wharf.

3. IMPACT DISCUSSION

3.1 Analysis of Impacts

This section provides an impact assessment of the proposed modified Project. The sections below compare the modified Project against the findings made in the 2012 Final EIR to determine whether any new impacts would be created by the modifications and/or if previously identified impacts would be exacerbated by the proposed changes.

As described below, no new impact areas have been identified nor is there an increase in severity of previously identified impacts.

3.1.1 Aesthetics

The Final EIR evaluated all aspects of the Project for potential aesthetics impacts. The aesthetic assessment included whether the Project was consistent with applicable guidelines and regulations, whether it had the potential to obstruct a view and/or whether it created possible shading or nighttime illumination. The Final EIR concluded that there were no impacts or less than significant impacts to aesthetics as a result of the Project with no mitigation necessary.

The proposed modified Project does not change or alter any of the findings of the Final EIR. There are no scenic vistas or significant scenic resources in the proposed Project vicinity that would be affected by the construction or operation of the modified Project.

Project modifications include the use of existing structures that were previously evaluated and the addition of an outdoor Wharf Plaza setting at a currently undeveloped, vacant location between Berths 57 and 58. Wharf Plaza will face the East Channel area for water-related viewing with Signal Street behind Wharf Plaza. No recreational uses or viewing points that would be obstructed by the plaza as there are no other existing uses near the area other than industrial sources. The proposed modified Project would not create a new source of substantial shade or shadow that would adversely affect daytime views in the area.

Any lighting would be minimal and meant for safe access along the ADA ramp system and basic security. Light and glare impacts from outdoor lighting were assessed in the FEIR and it was determined that existing ambient nighttime lighting from the Port dominates the outdoor lighting in the area with or without the Project. There is nothing in the modified Project that would change these findings. No mitigation is required.

3.1.2 Air Quality and Greenhouse Gases

3.1.2.1 Criteria Pollutant Emissions/GHGs Construction Emissions

The air quality analysis evaluated the construction and operation of the following project components that were anticipated to occur beginning 2013 with occupancy expected in 2016, generally consistent with the occupancy of the proposed modified Project: construction of an 11,500 square foot Learning Center, the conversion of the Berth 57 transit shed into the SCMI facility utilizing approximately 46,500 square feet; installation of a new seawater circulation and life support system; construction of floating docks;

rehabilitation of Berth 57 wharf and associated ground improvements; a public plaza; signal and roadway improvements; and, the demolition of the existing SCMI facility at Berth 260.
The Final EIR determined that project-related construction activities would exceed localized NOx thresholds during 2014 and 2015 due to exhaust emissions from off-road construction equipment. Mitigation measures MM AQ-1 through MM AQ-7 were incorporated into the Project and NOx impacts were reduced to less than significance. Construction activities associated with the modified Project will be significantly less than what was analyzed in the Final EIR. Further, *AltaSea* will be incorporating all feasible construction mitigation measures into their Project (MM AQ-01 through AQ-07) that were adopted as part of the Final EIR for City Dock #1 to ensure that impacts are reduced. There is nothing in the modified Project that changes these findings or necessitates new mitigation measures. The Final EIR evaluated potential greenhouse gas emissions (GHGs) associated with construction and operation of the proposed Project. GHGs were found to be significant for 2016 where construction activities and operational activities overlap. The proposed modified Project is scaled down in scope from the original Project and does not include overlapping construction and operation activities. GHG impacts associated with the modified Project will be significantly less than what was analyzed in the Final EIR. It was determined that GHG impacts would remain significant but that LAHD would review the possibility of including the City Dock site into its inventory of photovoltaic sites under MM GHG-1. The proposed modified Project does not alter this finding or exacerbate it in any way. LAHD will continue to review the feasibility of incorporating MM-GHG-1 into future project design.

3.1.2.2 Criteria Pollutant Emissions/GHGs Emissions: Operations

Project-related trips associated with 2016 occupancy of the Learning Center, Berth 57 transit center and other improvements was expected to be approximately 1,046 from students, employees and visitors. The Final EIR concluded that there was no exceedance of the 1-hour or 8-hour CO standards due to on-road traffic with no mitigation necessary. Traffic related to the current modified Project was evaluated and determined to be less than the Project because there would be significantly less visitors and students than was anticipated from the Learning Center and SCMI facility. New traffic counts related to the proposed modified Project can be found in Appendix B demonstrating a decrease in trips from the Final EIR. Therefore, the proposed modified Project does not alter the findings made for the 1-hour or 8-hour ozone standard with no mitigation measures necessary.

Operational emissions were evaluated in the Final EIR from sources such as marine vessels, landside sources, vehicle sources, fugitive sources, utility sources and miscellaneous onsite and offsite emission sources. There were no operational emissions of criteria pollutants that exceeded SCAQMD's significance threshold for 2016. The proposed modified Project includes significantly less operational activities than was previously assessed and is, therefore, consistent with this finding with no mitigation necessary. As noted above, construction and operational GHG emissions in 2016 were determined to exceed SCAQMD's significance threshold. The proposed modified Project does not alter this finding or exacerbate it in any way. LAHD will continue to review the feasibility of incorporating MM GHG-1 into future project design.

3.1.2.3 *Other Air Quality Topics*

The Final EIR determined that the Project would not conflict with or obstruct implementation of any applicable air quality plan. Compliance with the Air Quality Management Plan (AQMP), the Clean Air Action Plan (CAAP), source-specific performance standards and project-specific performance standards were found to successfully avoid conflict with an air quality plan. The Final City Dock EIR found that air quality impacts as a result of the proposed Project would be less than significant with no mitigation required. The proposed modified Project does not alter this finding in any way and no mitigation is required.

There were no odor impacts identified in the Final EIR nor does the proposed modified Project create any new objectionable odors. The exposure of the public to toxic air contaminants was also evaluated in the Final EIR and not found to create a significant cancer or non-cancer (chronic) risk from the Project. The proposed modified Project does not alter this finding in any way and no mitigation is required.

Construction- and operation-related impacts from the modified Project are minimal in comparison to what was assumed and evaluated during the time period of 2013-2016 in the Final EIR. The construction of the Learning Center and wharf improvements was the majority of the emissions from this component of the Project; therefore, the re-use of existing transit sheds and incorporation of the Wharf Plaza and waterside improvements in lieu of the Learning Center will be substantially less and will not cause any new impacts or increase the severity of previously identified impacts. The proposed modified Project does not alter any finding related to Air Quality or GHGs with no new mitigation necessary.

3.1.3 Biological Resources

The Final EIR determined that there were no significant adverse impacts to biological resources as a result of the proposed Project.

The proposed modified Project includes the installation of approximately 42 concrete pilings as well as twenty new timber pilings to replace pilings that have deteriorated over time as the wharf is over 100 years old. Waterside improvements were issued a Section 10 permit by the U.S. ACE that includes permit conditions to ensure that no significant impacts to biological resources occur during construction/rehabilitation of the wharf. Further, the Project cannot start construction without its Section 401 Water Quality Certification through the Regional Water Quality Control Board (RWQCB) and this permit is currently pending.

This scope of work is significantly less than the waterside improvements previously evaluated, which included the installation of approximately 127 steel pilings at the Berth 57 wharf and the installation of a floating dock and a seawater in-take system. Any larger Project in the future will be evaluated through the CEQA/NEPA process. However, mitigation measures related to biological resources and all permit conditions imposed by the USACE and RWQCB will be adhered to during this Project as well.

There were no other potential impacts to an endangered species, marine habitat, wetlands, or any biological communities as a result of either construction or operation of the proposed Project and the modified Project will not impact any of these resources.

Landside activities under the proposed modified Project do not include any demolition of existing structures or the removal of biological resources such as trees or other natural habitats. There are no trees

or vegetation at the site that would have to be removed for the proposed modified Project. Some trees and vegetation will be planted as part of Wharf Plaza and improvements to Berths 58-60. The Final EIR for City Dock #1 included the following three mitigation measures related to biological resources: MM-BIO-1 calls for the avoidance of marine mammals during pile driving. MM-BIO-2 calls for minimizing noise related to pile driving. MM-BIO-3 call for conducting nesting surveys prior to the clearing, removal or grubbing of any vegetation or ground disturbance. The proposed modified Project does not include any removal of trees or vegetation so this measure is not applicable at this time. MM-BIO-1 and MM-BIO-2 will be adhered to as part of this approval process since there will be approximately 42 concrete piles installed.

The proposed modified Project does not alter any of the findings in the Final EIR related to biological resources nor does it exacerbate a previously identified adverse environmental impact. Therefore, the proposed modified Project would not cause adverse impacts related to biological resources beyond what was already disclosed in the Final EIR. None of the abovementioned mitigation is required.

3.1.4 Cultural Resources

The Project is located within the Municipal Pier #1 area at the Port of Los Angeles which includes Municipal Warehouse No. 1, the Transit Sheds at Berths 57-60, the wharf, the Berths 70-71 Westway/Pan-American Oil Company Pump House and Berth 260. This region has been surveyed for historic/cultural significance on several occasions. As part of the Final EIR for City Dock #1, it was surveyed again in 2011 by an outside consulting firm, ESA, and included a report entitled *Historic Resources Evaluation Report of Municipal Pier No. 1*. The report concluded that Municipal Pier #1 (including all abovementioned structures and buildings) is eligible for listing as a historic district in the National Register, California Register of Historic Places (CRHP) and as a City of Los Angeles Monument.

The Final EIR determined that mitigation was necessary that included the recordation of the Historic District setting at Municipal Pier No. 1. The program consisted of large-format, black and white photographs, the preparation of a historic resources report and archiving of both at local repositories of historical information. Impacts from the Project remained significant and unavoidable relative to the construction of a wave tank building on adjacent historic structures as well as on the Municipal Pier No. 1 Historic District as a whole. This mitigation measure was implemented pursuant to the Final EIR for City Dock #1.

The *Secretary of Interior (SOI) Standards for the Treatment of Historic Properties* are guidelines for the treatment of historic structures and are intended to promote responsible preservation practices to protect cultural resources. Because the proposed modified Project is located in a district eligible for listing in the National Register and because the structures themselves have been determined to be historically significant, any alterations to the structures (including the wharf) need to conform to the SOI Standards in order to remain less than significant. The proposed modified Project includes minor temporary alterations to the transit sheds at Berths 58-60 and removal of the exterior façade on the Berth 57 transit shed building, as well as the addition of Wharf Plaza and the structural reinforcement of a portion of the wharf. In order to ensure the proposed modified Project would be consistent with the findings of the Final EIR,

LAHD contracted with a qualified consulting architectural historical firm, Historic Resource Group (HRG), to evaluate the landside changes to the Historic District and historic structures as a result of the proposed modified Project. The waterside alterations to the wharf were also evaluated by the USACE in coordination with the State Historic Preservation Office (SHPO). SHPO has concurred with the USACE that the Project does not pose a significant adverse impact to a historic resource relative to the waterside improvements and HRG has made a finding of consistency with the SOI standards for the landside improvements. The proposed modified Project would not cause adverse impacts related to cultural resources beyond what was disclosed in the Final EIR. No mitigation is required.

3.1.5 Geology and Soils

The Final EIR for City Dock #1 evaluated the potential impacts to geology and soils as a result of construction and operation of the Project. Potential project-related impacts from construction and operation were evaluated related to expansive soils, landslides, mudslides, liquefaction, and/or seismic ground shaking. The Final EIR determined that the Project resulted in no significant adverse impacts to geology and soils and no mitigation was required.

The proposed modified Project does not alter the conclusions made in the Final EIR. Construction activities are minimal and involve the waterside improvements to the wharf between Berths 57 and 58 as well as the installation of approximately 20 timber piles and Wharf Plaza. Minor improvements to the existing transit sheds at Berths 58-60 will also occur. The proposed modified Project would not cause adverse impacts related to geology and soils beyond what was disclosed in the Final EIR. No mitigation is required.

3.1.6 Groundwater and Soils

The Final EIR did not identify any significant adverse impacts to Groundwater and Soils. The Final EIR identified the following areas within the Project area having either a low, moderate or high potential for soil and groundwater contamination: the Westways Terminal at Berths 70-71; the Hy C Tane Corporation on Signal Place; the Pennzoil Company on Signal Street. Although the area was identified as having been affected by hazardous substances and petroleum products as a result of historical land uses, future development would require remediation where necessary prior to project construction.

No contaminated sites were identified within Berths 56-60; which encompasses the proposed modified Project area. In addition, the Final EIR for City Dock #1 included that any contaminated soil or groundwater encountered during construction would be handled, transported, remediated and/or disposed of in accordance with applicable federal, state, and local laws and regulations as well as all lease measures pertaining to the development of a soil management plan. The Final EIR for City Dock #1 did not identify any impacts identified to potable groundwater recharge capacity or potable water levels identified in the City Dock #1 Final EIR nor were there any impacts that would violate regulatory water quality standards. There were no mitigation measures required but the abovementioned soil management plan will be required as a lease measure prior to the issuance of a Harbor Engineer Permit as well as compliance with all applicable federal, state, local regulations.

The proposed modified Project involves minor construction, minimal grading and predominately the use of existing structures. As such the proposed modified Project does not change or alter any of the findings of the Final EIR related to groundwater or soils. No mitigation is required.

3.1.7 Hazards and Hazardous Materials

The Final EIR evaluated potential risk of upset, spills and accidental releases from construction and operation of City Dock #1. The only potential impact identified in the Final EIR was related to the nearby Mike's Marine Fueling Station that handled several hazardous materials on site. A mitigation measure (MM RISK-1) was included to have Mike's Marine cease the handling of hazardous materials with flashpoints below 140° F prior to the operation of the waterfront promenade which has not yet been constructed.

There is nothing related to the proposed modified Project or its tenants at Berths 58-60 that would alter this finding or require new mitigation measures. There are no known hazardous materials being stored within the transit sheds to support the business hub tenants and operation of the proposed modified Project would be required to comply with all applicable federal, state, regional and local safety and security regulations as well as LAHD policies guiding port development. Any construction improvements to the interior or exterior of the transit sheds are considered minimal but have the potential to encounter lead-based paint (LBP) and/or asbestos containing materials (ACMs). Prior testing of the property by a qualified engineer/biologist has determined the presence of ACMs at select locations at the site. Any removal of ACM and LBP would be conducted by ACM- and LBP-certified removal contractors and trained workers. Appropriate dust monitoring would occur in conjunction with ACM and LBP removal activities. LBP-containing light ballasts and other PCB-containing materials found on site would be removed by a hazardous materials removal contractor. A Health and Safety Plan would be prepared for work involving the removal of ACM-, LBP- and PCB-containing materials. The disposal process would include transport by a state-certified hazardous material hauler to a state-certified disposal and recycling facility licensed to accept and treat hazardous waste. (City Dock #1, Draft EIR, page 3.7-15). The potential release of ACM and LBP through project construction would be avoided through the required implementation of local and state regulations, including SCAQMD 1403. Impacts related to the potential release of ACM or LBP would remain less than significant.

Further, operation would not generate any hazardous or industrial waste nor would the Project's operation pose a significant hazard to the public or the environment. No mitigation was required and the proposed modified Project does not alter this finding.

3.1.8 Land Use and Planning

The Final EIR determined that the Project was consistent with the adopted land use/density designation in the Community Plan as well as the General Plan, the Port Master Plan, the Port Strategic Plan and the Los Angeles Green Building Policy and all other adopted environmental goals or policies contained in other applicable plans. There were no significant unavoidable impacts identified to Land Use and Planning as a result of the Project other than a reference to MM RISK-1 that was identified above.

The proposed modified Project does not change or alter any of the findings of the adopted Final EIR related to land use and planning. The proposed Project adds the Business Hub to the transit sheds at Berths 58-60 and includes Launch Plaza and minor wharf upgrades in front of Launch Plaza. The Port Master Plan defines Institutional uses as "uses and facilities operated mostly by government agencies" and provides the following examples: 1) public safety (police, fire), 2) other local, state, and federal agencies, 3) education, 4) marine research facilities, 5) and non-profit organizations. All currently identified tenants listed herein are consistent with the Port Master Plan and all future tenants will be reviewed by LAHD to ensure consistency prior to being granted occupancy permission. Therefore, the proposed modified Project would not cause impacts related to land use and planning beyond what was already disclosed in the adopted Final EIR. No mitigation is required.

3.1.9 Noise

The Final EIR evaluated potential noise impacts from the two construction periods and included typical construction equipment that would be utilized. The nearest sensitive receptors were identified as liveaboards located in the Cabrillo Harbor approximately 900 feet to the west of the project site. The Final EIR concluded that there were two time periods during construction -that would result in a decibel increase of approximately 16 dBA above background at the closest liveaboard. Mitigation measures NOI-1 through NOI-4 were included to reduce the construction-related noise impacts; however, noise impacts remained significant and unavoidable.

The proposed modified Project contains significantly fewer construction components, less construction equipment and a shorter construction duration than was previously assessed in the Final EIR. Further, the highest noise rating was coming from the extensive use of a pile driver needed for the installation of 127 steel piles. The proposed modified Project includes the installation of approximately 20 timber piles and 42 concrete piles as well as some landside improvements that can be installed in a few weeks. Because the Project involves the installation of concrete piles, mitigation measures MM-NOI-1 through MM-NOI-4 will be included as terms of project approval under this Addendum as described in Appendix B.

The operation of Launch Plaza would not include any equipment or activities that would generate significant noise. Further, the business hub tenants will be working indoors with little activity on the wharf beyond vessel berthing. The proposed modified Project contains significantly fewer components than was originally proposed that will ensure that noise impacts remain less than significant. No mitigation is required.

3.1.10 Public Services

The Final EIR determined that construction and operation of the Project would neither increase the demand for fire and police services, nor require the expansion of existing facilities. There were further no emergency services or park services or expansions of any kind necessary as a result of the Project.

The proposed modified Project is significantly smaller in scope than the previously assessed project and would not create adverse impacts related to public services. No mitigation is required.

3.1.11 Transportation and Circulation – Ground and Marine

Project construction in the Final EIR included the possibility of street closures and traffic diversion. As a result, mitigation measure TC-1 was included that required the implementation of a Traffic Control Plan throughout project construction. Construction associated with the proposed modified Project is minor because the transit sheds are existing structures with only minor modifications needed for their use. In addition, the waterside improvements will be conducted in a short period of time with most of the work occurring from the water. Wharf Plaza is also a relatively small project with a construction period of approximately nine months. Construction associated with the proposed modified Project is not expected to result in any road closures or traffic diversion and, as such, TC-1 is not necessary at this time.

Marine-side construction activities such as the rehabilitation and repair of the Berth 57 wharf and the construction of floating docks and the installation of a saltwater intake/discharge system were evaluated in the Final EIR to determine if construction activities could pose any in-water hazards related to vessel activity. The Final EIR determined that construction impacts on vessel traffic would be less than significant with no mitigation necessary. Marine-side construction activities for the proposed modified Project are significantly smaller in scale and include the installation of 20 timber pilings as well as the installation of approximately 42 concrete piles over approximately 120 linear feet to reinforce a small portion of the wharf to allow for research vessel to dock and load and offload supplies. The inclusion of research vessels and barges was included in the Final EIR for City Dock #1.These construction and operational components do not alter or exacerbate the findings in the Final EIR. No mitigation measures are required.

The Final EIR evaluated potential traffic impacts to both streets and surrounding marinas as a result of operation of the City Dock Project. The Project contained surface road modifications that included the addition of surface parking adjacent to Berth 56 and surface parking adjacent to Berth 57 as well as road realignment at 22nd Street and Sampson Way. The Final EIR evaluated the surface street system within the project study area and included 19 study intersections. The proposed modified Project does not involve any roadway realignments and existing parking is available in front of the transit sheds on Signal Street as well as in a parking lot on 22nd Street that is currently not fully utilized.

To ensure that the proposed modified Project does not create new traffic-related impacts, LAHD recalculated project-related trips based on revisions to the project description as a result of the proposed modified Project. Trips were calculated based on the research and development tenants to be located within Berths 58-60 at the Business Hub as well as the addition of visitors to Wharf Plaza. The revised calculation shows that the proposed modified Project's traffic findings are consistent with the findings made in the 2012 Final EIR as long as usage of the transit sheds in Berths 58-60 is limited to 140,000 square feet. There are no significant traffic-related impacts and no mitigation measures are necessary. Please see Appendix B for the trip generation estimates from the proposed modified Project.

3.1.12 Utilities

The Final EIR included an analysis of the full installation of utilities at all existing and new buildings at City Dock. All connections would be located within the proposed project site and would connect with the

existing infrastructure located under Signal Street. In addition to the general utility connections, the proposed Project included the potential upgrade to the existing sewer pump servicing the project site. The upgrade was intended to provide additional capacity under full buildout as well as additional projects in the area, as needed.

The proposed modified Project will also necessitate the installation of all utilities at the existing transit sheds as well as for Wharf Plaza. The utilities to be added and consumption rates do not require anything new or additional beyond what was evaluated in the Final EIR. The utilities needed under the proposed modified Project do not alter the findings in the Final EIR. No mitigation measures are required.

3.1.13 Water Quality, Sediments and Oceanography

The adopted Final EIR determined that the Project would result in less than significant impacts related to water quality, sediments and oceanography. The Final EIR found that the Project had no construction or operation potential to reduce or increase surface water nor would it result in discharges to a receiving water body that create pollution or contamination or nuisance. The Final EIR included the rehabilitation of the wharf at Berth 57, floating docks and a marine research seawater in-take, life support and treatment system to meet the needs of the research planned to be conducted within the facilities.

Waterside construction related to the proposed modified Project involves only the installation of approximately twenty timber pilings to serve as a fendering system where the previous fendering system deteriorated and approximately 42 concrete pilings under a 120-linear foot section of the wharf and associated new decking to stabilize this portion for off-loading and loading of supplies for research vessels visiting the area. The Final EIR for City Dock #1 evaluated the installation of approximately 127 steel pilings so this modification is significantly smaller in scope than what was previously analyzed. (City Dock #1, Final EIR, 2013). The seawater in-take, life support and treatment system will not be included at this time and there are no discharges to the harbor included in the modified Project. The activities associated with the proposed modified Project do not alter the findings in the Final EIR. No mitigation measures are required.

3.1.14 Cumulative Impacts

The construction equipment and construction duration for the modified Project will be significantly less than the original design analyzed for the same time frame in the Final EIR. The same mitigation measures will be adhered to during construction, as applicable. The operations of the site under the proposed modified Project are similar but much less intense in scope than was previously assessed and also do not include the magnitude of visitors, students and employees that was originally evaluated. The above analysis shows that the modification will not affect any of the Project-specific impact determinations made in the Final EIR. As such, the modified project components will not adversely affect the cumulative impact determinations made in the Final EIR.

3.2 Conclusions

None of the conditions as described under Sections 15162 and 15163 of the State CEQA Guidelines requiring a subsequent or supplemental EIR have occurred under the proposed modified Project. No new significant environmental effects and no substantial increase in the severity of previously identified significant effects would occur as a result of the proposed modified Project. Furthermore, there are no known mitigation measures or project alternatives that were previously considered infeasible but are now considered feasible that would substantially reduce one or more significant effects on the environment identified in the adopted Final EIR.

4.ACRONYMS

ACM	Asbestos Containing Materials
ADA	Americans with Disabilities Act
APP	Application for Port Permit
APN	Assessor's Parcel Number
AQ	Air Quality
AQMP	Air Quality Management Plan
ATP	Advancement Technology Program
BIO	Biological Resources
BMPs	Best Management Practices
CAAP	Clean Air Action Plan
CRHP	California Registry of Historic Places
CEQA	California Environmental Quality Act
F	Fahrenheit
FEIR	Final Environmental Impact Report
GHG	Greenhouse Gas
HRG	Historic Resource Group
LAHD	Los Angeles Harbor Department
LBP	Lead Based Paint
LOS	Level of Service
MM	Mitigation Measure
NEPA	National Environmental Policy Act
NOAA	National Oceanic and Atmospheric Administration
NOI	Noise
PRC	Public Resources Code
RWQCB	Regional Water Quality Control Board
SCAQMD	South Coast Air Quality Management District
SCH	State Clearinghouse
SCMI	Southern California Marine Institute
SOI	Secretary of Interior
TAP	Technology Advancement Program
TC	Transportation and Circulation
USACE	United States Army Corps of Engineers

5.REFERENCES

City of Los Angeles Harbor Department
May 2012. City Dock #1 Marine Research Center Draft EIR.

City of Los Angeles Harbor Department
October 2012. City Dock #1 Marine Research Center Final EIR.

City of Los Angeles Harbor Department
September 2013. Addendum to the City Dock #1 Marine Research Center Final EIR.

City of Los Angeles Harbor Department
August 2013. Port Master Plan.

Historic Resources Group on behalf of the Port of Los Angeles
August 2016. Tenant Improvements for AltaSea Berths 57, 58, 59-60, Port of Los Angeles.

LSA on behalf of ICF, Jones and Stokes
2011. *Historic Resources Evaluation Report of Municipal Pier No. 1.*

Appendix A - Mitigation Measures Applicable to the Proposed Modified Project[1]

Below is a summary of those mitigation measures that were included in the City Dock EIR and are applicable to the currently proposed Project:

MM – AQ-1	Implement Harbor Craft Engine Standards.
MM – AQ-2	Implement Fleet Modernization for Construction Equipment.
MM - AQ-3	Implement Additional Fugitive Dust Controls.
MM – AQ-4	Implement AQMD's Super Compliant Coatings of 10 grams per liter of VOC.
MM – AQ-5	Implement the Clean Trucks Program.
MM – AQ-6	Implement Best Management Practices.
MM – AQ-7	Implement General Mitigation Measure.
MM-GHG-1	Continue to review the feasibility of incorporating the project site into the survey of potential photovoltaic sites.
MM-BIO-1	Avoid Marine Mammals during pile driving activities.
MM-BIO-2	Minimize In-water Pile Driving Noise.
MM_NOI-1	Maintain construction equipment.
MM-NOI-2	Local Equipment Away from Noise Sensitive Land Uses.
MM-NOI-3	Utilize Quiet Equipment.
MM-NOI-4	Notify Sensitive Receptors.

Lease Measures

The tenant is required to comply with all applicable Lease Measures and Tenant Improvements related to Berths 56-60 applicable to the Business Hub and Launch Plaza and the wharf improvements including the implementation of a Soil Management Plan.

[1] *A more detailed discussion regarding implementation of these mitigation measures can be found in the Final EIR for City Dock #1, Table ES-3.*

Amended and Restated Lease No. 904 - AltaSea

Date Printed: 28 July 2017



Legend

SCALE 1: 57,282

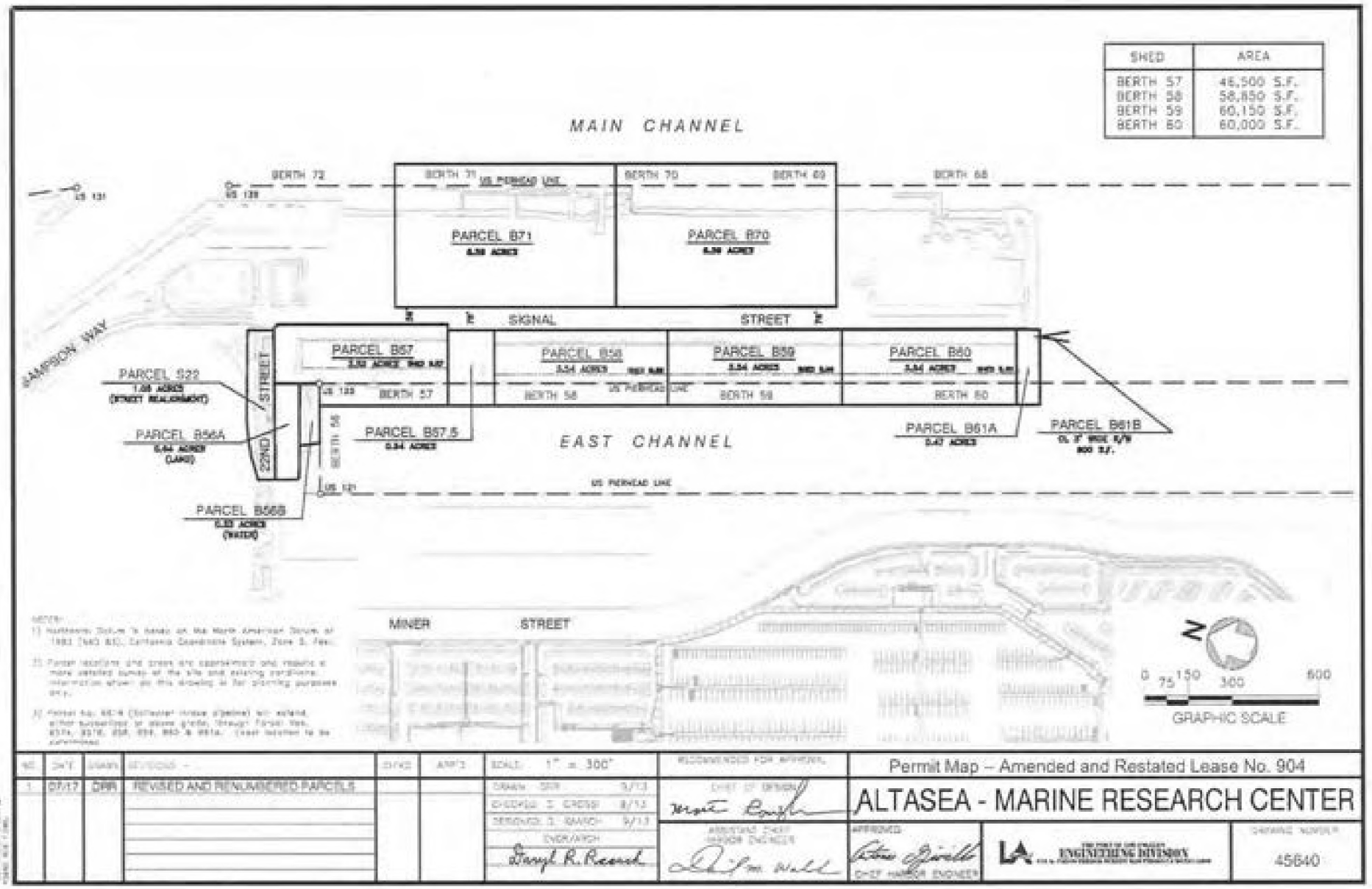
9,547.0 0 9,547.0 Feet

Projection: WGS_1984_Web_Mercator_Auxiliary_Sphere

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

THE PORT OF LOS ANGELES



SHED	AREA
BERTH 57	46,500 S.F.
BERTH 58	58,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.

NOTES:
1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, feet.
2) Parcel locations and areas are approximate and reserve a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.
3) Parcel No. B57.5 (Outfall) minus pipeline) will extend either horizontally or above grade, through Parcel Nos. B57A, B57B, B58, B59, B60 & B61A. Exact location to be determined.

NO.	DATE	DRAWN	REVISIONS	CHKD	APP'D
1	07/17	DRR	REVISED AND RENUMBERED PARCELS		

SCALE: 1" = 300'

DRAWN: DRR 9/13
CHECKED: T. CROSS 9/13
DESIGNED: S. RANCH 9/13
OVERLAYED: Daryl R. Record

RECOMMENDED FOR APPROVAL:
CHIEF OF DESIGN
ASSISTANT CHIEF HARBOR ENGINEER

Permit Map – Amended and Restated Lease No. 904

ALTASEA - MARINE RESEARCH CENTER

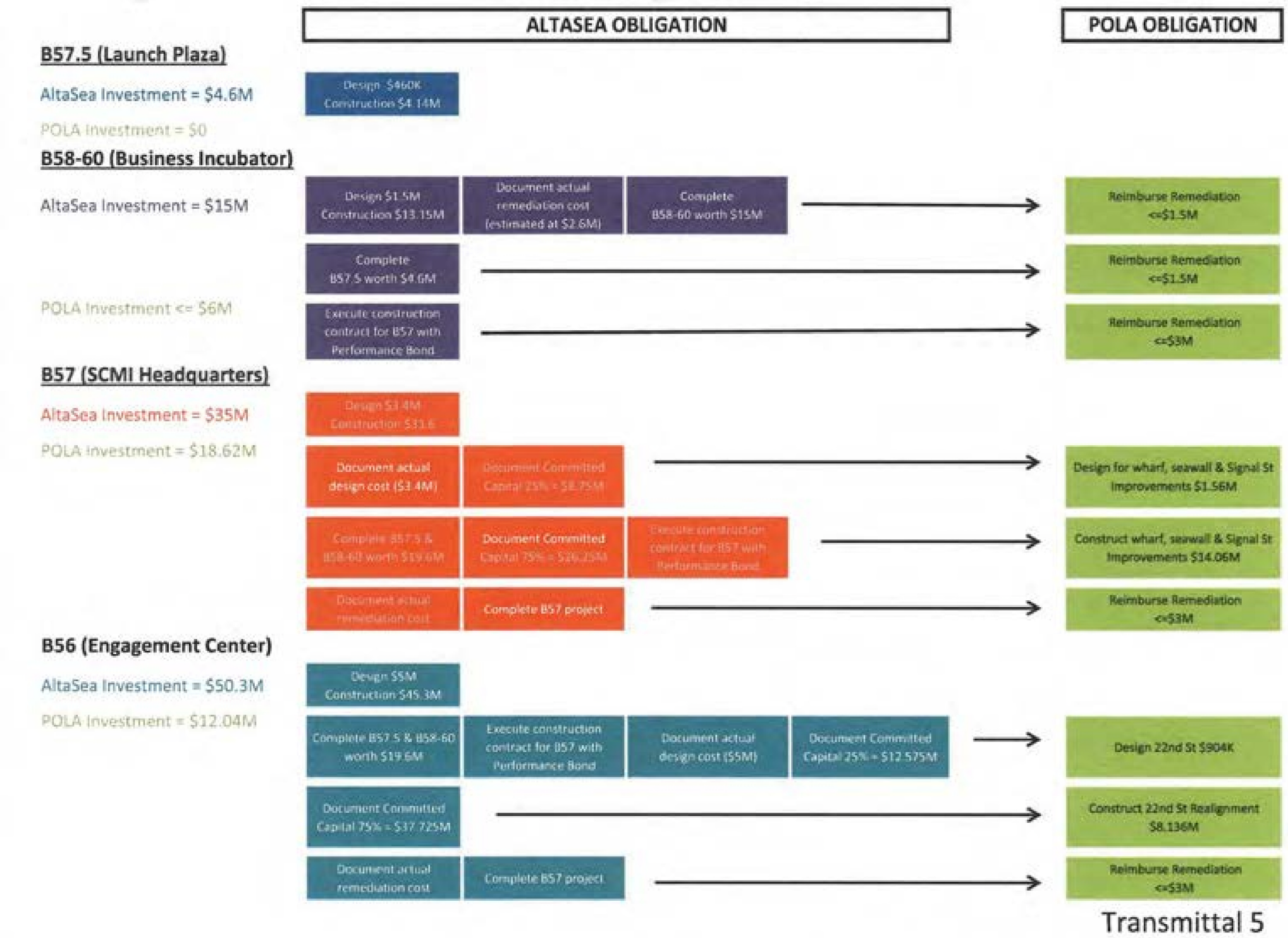
APPROVED:
CHIEF HARBOR ENGINEER

THE PORT OF LOS ANGELES
ENGINEERING DIVISION

DRAWING NUMBER
45640

Transmittal 4

AltaSea New ase Structure



Transmittal 5

EXHIBIT F

NON- MONETARY COMPENSATION
SERVICES AND PUBLIC BENEFITS TO BE PROVIDED BY TENANT

Section 1: General Requirements

The Tenant shall provide the services and benefits established in this Section 1 from the Effective Date of the Agreement through expiration or earlier termination of the Agreement.

1) Tenant acknowledges that City maintains leases and other agreements for existing facilities, attractions, and activities with other non-profit 501(C)(3) entities and City agencies, including but not limited, Cabrillo Marine Aquarium, the Maritime Museum, U.S.S. Iowa, the Los Angeles Maritime Institute, and Port Tech LA. Tenant agrees to collaborate and coordinate with such other non-profit entities and City agencies to ensure Tenant activities complement and do not duplicate other non-profit LA Waterfront activities to maximize success of all non-profits and diversified recreational, commercial, and job opportunities.

2) Tenant and its subtenants shall post all concession cashiers, maintenance, security and any entry-level position employment opportunities at the First Source Workforce Development Office ("First Source"), a workforce development program that provides prospective employee applicants through a non-exclusive job referral system. Tenant shall also consult the First Source list of prospective employee applicants prior to any such hiring.

3) Tenant shall participate in the Harbor Department internship program and by the fifth year following the Effective Date of this Agreement provide up to five (5) summer internships.

4) Tenant shall in good faith and with all reasonable diligence use commercially reasonable efforts to use suitable advertising and other means to promote the use of the Premises granted by this Agreement. Tenant shall utilize local hotels, facilities and venues in the City, and particularly in the communities of San Pedro and Wilmington, and encourage its visitors and guests to utilize such hotels, facilities and venues, for any off-site and/or ancillary purposes and events required for the associated use of the Demised Premises, including but not limited to conventions and meetings, to its commercially reasonable ability.

5) Thirty (30) days following the end of the Compensation Year, Tenant shall annually report in writing to the City the following information, as applicable:

(a) Number of all employment opportunities submitted to First Source by Tenant and its subtenants.
(b) Number of employees Tenant and its subtenants hired through First Source and number of employees otherwise hired.
(c) Engagement Center visitation levels, broken down by:
    - General public
    - Students provided organized tours, broken down by: Kindergarten – Sixth (6th) grade; Middle School; High School; and College students.
    - Tenant sponsored community events
    - Tenant sponsored conferences
    - Tenant sponsored special events

(d) Number of students reached through off-site programs: Kindergarten – Sixth (6th) grade; Middle School; High School; and College students.
(e) Number of college students participating in courses at the Demised Premises, broken down by graduate and under graduate levels.
(f) Number of Post Doctorate students based at the Demised Premises.
(g) Number of visitors and students provided boat tours, broken down by participant categories listed in item (c).
(h) Number of other public tours provided, broken down by participant categories listed in item (c).
(i) Date, attendance level, and summary of marketing and outreach materials for the annual open house event.
(j) Date, time, subject, location, and attendance level of all public lectures provided by Tenant and its subtenants, pursuant to the requirements established in Section 2 below.
(k) Date, time, community group, and event provided rent free use of the Engagement Center auditorium, pursuant to the requirements established in Section 2 below.
(l) List of all subtenants and their location within the Demised Premises.
(m)Location of all conferences held by Tenant and its subtenants related to research and operations at the Demised Premises.
(n) Research funding obtained and sources of research funding by Tenant and its subtenants.
(o) Number of Tenant and its subtenant employees with the Demised Premises being their primary work location.
(p) Any other information deemed appropriate by the Tenant to illustrate services and public and economic benefits provided by Tenant operations.
(q) Capital expenditures in the prior Compensation Year.
(r) Number of volunteer hours worked and activities performed on the Demised Premises.
(s) Approximate number of daylight hours Parcel B57 wharf public promenade access is restricted due to Tenant activities and operations.

6) Within thirty (30) days after the end of each Compensation Year, Tenant shall submit to the Executive Director a written certification of compliance with the Exhibit F, Exhibit K, and Tenant's Environmental Compliance Plan developed pursuant to Exhibit K requirements as may be applicable for such Compensation Year. In the event that the Tenant did not achieve compliance with any applicable requirement(s) in the prior year, Tenant shall include a plan to remedy the identified deficiency. In the event of non-compliance, the City may request more frequent reporting from Tenant related the Exhibit F requirements and Tenant shall provide City with such more frequent written reports until compliance with the requirements is achieved. All reports submitted by Tenant shall be verified and contain the following statement signed by an authorized officer of Tenant: "I, (Name of Officer), am the (Title of Officer) of (TENANT), and I hereby verify that I have personal knowledge of the information contained in this report and that the same is true, correct and complete under penalty of perjury under the laws of the State of California."

Section 2: Parcel Specific Requirements

In addition to the general services and benefits established in Section 1, the Tenant shall provide the additional services and benefits specified below for each parcel possessed by Tenant.

2.1 Parcels B56A and B56B Requirements

1) Tenant acknowledges that the Harbor Department holds events along the LA Waterfront throughout the year to provide unique opportunities for public access. Upon occupancy of Parcels B56A and B56B, Tenant shall provide the Harbor Department a list of Tenant and subtenant planned public events for the coming calendar year, no later than November 1. Tenant shall work with the Harbor Department in good faith to coordinate events so as to maximize the success of Tenant and Harbor Department events.

2) Within five (5) years following the Effective Date of the Agreement, the Tenant, regardless of the status of construction of the engagement center or other Tenant Improvements, shall annually reach 5,000 kindergarten through 12th grade students through on or off site programs, such as through classroom based programs or providing teachers with curriculum materials related to on-going or planned research and operations at the Demised Premises.

3) Upon completion of construction, Tenant shall operate and maintain an engagement center, related to the activities at the Demised Premises' facilities, that is open to the public free of charge for a minimum of 40 hours at least five days a week, excluding federal and City of Los Angeles holidays. At least two of such five days must be Saturday and Sunday for a minimum of four (4) hours each day. The hours of operations of the Cabrillo Marine Aquarium will be used as a guideline to leverage audiences for both facilities. Public restrooms in the

engagement center shall be available to public promenade users during engagement center hours.

4) Upon opening of the engagement center, Tenant shall provide at a minimum, free to the public:

    a) Bi-weekly kindergarten through 12th grade educational tours, including transportation to and from the schools to the Demised Premises, for Los Angeles Unified District (LAUSD) students during the school year.

    b) Bi-monthly Saturday workshops for the community pertinent to Demised Premises operations or other marine-related topics.

    c) An annual open house of the Project facilities at the Demised Premises as they are developed by the Tenant. The Tenant is not required to provide public access to all facilities on the Demised Premises during the open house event, but engagement materials or programs explaining the purpose of the various facilities and the benefit of the marine research being conducted shall be provided to the public by the Tenant.

    d) A public lecture series pertinent to Demised Premises operations or other marine-related topics, with a minimum of 12 lectures annually. Lectures may be provided at locations other than the Demised Premises to enable greater public outreach opportunities, but all 12 lecture locations shall be within the City of Los Angeles.

5) Within two (2) years following opening of the engagement center, Tenant shall provide engagement center tours to a minimum of 5,000 kindergarten through 12th grade school students and reach an additional 15,000 kindergarten through 12th grade school students on or off-site, such as through classroom based programs or providing teachers with curriculum materials related to the research and operations conducted on the Demised Premises.

6) Within four (4) years following opening of the engagement center, the Tenant shall provide engagement center tours to a minimum of 10,000 kindergarten through 12th grade school students and reach an additional 25,000 kindergarten through 12th grade school students on or off-site, such as through classroom based programs or providing teachers with curriculum materials to the research and operations conducted on the Demised Premises.

7) Upon opening of the engagement center, Tenant shall allow the City to use the engagement center auditorium free of charge, including janitorial services, security services, utility costs, and any additional costs, for a minimum of twelve (12) days annually for City of Los Angeles or Harbor Department sponsored events or meetings. The City must provide Tenant a minimum of thirty (30) days written

notice requesting use of the auditorium. The thirty (30) days written notice period can be waived at the sole discretion of the Tenant.

8) Upon opening of the engagement center, Tenant shall allow community groups the use of the engagement center auditorium for minimum 6 events annually. The Tenant shall waive the rental fee for these events; however, security, janitorial, and any additional costs will be the responsibility of the community groups.

9) No later than two (2) years following the Effective Date of the Agreement Tenant shall develop and maintain a website detailing the Project marine research activities and Tenant plans. Tenant shall update the research information on the website semi-annually at a minimum.

10) Upon completion of construction, Tenant shall maintain at its sole cost and expense the public promenade and other public spaces on the Demised Premises, consistent with Harbor Department standards. The public promenade shall be open to the public free of charge and consistent with the hours of other LA Waterfront promenade areas.

2.2 Parcel B57

1) Upon occupancy of Parcel B57, Tenant shall:

   a) Develop and maintain exhibit space at transit shed Warehouse 57 that is open to the public, free of charge, a minimum of 40 hours a week and specifically related to marine research activities being undertaken at the Demised Premises. Hours shall be established by the Tenant and posted at both the exhibit area and on the Tenant's website.

   b) Develop and make available on Tenant's website middle and high school curriculum materials related to the research being highlighted in the transit shed Warehouse 57 exhibit space.

   c) Provide the following free tours, separate and apart from each other and other tours required by this Exhibit F:
      i. Bi-weekly tour of the public exhibit space and Demised Premises activities in coordination with the engagement center tours.
      ii. Bi-monthly tours of the Demised Premises gardens.
      iii. Bi-monthly tours on which investigators or researchers will discuss their marine research work.

   d) Provide six (6) lectures annually, separate and apart from other lectures required by this Section 2.2 or other Sections of this F, by investigators or researchers participating in research at the Demised Premises. Lectures may be provided at locations other than on the Demised Premises to

enable greater public outreach opportunities, but all 6 lecture locations shall be within the City of Los Angeles.

e) Provide free boat tours, including transportation to and from the school to the Demises Premises, to elementary, middle, or high school students a minimum of once a month. Students participating in the boat tour may be the same students participating in other tours required by this Section 2.2 or other Sections of this Exhibit F.

f) Tenant's website shall be enhanced to include:
   i. Video of real time research being conducted at Demised Premises.
   ii. Details of tour and lecture schedules.

g) Provide City free of charge, including fuel, vessel staff, equipment, and any other costs, use of a research vessel adequate to perform harbor water quality sampling for one eight (8) hour day every month. Tenant will work with the City to establish an advanced schedule for use of the vessel consistent with monthly monitoring protocols.

2) Five (5) years following occupancy of Parcel B57, Tenant and its subtenants shall have a Post Doctorate program based at the Demised Premises.

3) Five (5) years following occupancy of Parcel B57, Tenant and its subtenants shall have an undergraduate program based at the Demised Premises.

4) Ten (10) years following occupancy of Parcel B57, Tenant and subtenant operations shall provide approximately 70 jobs on the Demised Premises.

5) Upon completion of construction activities on Parcel B57, Tenant shall maintain at its sole cost and expense the public promenade, public restrooms, and public spaces on the Demised Premises, consistent with City Harbor Department standards. The public promenade shall be open to the public free of charge and consistent with the hours of other LA Waterfront promenade areas. Public restrooms on Parcel B57 shall be open to the public free of charge and consistent with the hours posted for the 22nd Street Park.

6) Upon occupancy of Parcel B57, Tenant shall prepare and submit to the Executive Director a plan for controlling public access on the public promenade during vessel loading and unloading activities and other essential operations conducted on the wharf area.

2.3 Parcels B58, B 59, B60, B61A

1) Upon occupancy of Parcels B58, B59, B60 and B61, Tenant shall:

a. Develop and maintain two exhibit spaces at transit shed Warehouses 58-60 (minimum 3,000 square feet) specifically related to business development activities being undertaken at the Demised Premises to be open to the public free of charge a minimum of 40 hours a week. Hours shall be established by Tenant and posted at both the exhibit area and on Tenant's website.

b. Develop and make available on Tenant's website middle and high school curriculum materials related to the new businesses being highlighted in the exhibit space at Warehouses 58-60.

c. Provide the following free public tours, separate and apart from each other and other tours required by this Exhibit F:

    i. Bi-weekly tours of the public exhibition space and Parcels B58, B59, B60 and B61 activities in coordination with the engagement center tours.

    ii. Bi-monthly tours of the gardens and other public area features on Parcels B58, B59, B60 and B61 including the viewing platform at the south section of Parcel B61.

d. Provide six (6) lectures annually, separate and apart from other lectures required by Exhibit F, by business entrepreneur subtenants on the Demised Premises. Lectures may be provided at locations other than the Demised Premises to enable greater public outreach opportunities, but all 6 lecture locations shall be within the City of Los Angeles.

e. Enhanced Tenant website to detail tour and lecture schedules.

2) 5 years following occupancy of Parcels B58, B59, B60 and B61, Tenant and subtenant operations shall provide approximately 180 jobs on the Demised Premises, in addition to the 70 on-site jobs set forth in Section 2.2 (4).

2.4 Parcels B70 and B71

Tenant shall provide Non-Monetary Compensation services and public benefits associated with development of Parcels B70 and B71 as established pursuant to the procedures set forth in the Agreement.

Section 3: Updates to Exhibit F

At each Five-Year Rate Adjustment, this Exhibit F may be updated to reflect appropriate non-monetary compensation services and public benefits. Such updates shall be made by order of the Board as set forth in Section 5.5.

EXHIBIT B

Plan of the Premises

(not to scale)

This plan is solely an approximate depiction of the general layout of the warehouse portion of Parcel B59 of the Total Premises as currently contemplated by Sublandlord, and the approximate size, location and configuration of the Premises therein. The precise size and configuration Parcel B59, the Premises and/or the buildings and other improvements comprising any part of the Total Premises, including, without limitation, access points and shared common space, may differ from that depicted on this site plan and may be subject to change for any reason in connection with Sublandlord's proposed improvement of the Total Premises or otherwise. Sublandlord makes no representation or warranty in connection with this general layout plan and has no obligation to undertake any improvements contemplated therein or otherwise.

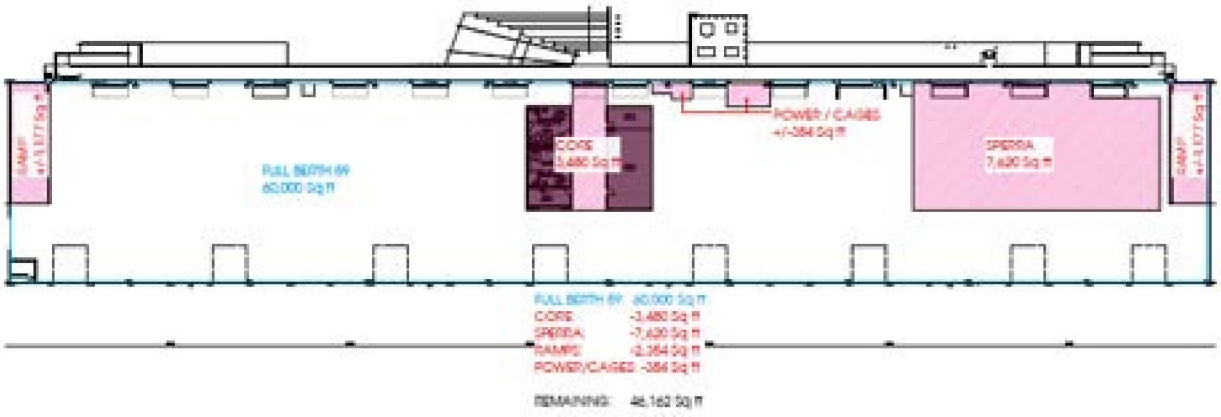


EXHIBIT C

Work Plan

I. SUBLANDLORD WORK.

Sublandlord shall, at its sole cost and expense, complete certain structural wharf, deck and piling work as and to the extent required for the Premises as determined by Sublandlord in its good faith reasonable discretion (collectively, "Sublandlord's Work"). Sublandlord's Work shall be performed in accordance with Sublandlord's Plans (as defined below), in a good and workmanlike manner and in compliance with all applicable laws. Sublandlord may, but shall not be obligated to, retain the general contractor performing Subtenant's Work to perform Sublandlord's Work, it being understood that, in such case, Sublandlord shall enter into a separate written agreement with Subtenant's approved general contractor for the performance of Sublandlord's Work. In any event Sublandlord's Work shall be performed concurrently with Subtenant's Work.

Sublandlord shall prepare and deliver to Subtenant plans and specifications describing the scope, design, means and methods of the Sublandlord's Work for Subtenant's review; provided, that Subtenant shall not have any approval or comment rights with respect thereto unless the same would materially and adversely affect Subtenant's Work, and in such case the parties shall meet and confer to attempt to eliminate or reduce the material and adverse impact on Subtenant's Work. The final plans and specifications for Sublandlord's Work shall be referred to herein as the "Sublandlord's Plans."

Subtenant's review of Sublandlord's Plans as set forth herein shall be for Subtenant's sole purpose and shall not imply Subtenant's review of the same, or obligate Subtenant to review the same, for quality, design, code compliance or other like matters. Accordingly, notwithstanding that any Sublandlord's Plans are reviewed by Subtenant or its consultants, and notwithstanding any advice or assistance which may be rendered to Sublandlord by Subtenant or its consultants, Subtenant shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Sublandlord's Plans, except to the extent the same is the result of any misrepresentation, negligence, or willful misconduct of Subtenant or any of its employees, contractors, agents or representatives.

Sublandlord shall (or cause the general contractor to) submit Sublandlord's Plans to LADBS for plan check and permits, and thereafter Sublandlord shall use all commercially reasonable diligent efforts to pursue and complete Sublandlord's Work as soon as reasonably possible. For the avoidance of doubt, Sublandlord shall obtain a separate permit for Sublandlord's Work.

Sublandlord and Subtenant shall cooperate in good faith to coordinate the performance of their respective work. Sublandlord and Subtenant shall establish and maintain a mutually agreed-upon construction schedule and shall convene routine construction coordination meetings and their respective contractors and project managers to review progress, resolve conflicts, confirm upcoming activities, and update the construction schedule.

Subtenant shall have the right to file a Notice of Non-Responsibility regarding payments to be made under Sublandlord's contract with its contractor and all subcontractors constructing Sublandlord's Work.

Any delay in Subtenant's Work or occupancy caused by (i) Sublandlord's Work, (ii) the failure of Sublandlord to coordinate its work, (iii) interference by Sublandlord or its contractors, (iv) any access restrictions or unsafe conditions created by Sublandlord's Work, (v) any material deviation by Sublandlord from the approved construction schedule, subject to events of Force Majeure, or (vi) any default by

Sublandlord under this Sublease, shall constitute a Sublandlord Delay, to the extent such delay is caused by such failure or event.

Sublandlord shall timely pay (and shall cause its general contractor to timely pay) all amounts properly due to its contractors, subcontractors, laborers, and material suppliers in connection with Sublandlord's Work. If Sublandlord fails to timely pay, Subtenant may treat any resulting impact to Subtenant's Work, access, or operations as a Sublandlord Delay to the extent such delay is caused by such failure.

II. SUBTENANT WORK.

Subtenant shall and subject to all other terms and conditions of the Sublease, design and conduct work and improvements in the Premises (collectively, "Subtenant's Work"), all in accordance with the "Approved Plans" (as defined below). Subtenant's Work shall be at Subtenant's sole cost and expense.

The space plan for the Subtenant's Work (the "Space Plan") is attached hereto and incorporated herein as Schedule 1, which Space Plan is approved by Sublandlord and Subtenant. Subtenant may have changes to the Space Plan following the mutual execution of the Sublease, and Subtenant shall submit said changes to Sublandlord for review and reasonable approval by Sublandlord. The final space plan approved by Sublandlord and Subtenant shall be referred to herein the "Final Space Plan".

Promptly following approval of the Final Space Plan, Subtenant shall cause its architect/space planner to prepare construction drawings, plans and specifications for Subtenant's Work ("Construction Drawings") based on the Final Space Plan. Prior to commencing Subtenant's Work, Subtenant shall submit said Construction Drawings to Sublandlord for review and reasonable approval by Sublandlord and Master Landlord; provided, that so long as the Construction Drawings are consistent with the Final Space Plan, Sublandlord shall not unreasonably withhold, condition or delay their consent to the Construction Drawings, and Sublandlord shall use commercially reasonable efforts to obtain Master Landlord's consent to the Construction Drawings. Without limiting the generality of the foregoing, Sublandlord shall give reasonable approval for Subtenant to use existing ventilation within the Premises as part of Subtenant's Work.

Sublandlord and Master Landlord shall notify Subtenant of their approval or comment to Subtenant's Construction Drawings within five (5) business days following such submission. If Sublandlord or Master Landlord provide comments to the Construction Drawings, Subtenant shall revise and resubmit the Construction Drawings to Sublandlord, and Sublandlord and Master Landlord shall notify Subtenant of their approval or comment to Subtenant's revised Construction Drawings within five (5) business days following such resubmission. If Sublandlord or Master Landlord fail to notify Subtenant of their approval or comment within such time period, Subtenant may provide a second notice to Sublandlord identifying such failure, and if Sublandlord or Master Landlord fail to notify Subtenant of their approval or comment within said three (3) business days following the second written notice, Sublandlord and Master Landlord shall be deemed to have approved the Construction Drawings. The Construction Drawings approved (or deemed approved) by Sublandlord and Master Landlord shall be referred to herein as the "Approved Plans".

Sublandlord's review of and approval of the Approved Plans as set forth herein shall be for Sublandlord's sole purpose and shall not imply Sublandlord's review of the same, or obligate Sublandlord to review the same, for quality, design, code compliance or other like matters. Accordingly, notwithstanding that any Approved Plans are reviewed by Sublandlord or its consultants, and notwithstanding any advice or assistance which may be rendered to Subtenant by Sublandlord or its consultants, Sublandlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Approved Plans. Any modular containers proposed to be used by Subtenant in the Premises shall be state-certified and acceptable to Sublandlord, and Subtenant shall repair all damage resulting from

delivering, installing, and/or removing (if applicable) such container. The time and manner of such delivery, installation, and/or removal (if any) shall be subject to Sublandlord's prior written approval.

Subtenant shall submit the Approved Plans to LADBS for plan check and permits. Thereafter, Subtenant shall use all commercially reasonable diligent efforts to pursue and complete Subtenant's Work as soon as reasonably possible. Subtenant shall ensure that Subtenant's Work is constructed in a good and workmanlike manner, in accordance with applicable laws and in material conformity with the Approved Plans, and all materials and equipment and materials utilized in the construction of Subtenant's Work shall be of good quality. Subtenant shall have the right to hire licensed non-union contractors, subcontractors, consultants and material suppliers without regard to any prevailing wage or similar requirement to design, permit and construct the Subtenant's Work, unless such union, prevailing wage or similar condition is required by applicable law, the Master Lease, or any agreement in effect between Sublandlord and any union or other third party. All contractors, subcontractors, consultants and material suppliers shall be subject to Sublandlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed; provided, that Sublandlord hereby approves AREA as Subtenant's architect, Pacific Tusk Builders as Subtenant's general contractor, and RHM and Associates as Subtenant's project/construction manager, provided that such parties are and remain duly licensed, bonded and insured in accordance with AltaSea's reasonable requirements.

Neither Sublandlord nor Master Landlord impose any charge of any kind for overhead, coordination or supervision in connection with the design or construction of Subtenant's Work. Further, during construction of Subtenant's Work, Subtenant shall not be charged for security in connection with the construction of Subtenant's Work, and Subtenant shall not be charged for parking for Subtenant's architect, engineers, project manager, contractor, subcontractors, consultants and material suppliers.

Sublandlord shall have the right to file a Notice of Non-Responsibility regarding payments to be made under Subtenant's contracts with its contractor and all subcontractors constructing Subtenant's Work. If Sublandlord or its representative inspects the Premises and reasonably determines that Subtenant's Work not being done in accordance with the Approved Plans, Subtenant shall promptly correct any deficiencies or omissions. During performance of Subtenant's Work, (i) Subtenant agrees to cause its contractor to carry "Builder's All Risk" insurance in an amount reasonably acceptable to Sublandlord covering the construction of all Subtenant's Work, and if Sublandlord elects to use the same general contractor as Subtenant, Sublandlord shall cause the contractor to carry "Builder's All Risk" insurance covering Sublandlord's Work, and the cost of all such insurance if covered under one policy shall be shared by Sublandlord and Subtenant in proportion to the value of their respective work (if such coverage is under two separate policies, each party shall bear their own respective insurance cost), and (ii) Subtenant, its contractor and all subcontractors shall provide or cause their contractor(s) to provide, such insurance as may from time to time be required by applicable city, county, state or federal laws, codes, regulations or authorities, together with such other insurance as is reasonably necessary or appropriate under the circumstances, as reasonably required by Sublandlord.

Upon completion of Subtenant's Work, Subtenant shall deliver to Sublandlord the following items: (a) final, unconditional waivers from all persons performing work or supplying or fabricating materials for such work, fully executed, acknowledged and in recordable form, (b) copies of all paid invoices, (c) a copy of a Notice of Completion recorded in the office of the recorder of Los Angeles County, and (D) all close-out documents customarily provided for work of similar scope (e.g., test reports, permits sign-offs, warranties).

Notwithstanding anything to the contrary contained herein, the Commencement Date as set forth in Section 2 of the Sublease shall be extended one (1) day for each day that substantial completion of the Subtenant's Work does not occur as a result of a "Sublandlord Delay" (as defined below). As used herein, "Sublandlord

Delay" shall mean a delay in the substantial completion of the Subtenant's Work to the extent caused by Sublandlord, including, without limitation, any failure by Sublandlord to deliver the Premises in the Required Condition by the Outside Date, provide approvals within the time periods set forth herein, or make the Premises available to Subtenant's contractor on a timely basis, or the existence of any Environmentally Regulated Material, or any Union Requirement; provided, that a Sublandlord Delay shall be deemed to have occurred only if Subtenant delivers written notice to Sublandlord of the situation giving rise to the potential Sublandlord Delay, and Sublandlord fails to cure such delay within two (2) business days after Sublandlord's receipt of such notice.

Notwithstanding anything to the contrary contained herein, the Commencement Date as set forth in Section 2 of the Sublease shall be extended one (1) day for each day that substantial completion of the Subtenant's Work does not occur as a result of an "Approval Delay" (as defined below). As used herein, an "Approval Delay" shall mean a delay in the substantial completion of the Subtenant's Work to the extent caused by any unreasonable and non-customary delay in Subtenant receiving any approvals or consents from Master Landlord or any applicable governmental authority where such approvals or consents relate to Subtenant's use of the Premises, compliance with the Special Compliance Provisions, or Subtenant's Work, including any permitting delays resulting from LADBS, inspection signoffs or certificates of occupancy relating to Subtenant's Work.

Notwithstanding anything to the contrary contained herein, but subject in any event to Subtenant's Limited Compliance Obligation, in the event that any portion of Premises or Total Premises (including, without limitation, the Wharf Area) requires any alteration, installation, addition, improvement, repair, replacement or other modification as a result of any latent defect, hazardous material, violation of applicable law or other building deficiency (regardless as to the time of discovery, e.g., during the course of initial space planning, plan check or field inspection), Subtenant may notify Sublandlord of such requirement and Sublandlord shall promptly cure the same at Sublandlord's sole cost and expense, and the time period for such work shall be deemed a Sublandlord Delay.

Notwithstanding anything to the contrary contained herein, in the event that any portion of the Premises, including any areas within the Building entered or accessed for the completion of Subtenant's Work, are determined to contain Environmentally Regulated Materials in violation of applicable law or in violation of Landlord's representations set forth in this Sublease, Subtenant shall have the right to remove, encapsulate, contain or otherwise dispose of such Environmentally Regulated Materials to the extent required by applicable law, and, provided that Subtenant and its employees, representatives or guests are not responsible for the legal violation in question, the reasonable out of pocket cost incurred by Subtenant in connection therewith shall be reimbursed by Sublandlord to Subtenant.

Any delay in Sublandlord's Work or occupancy caused by (i) Subtenant's Work, (ii) the failure of Subtenant to coordinate its work, (iii) interference by Subtenant or its contractors, (iv) any access restrictions or unsafe conditions created by Subtenant's Work, (v) any material deviation by Subtenant from the approved construction schedule, subject to events of Force Majeure, or (vi) any default by Subtenant under this Sublease, shall constitute a Subtenant Delay, to the extent such delay is caused by such failure or event, and substantial completion of Subtenant's Work shall be deemed to have occurred on the date that Subtenant's Work would have been substantially complete but for the Subtenant delay.

EXHIBIT C-1

SPACE PLAN



EXHIBIT C-2

SUBLANDLORD DELIVERY WORK

1. Electrical: Subtenant shall have their proportionate share of power which shall be provided to Subtenant ready for distribution to the Premises, and Sublandlord shall furnish and install required step down transformers and power panels.
2. Flooring: Sublandlord shall deliver the Premises vacant (except for common area paths of travel) and free of debris.

904A

FIRST AMENDMENT TO LEASE NO. 904
BETWEEN THE CITY OF LOS ANGELES AND
ALTASEA AT THE PORT OF LOS ANGELES

THIS FIRST AMENDMENT to Lease No. 904 ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

This First Amendment shall be effective September 11, 2018 upon approval of the Board and the City of Los Angeles City Council in accordance with the requirements of the City of Los Angeles City Charter and Administrative Code.

The Agreement is hereby amended a first time as follows:

1. Parcel B61C. Parcel B61C, measuring 12,155 square feet, is added to the Premises as delineated on Permit Map-Authority No. L904 Drawing No. 45640 rev. 1, attached hereto as Attachment 1.

2. City and Tenant hereby agree that no City Improvements or Tenant Improvements shall be required for Parcel B61C under Section 3.3 of the Agreement.

3. Section 3.1. Section 3.1 hereby is deleted in its entirety and is replaced with the following provision:

"3.1 Description. The premises subject to this Agreement consist of Parcel Nos. B56A, B56B, B57, B57.5, B58, B59, B60, B61A, B61B, B61C, B70, B71, S22, as delineated and more particularly described on Permit Map-Authority No. L904 ("Premises") that is on file in the office of the Chief Harbor Engineer of the Harbor Department ("Harbor Engineer") and is attached hereto as Exhibit A-1. The list of Existing City Improvements is attached hereto as Exhibit C. The total acreage of the Premises is 35.03 acres of land/wharf/warehouse and water including 23.73 acres of land/wharf/warehouse and 11.30 acres of water. The Premises encompass the total property and improvements subject to this Agreement. However, Tenant shall be entitled to accept and take possession of individual Parcels within the Premises pursuant to the process for Tenant acceptance and possession of individual Parcels described in Section 3.2 below. Exhibit B shall identify the Demised Premises as said Demised Premises may be revised from time to time during the Term of the Agreement. Upon incorporating any individual Parcels into the Demised Premises, the Executive Director shall issue an updated Demised Premises Exhibit as Exhibit B-# and so forth numerically as Tenant accepts and takes possession of Parcels over the Term of the Agreement. Said revised Exhibit B shall be transmitted to Tenant and shall list all of the Parcels that Tenant has accepted or is in possession of as permitted in Section 3.2 of this Agreement. Upon City's transmittal to Tenant, each such issued Exhibit B-# shall be deemed to:

(i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit B-#."

4. Exhibit A hereby is deleted in its entirety, and is replaced with Exhibit A-1, attached hereto and made a part of the Agreement.

5. Upon the effective date of this First Amendment, Tenant will have accepted and shall be in possession of Parcel Nos. B57.5, B58, B59, B60, B61A, and B61C as identified on Exhibit B-1.

6. Exhibit B and all versions of Exhibit "B-#" issued prior to the effective date of this First Amendment are hereby deleted in their entirety and replaced with Exhibit B-1, attached hereto, and made a part of the Agreement.

7. Section 3.2.4. Section 3.2.4 hereby is deleted in its entirety and is replaced with the following provision:

"3.2.4 Parcels B61A and B61C Existing Tenants. Tenant acknowledges that at the Effective Date of this Agreement, City has leased portions of Parcel B61A and Parcel B61C as identified on Exhibit A-1 to U.S. Water Taxi, pursuant to Revocable Permit #1491 and to the United States Department of Commerce National Oceanographic and Atmospheric Administration ("NOAA"), pursuant to Revocable Permit #1406 (collectively, "Existing Tenants"). Tenant shall in no way interfere with the Existing Tenants' access to or use of Parcels B61A and B61C, prior to Tenant taking possession of said Parcels. Prior to taking possession of said Parcels, Tenant shall cooperate with City to evaluate appropriate locations for NOAA within the Premises. During the Term of the Agreement, Tenant shall be required to accommodate NOAA's operation of a tide survey and gauging station in a location that ensures long-term continuity of data collected at that station and consistent with the terms of Revocable Permit #1406."

8. Section 5.1.4. Section 5.1.4 hereby is deleted in its entirety and is replaced with the following provision:

"5.1.4. Interim Compensation Period: "Interim Compensation Period" shall mean the period commencing the date Tenant first takes possession of Parcels B58-B60, B61A and B61C, or a portion thereof, as established in Exhibit B pursuant to Section 3.2.1.3(b) and ends on the initiation of the Final Compensation Period.

9. Section 5.3.1. Section 5.3.1 hereby is deleted in its entirety and is replaced with the following provision:

"5.3.1 Parcels B58-B60, B61A and B61C Interim Compensation Period Rent. Tenant shall pay the Minimum Annual Rent established below for Interim Compensation Period for Parcel B58-B60, B61A, and B61C or portions thereof, accepted by Tenant pursuant to Section 3.2.1.3(b). The

Minimum Annual Rent shall be prorated for the remainder of the Compensation Year during which Minimum Annual Rent first becomes due. During the Interim Compensation Period, upon the date of Tenant's possession of Parcels B58-B60, B61A, and B61C or portions thereof pursuant to Section 3.2.1.3(b), Tenant shall pay Minimum Annual Rent to the City as calculated by the City based upon a rental rate of $0.10 per square foot per year for water area and $0.42 per square foot per year for warehouse space. The warehouse rental rate includes the adjacent paved land and wharf area of Parcels B58-B60 and B61A. The square footage of the water and warehouse area in Tenant's possession shall be multiplied by the $0.10 and $0.42 per square foot per year rental rate, respectively, to establish the Interim Compensation Period Minimum Annual Rent. Tenant shall concur with the City's calculation of the rental area square footage. Tenant shall not receive any additional rental discount for any public areas for Parcel B58-B60, B61A and B61C areas."

10. Section 5.4.8 hereby is deleted in its entirety and is replaced with the following provision:

"5.4.8 Parcels with Minimum Annual Rent Pending. Tenant agrees and recognizes that the location, condition, circumstances, and planned facilities at Parcels B70-B71 differ significantly from those of Parcels B56A, B56B, B57, B57.5, B58, B59, B60, B61A, B61B, and B61C. Tenant agrees and recognizes that the basis of the Minimum Annual Rent established for Parcels B56A, B56B, B57, B57.5, B58, B59, B60, B61A, B61B, and B61C may not be applicable to establishing Minimum Annual Rent for Parcels B70 and B71 in the future."

11. Section 5.4.6.10. hereby is added to the Agreement as follows:

"5.4.6.10 Parcel B61C. Minimum Annual Rent for Parcel B61C shall be $587 provided Tenant complies with Exhibit F."

12. Section 5.5.1.2. Section 5.5.1.2 hereby is deleted in its entirety and is replaced with the following provision:

"Parcels B58-B60, B61A and B61C Interim Compensation Period Minimum Annual Rent. CPI adjustments as detailed in Section 5.5.1.1 shall begin on the July 1 of the first Compensation Year following the interim Compensation Period (which date and subsequent anniversaries shall be referred to individually as "Interim Rent Adjustment Date"), and annually thereafter."

13. Section 5.8.1(b). Section 5.8.1(b) hereby is deleted in its entirety and is replaced with the following provision:

"(b) Parcels B58-B60, B61A and B61C shall have a maximum Rent Credit of fifteen million ($15,000,000). Upon completion of redevelopment of Warehouses 58-60 and development of the Public Promenade as set forth in

Section 3.3.4, Tenant shall submit documentation detailing actual Tenant expenditures for development of the Public Promenade and redevelopment of Warehouses 58-60. The Executive Director shall review the Tenant documentation to ensure only redevelopment of Warehouses 58-60 and Public Promenade costs are included. The lesser of the maximum Rent Credit for Parcels B58-B60, B61A and B61C or actual Tenant expenditures for redevelopment of potentially historic Warehouses 58-60 and development of the Public Promenade shall be certified in writing by the Executive Director to Tenant."

14. Section 8.8.1. Section 8.8.1 hereby is deleted in its entirety and is replaced with the following provision:

"8.8.1 Generally. City, at its sole cost and expense, shall keep, maintain and repair wharf structures on or under the Demised Premises on an "as is" basis as conditions exist at this location on the Effective Date of this Agreement at Parcels B58, B59, B60, B61A and B61C and the structural integrity thereof to the extent that such maintenance and repairs are not required pursuant to damages caused by Tenant as described in Section 8.8.2. Notwithstanding the foregoing, use by the Tenant of Parcel B58, B59, B60, B61A and B61C shall be on an "as is" basis as conditions exist at this location on the Effective Date of this Agreement. "Wharf Structure" for purposes of this subsection includes, without limitation, the beams, girders, piles, sea walls, retaining walls, fill material, subsurface support slabs, bulkheads and pre-stressed concrete or wood piling, joists, pile caps and timber decking (except as noted herein), and any and all mooring dolphins. The wharf structure does not include the paving or surface condition of the timber decking."

15. Section 12.1.4(b). Section 12.1.4(b) hereby is deleted in its entirety and is replaced with the following provision:

"(b) Tenant shall require that any sublease or other occupancy granted to authorized Subtenants or other permitted occupants of Parcels B58, B59, B60, B61A or B61C includes a hold harmless provision for the benefit of the City as provided for in Section 12.1.4(a). Any such hold harmless provision shall not relieve Tenant of its obligations to City pursuant to Section 12.1.4(a)."

16. Upon the effective date of this First Amendment, the Minimum Annual Rent during the Interim Compensation Period for Parcel Nos. B58, B59, B60, B61A, and B61C as identified on Exhibit B-1, shall be $157,820 calculated at the rates indicated in Section 5.3.1, as amended herein, and shown on Attachment 2.

/ / / / /

/ / / / /

17. Upon the effective date of this First Amendment, the Minimum Annual Rent during the Interim Compensation Period for Parcel Nos. B58, B59, B60, B61A, and B61C, in the amount of $136,222 as shown calculated on Attachment 2, is hereby waived from the time period September 11, 2018 to until August 22, 2019.

Except as amended herein, all remaining terms and conditions of Lease No. 904 shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this First Amendment to Lease No. 904 on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Dated: 12/6/2018

By _____
EUGENE D. SEROKA
Executive Director

Attest _____
AMBER M. KLESGES
Board Secretary

ALTASEA AT THE PORT OF LOS ANGELES

Dated: 10/11/18

By: _____
TIMOTHY B. MCOSKER
Chief Executive Officer

Attest: _____

_____
(Print/type name and title)

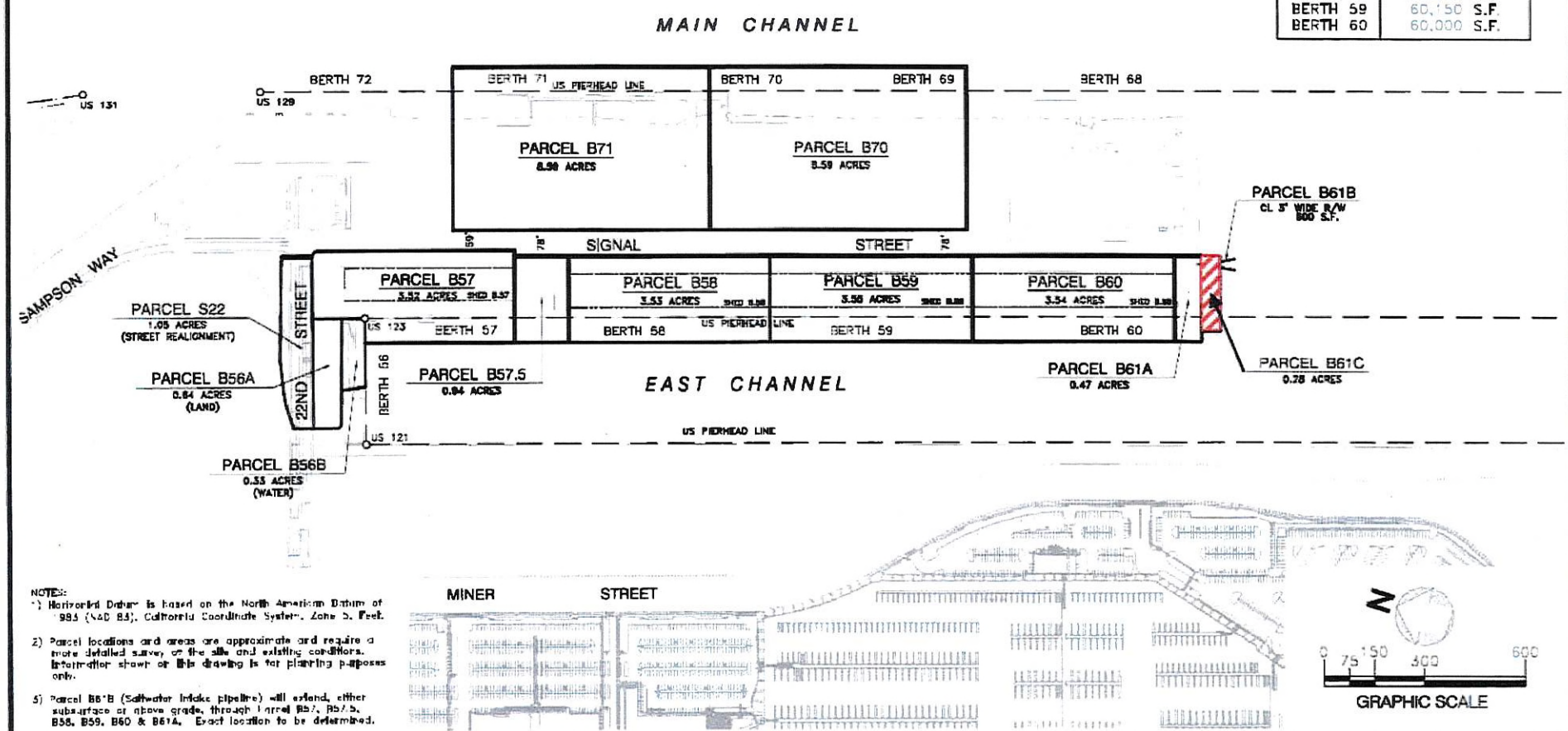
APPROVED AS TO FORM AND LEGALITY

October 12, 2018

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By _____
Heather M. McCloskey, Deputy

SHED	AREA
BERTH 57	46,500 S.F.
BERTH 58	59,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.



NOTES:

1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.

2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.

3) Parcel B61B (Saltwater Intake pipeline) will extend, either subsurface or above grade, through Parcel B57, B57.5, B58, B59, B60 & B61A. Exact location to be determined.

	DATE		REVISION	CHK	APP
1	04/18	DRR	REVISED AND RENUMBERED PARCELS	DRR	[illegible]
2	09/18	DRR	ADDED PARCEL B61C, REVISED PARCELS B58 & B59 AND CHANGED AUTHORITY NO.	DRR	[illegible]

SCALE 1" = 300'

DRAWN [illegible]

CHECKED [illegible]

DESIGNED [illegible]

ENGR. ARCH

Daryl R. Roesch

RECOMMENDED FOR APPROVAL

CHIEF OF DESIGN

[illegible]

ASSISTANT CHIEF HARBOR ENGINEER

David M. Walsh

APPROVED

Antonio Giovello

CHIEF HARBOR ENGINEER

THE PORT OF LOS ANGELES ENGINEERING DIVISION

PERMIT MAP - AUTHORITY NO. L904A

ALTASEA - MARINE RESEARCH CENTER

DRAWING NUMBER

45640

Attachment 1

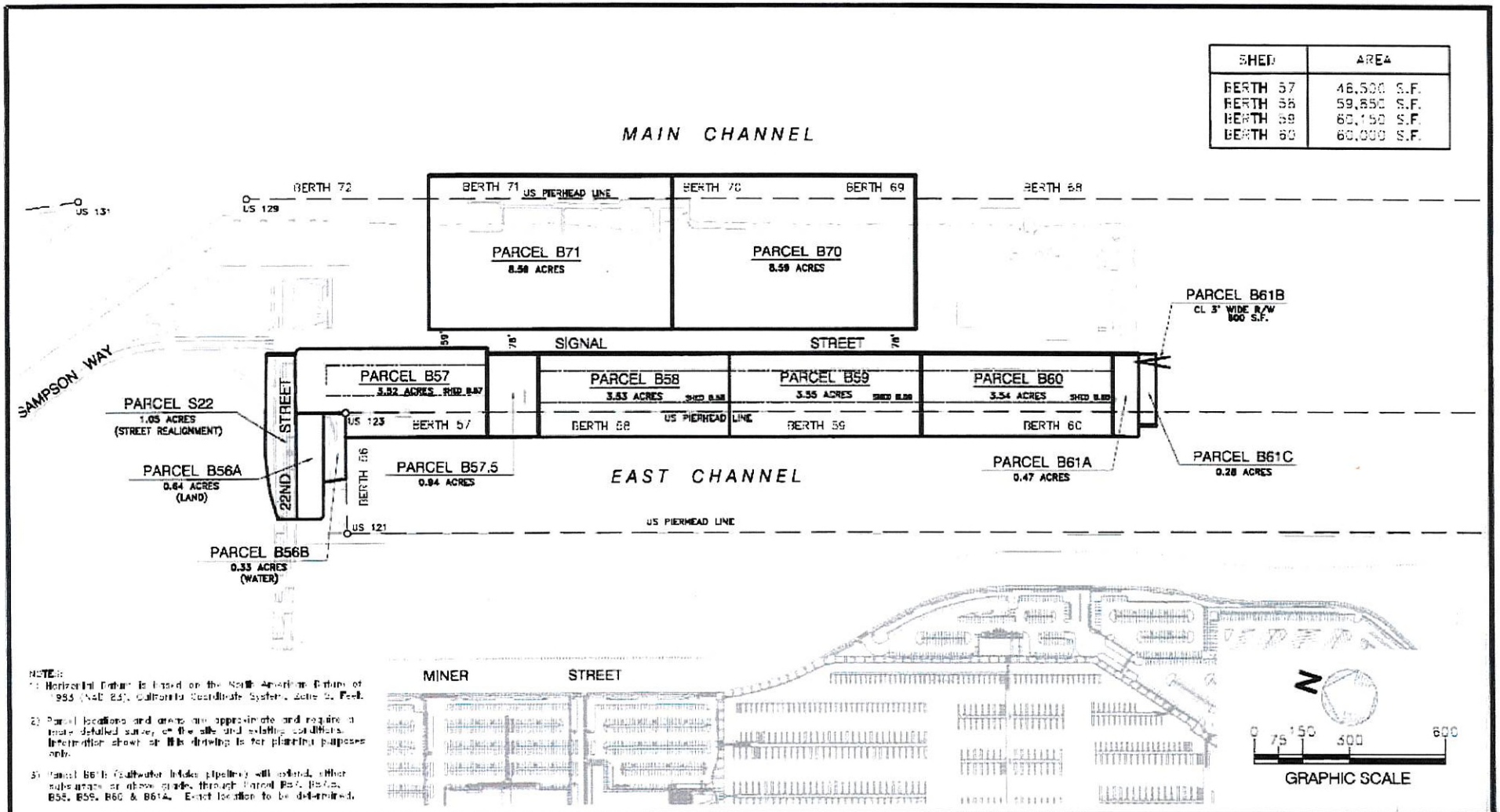
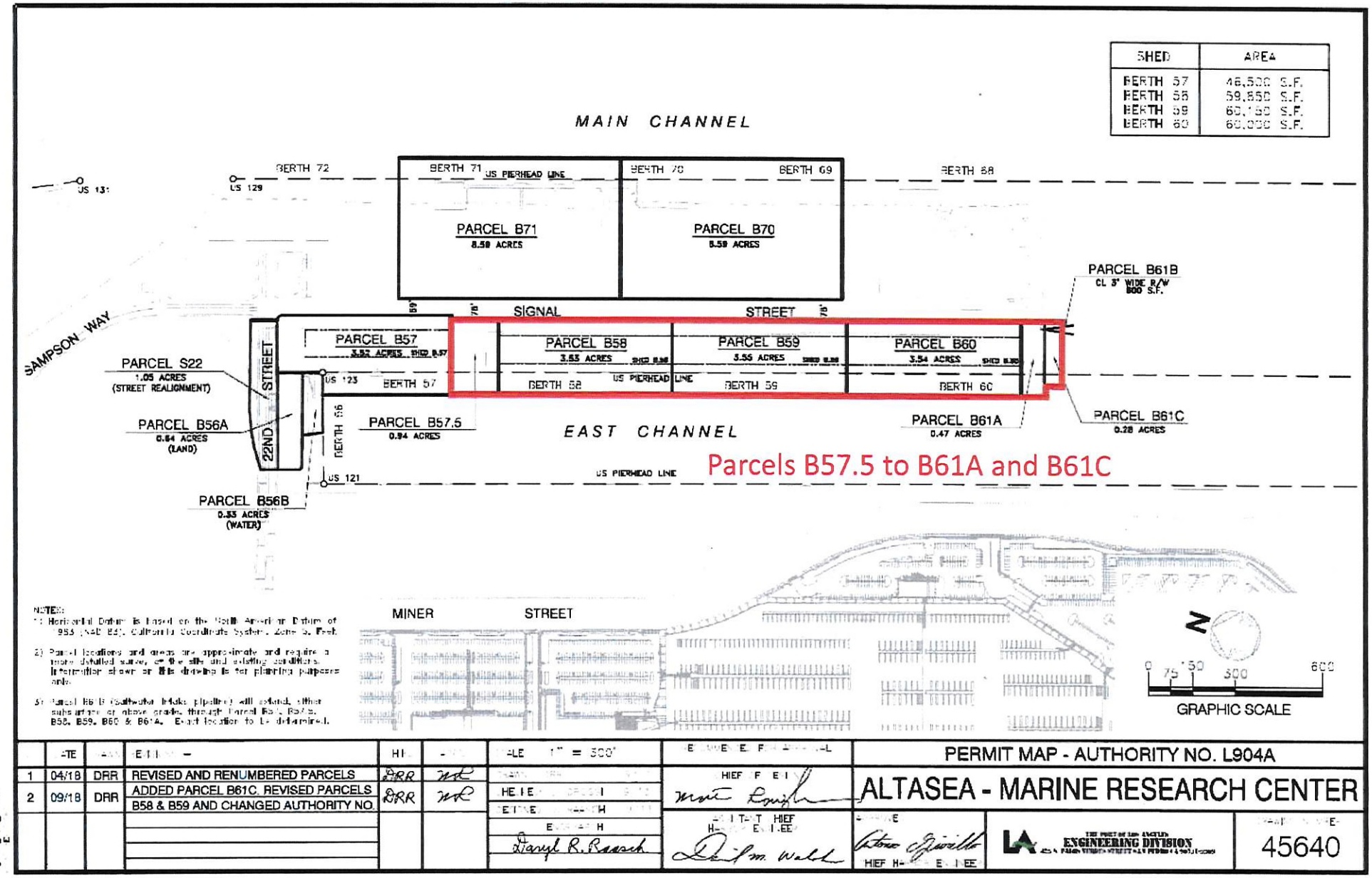

SHED | AREA
BERTH 57 | 46,500 S.F.
BERTH 58 | 59,850 S.F.
BERTH 59 | 60,150 S.F.
BERTH 60 | 60,000 S.F.
MAIN CHANNEL
BERTH 72
BERTH 71
US PIERHEAD LINE
BERTH 70
BERTH 69
BERTH 68
US 131
US 129
PARCEL B71
8.58 ACRES
PARCEL B70
8.59 ACRES
PARCEL B61B
CL 3' WIDE R/W
900 S.F.
SAMPSON WAY
SIGNAL
STREET
PARCEL B57
3.52 ACRES SHED B57
PARCEL B58
3.53 ACRES SHED B58
PARCEL B59
3.55 ACRES SHED B59
PARCEL B60
3.54 ACRES SHED B60
PARCEL S22
1.05 ACRES
(STREET REALIGNMENT)
22ND STREET
US 123
BERTH 57
BERTH 58
US PIERHEAD LINE
BERTH 59
BERTH 60
PARCEL B56A
0.64 ACRES
(LAND)
BERTH 56
PARCEL B57.5
0.84 ACRES
EAST CHANNEL
PARCEL B61A
0.47 ACRES
PARCEL B61C
0.28 ACRES
US 121
US PIERHEAD LINE
PARCEL B56B
0.33 ACRES
(WATER)
MINER
STREET
N
0 75 150 300 600
GRAPHIC SCALE
NOTES:
1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.
2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.
3) Parcel B61B freshwater intake pipelines will extend, either subsurface or above grade, through Parcel B57, B58, B59, B60 & B61A. Exact location to be determined.
NO. | DATE | BY | REVISION | CHK | APP | SCALE 1" = 300' | APPROVED FOR CHANNEL
1 | 04/18 | DRR | REVISED AND RENUMBERED PARCELS | DRR | MK
2 | 09/18 | DRR | ADDED PARCEL B61C, REVISED PARCELS B58 & B59 AND CHANGED AUTHORITY NO. | DRR | MK
CHIEF ENGINEER
Daryl R. Rausch
PERMIT MAP - AUTHORITY NO. L904A
ALTASEA - MARINE RESEARCH CENTER
ASSISTANT CHIEF HARBOR ENGINEER
CHIEF HARBOR ENGINEER
THE PORT OF LOS ANGELES
ENGINEERING DIVISION
PERMIT NUMBER
45640

Exhibit A-1



SHED | AREA
BERTH 57 | 46,500 S.F.
BERTH 58 | 59,550 S.F.
BERTH 59 | 60,150 S.F.
BERTH 60 | 60,000 S.F.
MAIN CHANNEL
BERTH 72
US 131
US 129
BERTH 71
US PIERHEAD LINE
BERTH 70
BERTH 69
BERTH 68
PARCEL B71
8.59 ACRES
PARCEL B70
8.59 ACRES
PARCEL B61B
CL 3' WIDE R/W
800 S.F.
SAMPSON WAY
SIGNAL
STREET
PARCEL B57
3.52 ACRES
PARCEL B58
3.53 ACRES
PARCEL B59
3.55 ACRES
PARCEL B60
3.54 ACRES
PARCEL S22
1.05 ACRES
(STREET REALIGNMENT)
22ND STREET
US 123
BERTH 57
BERTH 58
US PIERHEAD LINE
BERTH 59
BERTH 60
PARCEL B56A
0.64 ACRES
(LAND)
BERTH 56
PARCEL B57.5
0.94 ACRES
EAST CHANNEL
PARCEL B61A
0.47 ACRES
PARCEL B61C
0.28 ACRES
Parcels B57.5 to B61A and B61C
US 121
US PIERHEAD LINE
PARCEL B56B
0.33 ACRES
(WATER)
MINER
STREET
0 75 150 300 600
GRAPHIC SCALE
NOTES:
1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.
2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.
3) Parcel B61B (Saltwater Intake pipeline) will extend, either subsurface or above grade, through Parcel B57, B57.5, B58, B59, B60 & B61A. Exact location to be determined.
1 | 04/18 | DRR | REVISED AND RENUMBERED PARCELS
2 | 09/18 | DRR | ADDED PARCEL B61C. REVISED PARCELS B58 & B59 AND CHANGED AUTHORITY NO.
SCALE 1" = 300'
Daryl R. Raasch
PERMIT MAP - AUTHORITY NO. L904A
ALTASEA - MARINE RESEARCH CENTER
ENGINEERING DIVISION
45640

Exhibit B-1

Amended and Restated Lease No. 904
Calculations for Exhibit B-4

Based on September 11, 2018 Possession of Parcels B57.5 to B61A, and B61C

Interim Compensation Period

Annual Rates/S.F.	
Warehouse	$0.42
Wharf	$0.42
Land	$0.42
Water	$0.10

Parcel	Type	Length	Width	Total Sq. Ft.	Annual Cost	Daily Cost
57.5						
	land	160	100	16,000		
	wharf	160	28	4,480		
	water	160	77	12,320		
	Dock/Parking	160	52	8,320		
			Totals	41,120		
			Total Acres	0.94		
58	warehouse	598.5	100	59,850	$ 25,137	$ 68.87
	wharf	598.5	28	16,758	$ 7,038	$ 19.28
	water	598.5	77	46,085	$ 4,608	$ 12.63
	Dock/Parking	598.5	52	31,122	$ 13,071	$ 35.81
			Totals	153,815	$ 49,855	$ 136.59
			Total Acres	3.53		
59	warehouse	601.5	100	60,150	$ 25,263	$ 69.21
	wharf	601.5	28	16,842	$ 7,074	$ 19.38
	water	601.5	77	46,316	$ 4,632	$ 12.69
	Dock/Parking	601.5	52	31,278	$ 13,137	$ 35.99
			Totals	154,586	$ 50,105	$ 137.27
			Total Acres	3.55		
60	warehouse	600	100	60,000	$ 25,200	$ 69.04
	wharf	600	28	16,800	$ 7,056	$ 19.33
	water	600	77	46,200	$ 4,620	$ 12.66
	Dock/Parking	600	52	31,200	$ 13,104	$ 35.90
			Totals	154,200	$ 49,980	$ 136.93
			Total Acres	3.54		
61A	Dock/Parking	80	52	4,160	$ 1,747	$ 4.79
	Land	80	100	8,000	$ 3,360	$ 9.21
	Wharf	80	28	2,240	$ 941	$ 2.58
	Water	80	77	6,160	$ 616	$ 1.69
			Totals	20,560	$ 6,664	$ 18.26
			Total Acres	0.47		
61C	Water	55	221	12,155	$ 1,216	$ 3.33
			Totals	12,155	$ 1,216	$ 3.33
			Total Acres	0.28		
			Grand Total:	536,435	$ 157,820	$ 432.38
			acres	12.31		

Attachment 2

Amended and Restated Lease No. 904
Calculations for Exhibit B-4

effective date of possession			11-Sep-18
end of proration date until start of new interim compensation year			22-Aug-19
days for current interim compensation period			345
partial year rent/due upon possession		$	**149,172**

Credits	B-1	$	(1,468)
Credits	B-2	$	(67)
Shortage	B-3.rev	$	119
		$	(1,416)
		$	147,755
Amounts already paid until 12/22/18		$	(11,534)
		$	**136,222**

	Amounts already paid until December 22, 2018			
	B-1	B-2	B-3 rev	
rent/day	$ 70.68	$ 21.69	21	
start	9/11/2018			
end	12/22/2018			
days	102			
sub-totals	$ 7,209	$ 2,212	2,112	
TOTAL				$ (11,534)

Attachment 2

SECOND AMENDMENT TO LEASE NO. 904A
BETWEEN THE CITY OF LOS ANGELES AND
ALTASEA AT THE PORT OF LOS ANGELES

THIS SECOND AMENDMENT to Lease No. 904A ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

The Agreement is hereby amended a second time as follows:

1. Section 2.2. Section 2.2 hereby is deleted in its entirety and is replaced with the following provision:

"2.2 Term. The term of this Agreement shall be for the remainder of the 50 year Term, as stated in the Original Lease No. 904, terminating December 22, 2063 ("Term") unless sooner terminated in accordance with the terms of the Agreement; provided however, that the parties shall negotiate in good faith for a 66 year lease term, upon Tenant presenting to City a binding sublease with a major university and evidence of funding to complete the renovation and/or reconstruction of the academic research and development center at Parcel B57 in compliance with the terms of the Agreement. The Board and City Council shall retain full discretion to determine whether the evidence of funding is acceptable and whether to accept or reject the proposed term extension when such items are presented to the City for consideration."

2. Section 3.1. Section 3.1 hereby is deleted in its entirety and is replaced with the following provision:

"3.1 Description. The premises subject to this Agreement consist of Parcel Nos. B56A, B56B, B57, B57.5, B58, B59, B60, B61A, B61B, B61C, B70, B71, S22, as delineated and more particularly described on Permit Map-Authority No. L904A ("Premises") that is on file in the office of the Chief Harbor Engineer of the Harbor Department ("Harbor Engineer") and is attached hereto as Exhibit A-2. The list of Existing City Improvements is attached hereto as Exhibit C. The total acreage of the Premises is 32.73 acres of land/wharf/warehouse and water including 21.43 acres of land/wharf/warehouse and 11.30 acres of water. The Premises encompass the total property and improvements subject to this Agreement. However, Tenant shall be entitled to accept and take possession of individual Parcels within the Premises pursuant to the process for Tenant acceptance and possession of individual Parcels described in Section 3.2 below. Exhibit B shall identify the Demised Premises as said Demised Premises may be revised from time to time during the Term of the Agreement. Upon incorporating any individual Parcels into the Demised Premises, the Executive Director shall issue an updated Demised Premises Exhibit as Exhibit B-2 and so forth numerically as Tenant accepts and takes possession of Parcels over the Term of the Agreement. Said revised Exhibit B-# shall be transmitted to Tenant and shall list all of the Parcels that Tenant has accepted or is in possession of as

permitted in Section 3.2 of this Agreement. Upon City's transmittal to Tenant, each such issued Exhibit B-# shall be deemed to: (i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit B-#."

3. Exhibit A-1 hereby is deleted in its entirety, and is replaced with Exhibit A-2, attached hereto and made a part of the Agreement.

4. Section 3.2.1.3 (c). Section 3.2.1.3(c) hereby is deleted in its entirety and is replaced with the following provision:

"(c) Parcels B57 and B61B: Tenant shall accept Parcels B57 and B61B no later than December 31, 2021. The following shall be required prior to acceptance:

i. City and Tenant shall agree on a final scope of work for the Parcel B57 Wharf Improvements under Section 3.3.5.2(a) with a not to exceed amount of $10.2 million for total construction and soft costs which shall not include seismic improvements to the sea wall. Buildings constructed or existing within Parcel B57 require independent structural support to meet seismic and other structural requirements which shall be the Tenant's responsibility; and

ii. City and Tenant shall agree on a final scope of work for the Signal Street improvements under Section 3.3.5.2(b) which shall only include the complete width of the street on the eastern boundary line of Parcel B57 with an estimated not to exceed amount of $5.42 million in total construction and soft costs.

iii. City and Tenant shall agree on a final completion schedule for Parcel B57 after the final project scope is defined and a final scope of environmental assessment is determined by City."

5. Section 3.2.1.3 (f). Section 3.2.1.3 (f) hereby is added as follows:

"(f) Pre-Acceptance Use of Parcels B56A, B56B and B57: Prior to the acceptance date of Parcel B57 under Section 3.2.1.(c) and Parcels B56A and B56B under Section 3.2.1.3(d), and subject to Environmental Review under Section 3.2.5, Tenant may use or sublease portions of these Parcels as depicted on Exhibit T for outdoor and enclosed storage (Parcels B56A and B56B) and wharf access for loading and unloading of vessels (Parcel B57) (Pre-Acceptance Use). No rent will be charged for Tenant's Pre-Acceptance Use of the Parcels as set forth herein.

6. Exhibit T, attached hereto, is made a part of the Agreement.

7. Section 3.2.5. Section 3.2.5 hereby is deleted in its entirety and is replaced with the following provision:

"3.2.5 Environmental Review. Tenant's development proposals for any modifications or improvements to the Premises shall be subject to environmental review by City for compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). The City has completed and certified Final Environmental Impact Report SCH#2010121013 ("certified FEIR") for the Project. Tenant shall be responsible for paying for all costs related to document preparation and City review required by any environmental review, including an EIR under CEQA and an EIS under NEPA, if applicable. Upon Tenant's request for acceptance of any Parcel(s) pursuant to Section 3.2.1.1, City shall review the APP submitted pursuant to Section 3.2.1.1(c) for Tenant development proposal(s) for consistency with the certified FEIR, and any subsequent environmental reviews performed for the Project. In the event Tenant's development proposal is inconsistent with the previously performed environmental analyses or documents, subject to Section 7.5.1, the City shall perform, at Tenant's expense, additional environmental analysis in accordance with CEQA and NEPA, as appropriate. The Executive Director's determination of Tenant's compliance in meeting the requirements for Parcel acceptance pursuant to 3.2.1.2 shall be held in abeyance until the environmental consistency review process and any subsequent environmental review processes have been completed and, if required, Board approval of Tenant's development proposal. Nothing in this Section 3.2.4 shall commit City or Board to approve the requested development proposal. The Board reserves the right to consider and act on Tenant's development proposals that deviate from the certified EIR, including, but not limited to, the requirement of mitigations measures."

8. Section 3.2.6. Section 3.2.6 hereby is deleted in its entirety and is replaced with the following provision:

"3.2.6 Extensions of Time. Upon receiving a request from Tenant in writing at least 90-days prior to the expiration of any Tenant Parcel acceptance period, the Board, at its sole option, may extend any timeline established in Section 3.2.1.3 up to one year for Tenant to accept an individual Parcel. Tenant shall include with any such written request information and documentation detailing the status of compliance with the requirements set forth in Section 3.2.1.1 for the Parcel(s) for which the extension is being requested."

9. Section 3.3.4.2. Section 3.3.4.2 hereby is deleted in its entirety.

10. Section 3.3.4.3. Section 3.3.4.3 hereby is deleted in its entirety and replaced with the following provision:

"3.3.4.3 Parcels B57.5, B58, B59, B60, B61A

(a) Scope

i. Warehouses 58, 59 and 60 - Develop leasable space for subtenants who qualify to occupy the warehouses at Berths 58 through 60 as set forth under Section 4.1, Permitted Uses. Improvement of up to 120,000 square feet of the existing 180,000 square feet shall be required to meet code requirements for the expected subtenants including but not limited to: New electrical service, electrical rooms and distribution, Upgraded interior and exterior lighting, New cold water system, New fire alarm system, Provisions for trailer hook-up within the sheds for office use, Modular restroom facilities, Modular ramp and stair systems for ADA access to each subtenant space, Modular storefront, Modular trailers, Chain link walls between subtenant spaces, New guardrails along loading dock, Signage and environmental graphics displays, Parking, Exterior seating, New landscaping.

ii. Public Promenade - Tenant shall provide Public Promenade improvements in compliance with the San Pedro Waterfront Design Guidelines for the entire north to south length of Parcels B58, B59, B60 and B61A, including integration into Parcels B57 and B57.5, and if applicable Parcels B70 and B71.

iii. Wharf Improvements – Tenant shall repair the existing concrete-pile supported concrete and asphalt wharf on approximately 1,500 linear feet of the existing concrete wharf at Berth 57.5 through Berth 60. Tenant shall repair and upgrade the existing in-water piles, the concrete and asphalt deck and the fender piles. Tenant shall repave approximately 56,100 square feet of degraded asphalt on the wharf deck. Tenant may construct a maximum of three crane installation locations including upgraded structural piles within the existing wharf from Berths 58 through 60.

iv. Parcel 57.5 Improvements – Tenant shall grind and repave approximately 40,000 square feet of asphalt at Parcel B57.5 in the area between Parcels B58 and B57. Tenant may determine the feasibility of using solar panels to construct a shaded area on Parcel B57.5 for classroom activities and special events. Tenant's feasibility study for use of solar panels at Parcel B57.5 shall include Environmental Review under Section 3.2.5. If solar panels are not feasible on Parcel B57.5, Tenant shall not be required to complete any additional improvements other than as set forth in this Section 3.3.4.3(a)(iv).

(b) Schedule – Tenant shall complete improvements to the Berth and

Warehouse on Parcels B58 or B60 no later than December 31, 2022. Tenant shall complete any remaining Improvements set forth in Section 3.3.4.3 (a) i-iv no later than December 31, 2023. City and Tenant will meet and confer in good faith upon City receiving a written notice from Tenant no later than 6 months following the effective date of the 2nd Amendment to this Agreement requesting a meeting to evaluate remediation-related scope of work and whether time extensions under Section 3.2.6 are required for Tenant to complete the Improvements set forth in this Section 3.3.4.3.

(c) Required Minimum Investment – Tenant shall invest no less than 80% of the estimated project cost of $35 million in Parcels B57.5, B58, B59, B60."

11. Section 5.1.4. Section 5.1.4 hereby is deleted in its entirety.

12. Section 5.1.5. Section 5.1.5 hereby is deleted in its entirety and replaced with the following provision:

"5.1.5 Final Compensation Period: "Final Compensation Period" shall mean the period commencing upon Tenant's completion of each of the Improvements set forth in Section 3.3.4."

13. Section 5.3. Section 5.3 hereby is deleted in its entirety.

14. Section 5.4.5. Section 5.4.5 hereby is deleted in its entirety and replaced with the following provision:

"5.4.5 Parcels B58-60 and B61A. Minimum Annual Rent for Parcels B58-60 and B61A shall be $75,600 provided the Tenant complies with Exhibit F. Provided, however, that the compensation shall be pro-rated based on the phased schedule set forth in Section 3.3.4.3(b), as follows:

(i) Tenant shall begin paying 1/3 of the rent due herein ($25,200) upon completion of the first phase of Improvements described in Section 3.3.4.3(b) or December 31, 2022, whichever occurs first;

(ii) In addition to the 1/3 rent then being paid, the remaining 2/3 of the rent due herein ($50,400) shall be paid starting upon the completion of the remaining Improvements described in Section 3.3.4.3(b) or December 31, 2023, whichever occurs first.

15. Section 5.8.1(b). Section 5.8.1(b) hereby is deleted in its entirety and is replaced with the following provision:

"(b) Parcels B57.5, B58-B60, B61A and B61C shall have a maximum Rent Credit of thirty-five million dollars ($35,000,000). Upon completion of redevelopment of Warehouses 58-60 and development of the

Pubic Promenade as set forth in Section 3.3.4.3, Tenant shall submit documentation detailing actual Tenant expenditures for development of the Public Promenade and the redevelopment of Warehouses 58-60. The Executive Director shall review the Tenant documentation to ensure only redevelopment of Warehouses 58-60 and Public Promenade costs are included. The lesser of either the maximum Rent Credit for Parcels B58-B60 and B61A or Tenant's actual expenditures for redevelopment of potentially historic Warehouses 58-60 and development of Public Promenade shall be certified in writing by the Executive Director to Tenant. However, notwithstanding the requirements set forth in Section 5.8.2, upon completion of either B58 or B60 per the schedule set forth in Section 3.3.4.3(b), Tenant may request up to $12 million in rent credits prior to completion of all the Tenant Improvements set forth in Section 3.3.4.3.

16. Section 5.8.1(d). Section 5.8.1(d) hereby is deleted in its entirety.

17. Section 13.4.1(d). Section 13.4.1(d) hereby is deleted in its entirety and replaced with the following provision:

"(d) Subleasing to SCMI or a SCMI Member University. Subject to Environmental Review under Section 3.2.5, Tenant may sublease Parcel B57 for a term not to exceed twenty-five (25) years to the Southern California Maritime Institute or a SCMI Member University, either i) as joint co-subtenants or ii) to one party as a sub-tenant which in turn may sub-ease to the other party, provided that:

(i) the Board approves the sublease document with a term not to exceed twenty-five (25) years, which approval shall occur concurrently with approval of this Agreement, and such sublease is attached hereto as Exhibit N-3; and

(ii) Tenant and SCMI and/or a SCMI Member University shall have five (5) years from the Effective Date of this Second Amendment to the Agreement to execute said sublease.

18. Section 13.4.1(g). Section 13.4.1(g) hereby is added as follows:

"(g) Subject to Section 13.2 and Environmental Review under Section 3.2.5, Tenant may sublease portions of the Premises as shown in Exhibit U for solar panels placed on rooftops, and install infrastructure required for such solar panels on adjacent parcels. In addition to the rooftop panels shown on Exhibit U, and subject to Environmental Review under Section 3.2.5 and approval by the Board, Tenant may propose an additional 200,000 square feet of subleases for solar panels to be placed on parcels in the possession of Tenant."

19. Exhibit U attached hereto, is made a part of the Agreement.

Except as amended herein, all remaining terms and conditions of Lease No. 904A

shall remain in full force and effect.

This SECOND Amendment shall be effective upon the date of signature by the Executive Director after approval of the Board and the City of Los Angeles City Council in accordance with the requirements of the City of Los Angeles City Charter and Administrative Code.

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IN WITNESS THEREOF, the parties hereto have executed this Second Amendment to Lease No. 904A on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its
Board of Harbor Commissioners

Dated: 10/14/20

By _____
EUGENE D. SEROKA
Executive Director

Attest _____
AMBER M. KLESGES
Board Secretary

ALTASEA AT THE
PORT OF LOS ANGELES,

Dated: 9/17/2020

By: _____
TIMOTHY B. MCOSKER
Chief Executive Officer

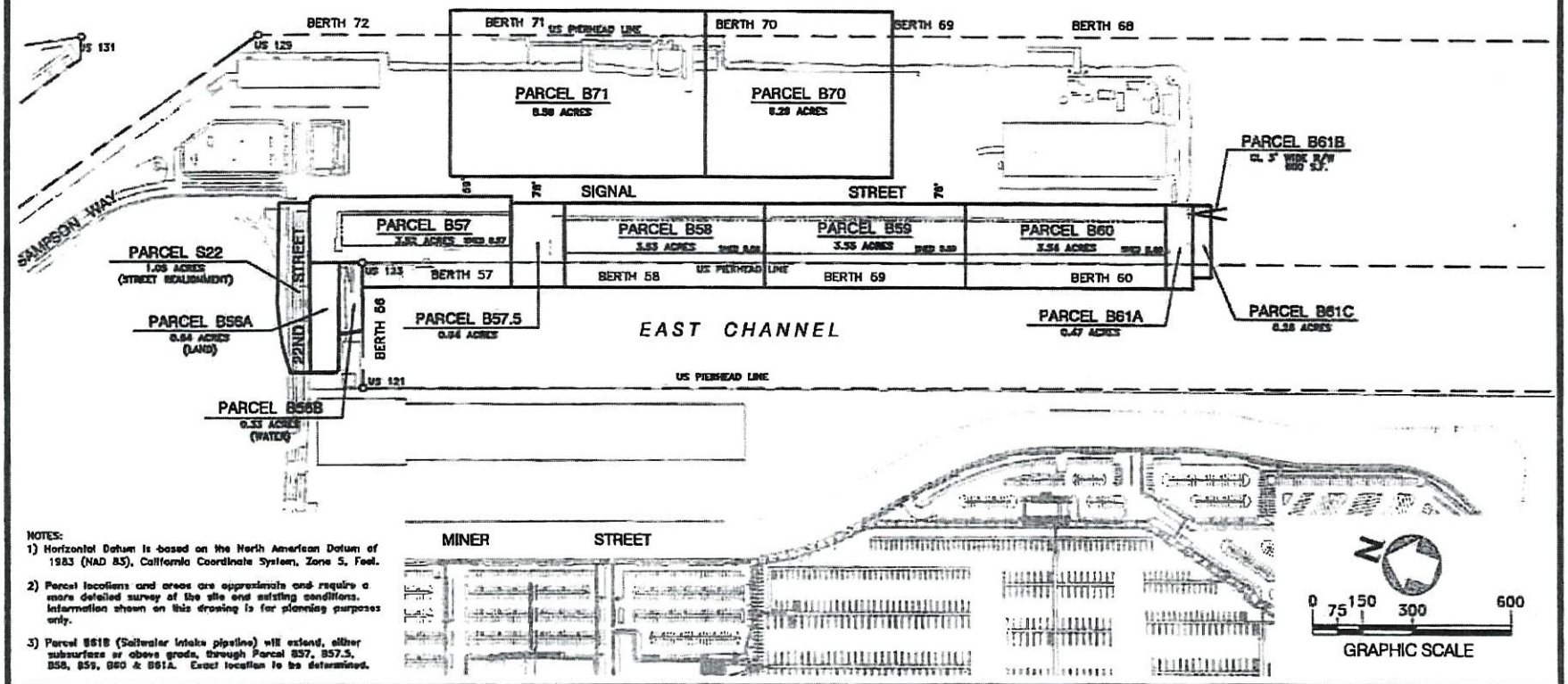
Attest: _____
Charuni Patibanda, Counsel
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

_____, 2020
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By _____
Heather M. McCloskey, Deputy

SHED	AREA
BERTH 57	46,500 S.F.
BERTH 58	59,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.



NOTES:
1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.
2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.
3) Parcel B61B (Saltwater intake pipeline) will extend, either subsurface or above grade, through Parcel B57, B57.5, B58, B59, B60 & B61A. Exact location to be determined.

NO.	DATE	DRAWN	REVISIONS –	CH'KD	APP'D
1	04/18	DRR	REVISED AND RENUMBERED PARCELS	DRR	
2	09/18	DRR	ADDED PARCEL B61C, REVISED PARCELS B58 & B59 AND CHANGED AUTHORITY NO.	DRR	
3	09/20	PH	REVISED PARCEL B70	PH	

SCALE: 1" = 300'

DRAWN: DRR 9/13
CHECKED: C GROSSI 9/13
DESIGNED: D. RAASCH 9/13
ENGR/ARCH

RECOMMENDED FOR APPROVAL
CHIEF OF DESIGN

ASSISTANT CHIEF HARBOR ENGINEER

APPROVED
CHIEF HARBOR ENGINEER

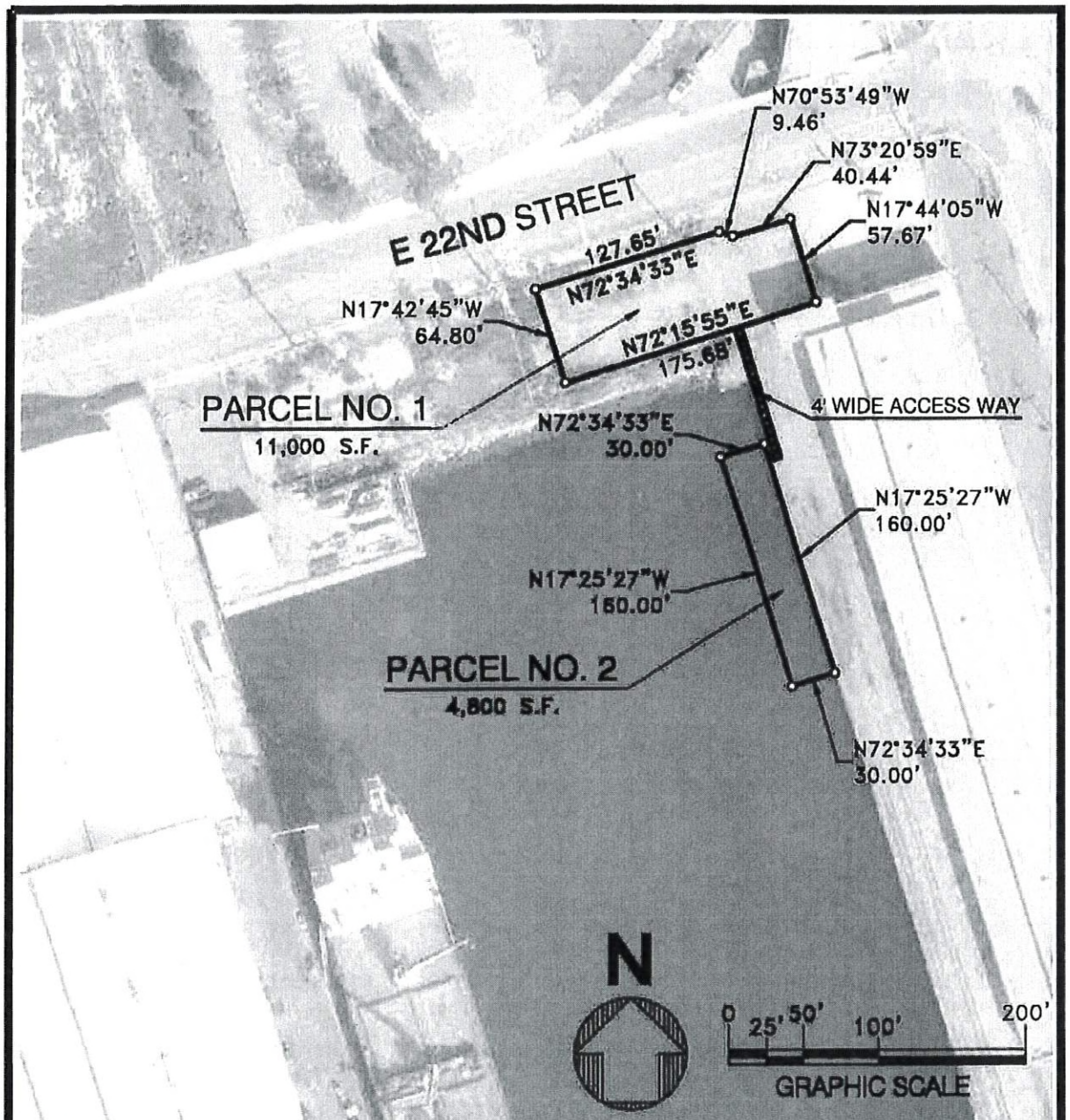
PERMIT MAP - AUTHORITY NO. L904A

ALTASEA - MARINE RESEARCH CENTER

THE PORT OF LOS ANGELES
ENGINEERING DIVISION

DRAWING NUMBER
45640

Exhibit A-2



NOTES:

1) NO SUBSTRUCTURES ARE SHOWN ON THIS DRAWING. ACCURATE SUBSTRUCTURE INFORMATION MUST BE OBTAINED FROM LESSEES AND L.A.H.D. ENGINEERING RECORDS.

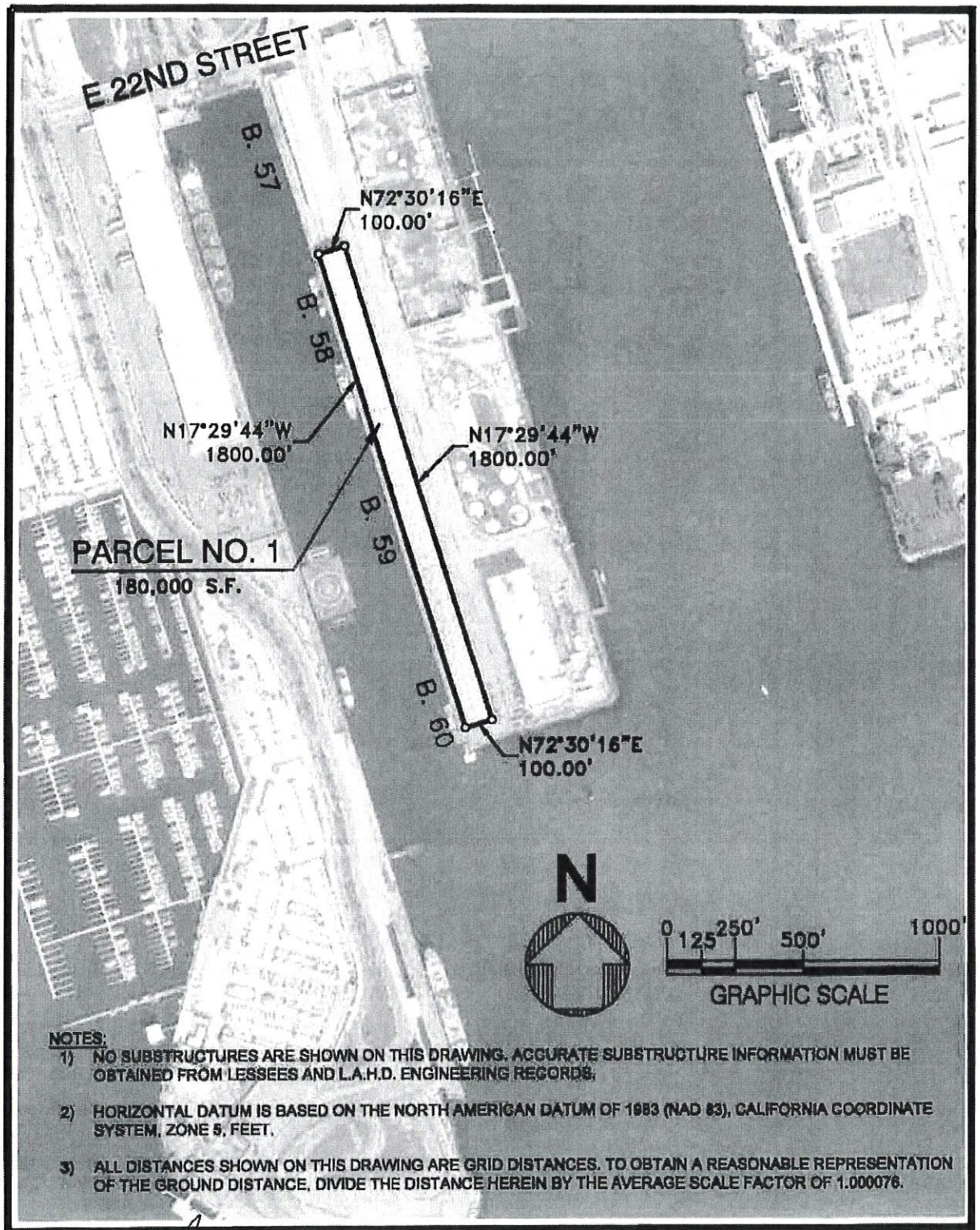
2) HORIZONTAL DATUM IS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NAD 83), CALIFORNIA COORDINATE SYSTEM, ZONE 5, FEET.

3) ALL DISTANCES SHOWN ON THIS DRAWING ARE GRID DISTANCES. TO OBTAIN A REASONABLE REPRESENTATION OF THE GROUND DISTANCE, DIVIDE THE DISTANCE HEREIN BY THE AVERAGE SCALE FACTOR OF 1.000076.

SCALE: AS SHOWN	CHIEF OF DESIGN	PERMIT MAP - AUTHORITY NO. L904A
DRAWN: P. HOANG	ASSISTANT CHIEF OF HARBOR ENGINEER Stuart L. Fricke	ALTASEA
CHECKED: C. BROWN		
DESIGNED: P. HOANG		
ENGR/ARCH Phoebe Hoang	CHIEF HARBOR ENGINEER 9-15-20 DATE	THE PORT OF LOS ANGELES ENGINEERING DIVISION 425 S. PALOS VERDES STREET SAN PEDRO CA 90731-3309 — DRAWING NUMBER 5-7389

POLAPR05_VER.1_12/96

Exhibit T



NOTES:

1) NO SUBSTRUCTURES ARE SHOWN ON THIS DRAWING. ACCURATE SUBSTRUCTURE INFORMATION MUST BE OBTAINED FROM LESSEES AND L.A.H.D. ENGINEERING RECORDS.

2) HORIZONTAL DATUM IS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NAD 83), CALIFORNIA COORDINATE SYSTEM, ZONE 5, FEET.

3) ALL DISTANCES SHOWN ON THIS DRAWING ARE GRID DISTANCES. TO OBTAIN A REASONABLE REPRESENTATION OF THE GROUND DISTANCE, DIVIDE THE DISTANCE HEREIN BY THE AVERAGE SCALE FACTOR OF 1.000076.

SCALE: AS SHOWN DRAWN: P. HOANG CHECKED: C. BROWN DESIGNED: P. HOANG ENGR/ARCH	CHIEF OF DESIGN ASSISTANT CHIEF OF HARBOR ENGINEER CHIEF HARBOR ENGINEER 9-15-20 DATE	PERMIT MAP - AUTHORITY NO. L904A ALTASEA THE PORT OF LOS ANGELES ENGINEERING DIVISION 425 S. PALOS VERDES STREET SAN PEDRO CA 90731-3309

DRAWING NUMBER 5-7390

POLAPROS_VER.1_12/96

Exhibit U

THIRD AMENDMENT TO LEASE NO. 904A
BETWEEN THE CITY OF LOS ANGELES AND
ALTASEA AT THE PORT OF LOS ANGELES

THIS THIRD AMENDMENT to Lease No. 904A ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Executive Director of the Harbor Department ("Executive Director"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

The Agreement is hereby amended a third time as follows:

1. Section 3.1. Section 3.1 is hereby deleted in its entirety and replaced with the following provision:

   "3.1 Description. The premises subject to this Agreement consist of Parcel Nos. B56A, B56B, B57, B57.5, B58, B59, B60, B60B, B61A, B61B, B61C, B70, B71, B72A, B72B and S22, as delineated and more particularly described on Permit Map-Authority No. L904A ("Premises") that is on file in the office of the Chief Harbor Engineer of the Harbor Department ("Harbor Engineer") and is attached hereto as Exhibit A-3. The list of Existing City Improvements is attached hereto as Exhibit C. The total acreage of the Premises is 32.85 acres of land/wharf/warehouse and water including 21.55 acres of land/wharf/warehouse and 11.30 acres of water. The Premises encompass the total property and improvements subject to this Agreement. However, Tenant shall be entitled to accept and take possession of individual Parcels within the Premises pursuant to the process for Tenant acceptance and possession of individual Parcels described in Section 3.2 below. Exhibit B shall identify the Demised Premises as said Demised Premises may be revised from time to time during the Term of the Agreement. Upon incorporating any individual Parcels into the Demised Premises, the Executive Director shall issue an updated Demised Premises Exhibit as Exhibit B-2 and so forth numerically as Tenant accepts and takes possession of Parcels over the Term of the Agreement. Said revised Exhibit B-# shall be transmitted to Tenant and shall list all of the Parcels that Tenant has accepted or is in possession of as permitted in Section 3.2 of this Agreement. Upon City's transmittal to Tenant, each such issued Exhibit B-# shall be deemed to: (i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit B-#."

2. Exhibit A-2 is hereby deleted in its entirety, and replaced with Exhibit A-3, attached hereto and made a part of the Agreement.

3. Section 3.2.1.3 (g). Section 3.2.1.3 (g) is hereby added as follows:

   "(g) Parcels B60B, B72A and B72B: Tenant shall accept and possess Parcels B60B, B72A and B72B upon the effective date of this Third Amendment."

4. Exhibit B-1 and B-2 are hereby deleted in their entirety, and replaced with Exhibit B-3, attached hereto and made a part of the Agreement.

5. Section 3.3.4.7. Section 3.3.4.7 is hereby added as follows:

"3.3.4.7 Parcels B60B, B72A and B72B

(a) Scope

i. Electrical Substation – Develop and use the parcels to house electrical substation equipment and underground conduit lines to be utilized by the City of Los Angeles Department of Water and Power.

(b) Schedule – Tenant shall complete improvements to Parcels B60B, B72A and B72B no later than December 31, 2022.

(c) Required Minimum Investment – There shall be no required minimum investment for Parcels B60B, B72A and B72B."

6. Section 3.3.5.1. Section 3.3.5.1 is hereby deleted in its entirety and replaced with the following provision:

"Section 3.3.5.1 Parcels B57.5, B58, B59, B60, B60B, B72A and B72B

(a) Reimbursement for Remediation - On the authority of the Executive Director and subject to reimbursement process established in Exhibit M, City shall reimburse up to a maximum of $6 million subject to the reimbursement allocation conditions established in Section 3.3.6.1 for Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to construction of Tenant Improvements referenced in Section 3.3.4.3 and 3.3.4.7. Tenant shall notify City in writing within sixty (60) days of the date Tenant determines that remediation costs are estimated to exceed $6 million. City and Tenant shall schedule a meeting within thirty (30) days of such written notice to discuss opportunities and strategies to complete the Tenant Improvements referenced in Section 3.3.4.3 in consideration of Tenant's finding."

7. Section 3.3.6.1. Section 3.3.6.1 is hereby removed in its entirety and replaced with the following provision:

"Section 3.3.6.1 Parcels B57.5, B58, B59, B60, B60B, B72A and B72B. Reimbursement for Remediation of Environmentally Regulated Material including addressing soil, groundwater, and hazardous building materials.

(a) In compliance with the Remediation Reimbursement Process in Exhibit M, City shall reimburse Tenant up to six million dollars ($6,000,000) of Tenant's actual costs for remediation addressing soil, groundwater and hazardous building materials related to Existing City Improvements and New Tenant Improvements. Following Tenant's evaluation of the scope of remediation work allowable under this section, the Parties shall meet and confer in good faith no later than six (6) months following the effective date of the Agreement to determine if the project completion dates referenced in Section 3.3.4.3 require adjustment, which shall be subject to the approval process described in Section 3.3.4.3(b). Tenant shall be eligible for reimbursement in phases, subject to the Executive Director's determination that Tenant has completed the following conditions:

i. Tenant shall be reimbursed up to one million five hundred thousand dollars ($1,500,000) upon completion of Parcels B58-B60 Tenant Improvements in accordance with Section 3.3.4.3 and submission by Tenant to City documentation showing actual costs paid for the remediation;

ii. Tenant shall be reimbursed up to one million five hundred thousand dollars ($1,500,000) upon completion of Parcel B57.5 Tenant Improvements in accordance with Section 3.3.4.3 and submission by Tenant to City documentation showing actual costs paid for the remediation;

iii. After payment under subsections (i) and (ii) herein, any remaining amount of the six million dollars ($6,000,000) may be paid upon Tenant's execution of the construction contract for Parcel B57 Tenant Improvements, which shall include a performance bond for the project, said payment conditioned on Tenant's acceptance of Parcel B57 in accordance with Section 3.2.1.3(c) and submission by Tenant to City of documentation showing actual costs paid for the remediation.

iv. After payment under subsections (i) and (ii) herein, any remaining amount of the six million dollars ($6,000,000) may be paid for remediation costs as part of the completion of Parcels B60B, B72A and B72B Tenant Improvements in accordance with Section 3.3.4.7 and submission by Tenant to City documentation showing actual costs paid for the remediation."

8. Section 3.3.6.5. Section 3.3.6.5 is hereby added as follows:

"3.3.6.5 Parcels B60B, B72A and B72B

(a) City's Environmental Remediation Conditions Precedent:

(i) Tenant shall complete construction of Parcels B58, B59 and B60 Tenant Improvements in accordance with Section 3.3.4.3.

(ii) Tenant shall complete Parcels B60B, B72A and B72B Tenant Improvements in accordance with Section 3.3.4.7.

(iii) Tenant shall document its actual costs paid for remediation of the Premises at Parcels B60B, B72A and B72B.

9. Section 5.4.5. Section 5.4.5 is hereby deleted in its entirety and replaced with the following provision:

"5.4.5 Parcels B58-60, B61A, B60B, B72A and B72B. Minimum Annual Rent for Parcels B58-60 and B61A shall be $75,600 and the Minimum Annual Rent for Parcels B60B, B72A and B72B shall be $330.70 provided the Tenant complies with Exhibit F. Provided, however, that the compensation shall be pro-rated based on the phased schedule set forth in Section 3.3.4.3(b) as follows:

(i) Tenant shall begin paying 1/3 of the rent due herein for Parcels B58-60 and B61A ($25,200) and the full amount of Minimum Annual Rent for Parcels B60B, B72A and B72B upon completion of the first phase of Improvements described in Section 3.3.4.3(a)(i) and (iii), 3.3.4.3(b) or December 31, 2022, whichever occurs first;

(ii) In addition to the 1/3 rent then being paid, the remaining 2/3 of the rent due herein ($50,400) shall be paid starting upon completion of the remaining Improvements described in Section 3.3.4.3(a)(i) and (iii) and 3.3.4.3(b) or December 31, 2023, whichever occurs first.

10. Section 5.8.1(d). Section 5.8.1(d) is hereby added as follows:

"(d) Any expenditures by Tenant and/or third parties for solar energy infrastructure on the Premises, including but not limited to Parcels B58-60, B60B, B72A and B72B, shall not be eligible for rent credits under Section 5.8, provided that any expenditures by Tenant for its own electrical infrastructure on the Premises, including but not limited to Parcels B58-60, B60B, B72A and B72B, for Tenant's and subtenants' use, shall be eligible for rent credits under Section 5.8."

Except as amended herein, all remaining terms and conditions of Lease No. 904A

shall remain in full force and effect.

Pursuant to the delegated authority granted under Section 3.8 of Lease No. 904A, this Third Amendment does not require approval by the Board of Harbor Commissioners or the City of Los Angeles City Council, and shall be effective upon the date of signature by the Executive Director.

IN WITNESS THEREOF, the parties hereto have executed this Third Amendment to Lease No. 904A on the date to the left of their signatures.

THE CITY OF LOS ANGELES
HARBOR DEPARTMENT

Dated: 8/26/2021

By Michael D. Bernad
for EUGENE D. SEROKA
Executive Director

ALTASEA AT THE
PORT OF LOS ANGELES

Dated: 8/4/2021

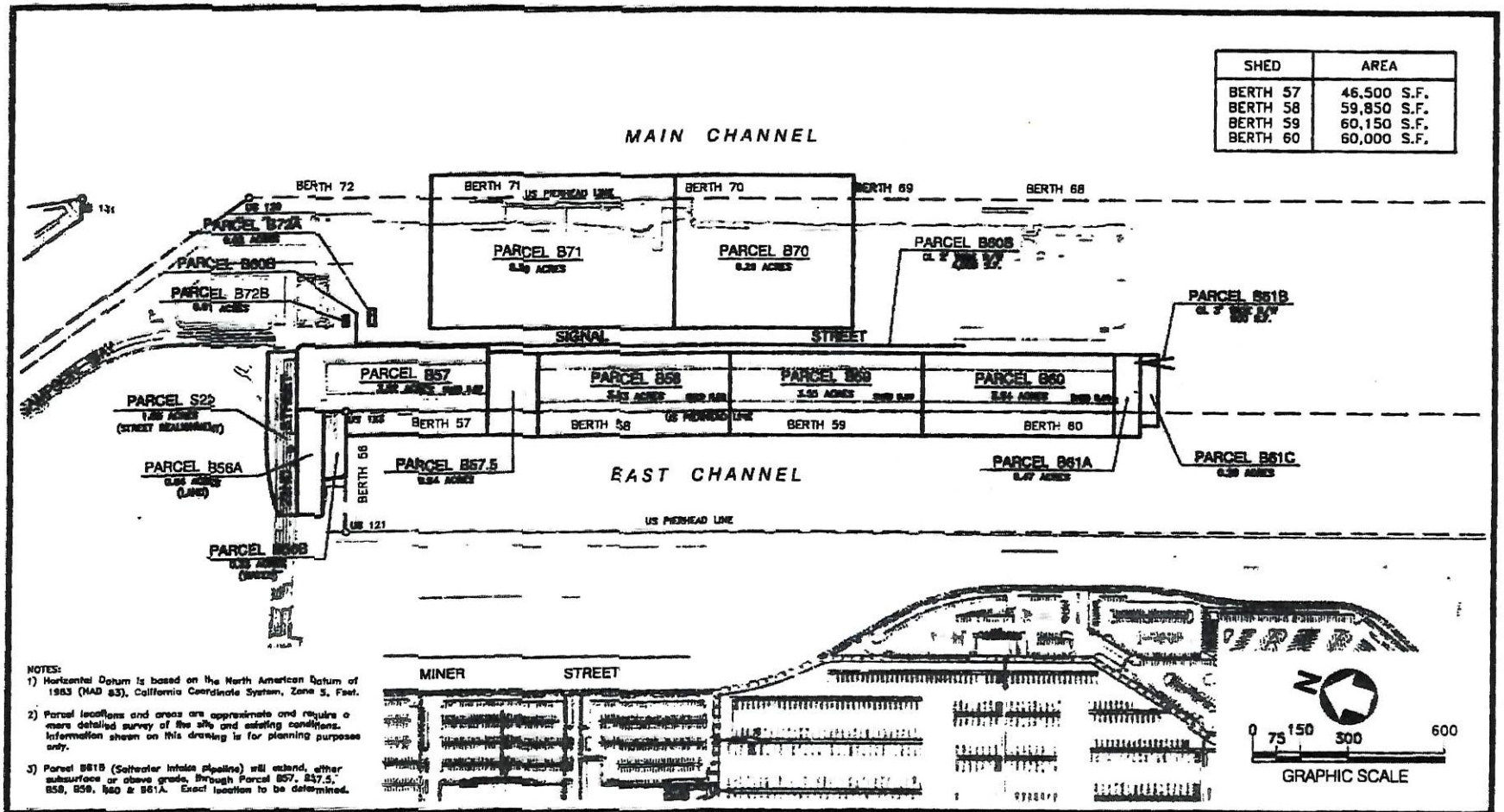
By: _____
TIMOTHY B. MCOSKER
Chief Executive Officer

Attest: Tim McOsker
Chief Executive Officer
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

Aug 26, 2021
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By Janna B. Sidley for
Heather M. McCloskey, Deputy



SHED	AREA
BERTH 57	46,500 S.F.
BERTH 58	59,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.

NOTES:
1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.
2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.
3) Parcel B61B (Saltwater intake pipeline) will extend, either subsurface or above grade, through Parcel B57, B57.5, B58, B59, B60 & B61A. Exact location to be determined.

NO	DATE	DRAWN	REVISIONS –	CH'KD	APP'D
1	04/18	DRR	REVISED AND RENUMBERED PARCELS	DRR	
2	09/18	DRR	ADDED PARCEL B61C, REVISED PARCELS B58 & B59 AND CHANGED AUTHORITY NO.	DRR	
3	09/20	PN	REVISED PARCEL B70	PH	
4	12/20	PN	ADDED PARCELS B72A & B72B	PH	
5	08/21	PN	ADDED PARCEL B60B	PH	

SCALE: 1" = 300'
DRAWN: DRR 9/13
CHECKED: C GROSSI 9/13
DESIGNED: D RAASCH 9/13
ENGR/ARCH
Cheryl R. Raasch

RECOMMENDED FOR APPROVAL
CHIEF OF DESIGN
ASSISTANT CHIEF HARBOR ENGINEER
APPROVED
CHIEF HARBOR ENGINEER

PERMIT MAP - AUTHORITY NO. L904A

ALTASEA - MARINE RESEARCH CENTER

DRAWING NUMBER
45640

Exhibit A-3

THE PORT OF LOS ANGELES

EXHIBIT B-3

DEMISED PREMISES

1. Parcels In Tenant Possession

The Demised Premises consists of the following Parcels, Existing City Improvements and completed New City Improvements thereon that Tenant has taken possession of pursuant to the procedures and requirements established in Section 3.2 of the Agreement.

Parcel No.	Date of Possession	Rent Due Date
• Warehouse/Berth 57.5	• 8/23/2018	• Reference Section 5.8.1 as outlined in the 2nd Amendment
• Warehouse/Berth 58	• 11/27/2017	• Reference Section 5.4.5 as outlined in the 2nd Amendment
• Warehouse/Berth 59	• 7/5/2016	• Reference Section 5.4.5 as outlined in the 2nd Amendment
• Warehouse/Berth 60	• 3/8/2018	• Reference Section 5.4.5 as outlined in the 2nd Amendment
• Warehouse/Berth 61A	• 8/23/2018	• Reference Section 5.4.5 as outlined in the 2nd Amendment
• Warehouse/Berth 61C	• 8/23/2018	• Reference Section 5.4.6.1 as outlined in the 1st Amendment
• Berth 60B	• Upon Execution of Amendment	• Reference Section 5.4.11 as outlined in the 3nd Amendment
• Berth 72A	• Upon Execution of Amendment	• Reference Section 5.4.11 as outlined in the 3nd Amendment
• Berth 72B	• Upon Execution of Amendment	• Reference Section 5.4.11 as outlined in the 3nd Amendment

FOURTH AMENDMENT TO LEASE NO. 904A BETWEEN THE CITY OF LOS ANGELES AND ALTASEA AT THE PORT OF LOS ANGELES

THIS FOURTH AMENDMENT to Lease No. 904A ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

The Agreement is hereby amended a fourth time as follows:

1. Section 3.2.1.3(c). Section 3.2.1.3(c) is deleted in its entirety and replaced with the following provision:

"(c) Parcels B57 and B61B

"(c) Parcels B57 and B61B: Tenant shall accept Parcels B57 and B61B no later than December 31, 2022. The following shall be required prior to acceptance:

i. City and Tenant shall agree on a final scope of work for the Parcel B57 Wharf Improvements set forth in Section 3.3.5.2(a) with a not to exceed amount of $9.62 million for total construction and soft costs which shall not include seismic improvements to the sea wall. Buildings constructed or existing within Parcel B57 require independent structural support to meet seismic and other structural requirements which shall be the Tenant's responsibility; and"

ii. City and Tenant shall agree on a final completion schedule for Parcel B57 after the final project scope is defined and a final scope of environmental assessment is determined by City."

2. Section 3.3.4.3. Section 3.3.4.3 hereby is deleted in its entirety and replaced with the following provision:

"3.3.4.3 Parcels B57.5, B58, B59, B60, B61A

(a) Scope

i. Warehouses 58, 59 and 60 - Develop leasable space for subtenants who qualify to occupy the warehouses at Berths 58 through 60 as set forth under Section 4.1, Permitted Uses. Improvement of up to 120,000 square feet of the existing 180,000 square feet shall be required to meet code requirements for the expected subtenants including but not limited to: New electrical service, electrical rooms and distribution, Upgraded interior and exterior lighting, New cold water system, New

fire alarm system, Provisions for trailer hook-up within the sheds for office use, Modular restroom facilities, Modular ramp and stair systems for ADA access to each subtenant space, Modular storefront, Modular trailers, Chain link walls between subtenant spaces, New guardrails along loading dock, Signage and environmental graphics displays, Parking, Exterior seating, New landscaping.

ii. Public Promenade - Tenant shall provide Public Promenade improvements in compliance with the San Pedro Waterfront Design Guidelines for the entire north to south length of Parcels B58, B59, B60 and B61A, including integration into Parcels B57 and B57.5, and if applicable Parcels B70 and B71.

iii. Wharf Improvements – Tenant shall repair the existing concrete-pile supported concrete and asphalt wharf on approximately 1,500 linear feet of the existing concrete wharf at Berth 57.5 through Berth 60. Tenant shall repair and upgrade the existing in-water piles, the concrete and asphalt deck and the fender piles. Tenant shall repave approximately 56,100 square feet of degraded asphalt on the wharf deck. Tenant may construct a maximum of three crane installation locations including upgraded structural piles within the existing wharf from Berths 58 through 60.

iv. Parcel 57.5 Improvements – Tenant shall grind and repave approximately 40,000 square feet of asphalt at Parcel B57.5 in the area between Parcels B58 and B57. Tenant may determine the feasibility of using solar panels to construct a shaded area on Parcel B57.5 for classroom activities and special events. Tenant's feasibility study for use of solar panels at Parcel B57.5 shall include Environmental Review under Section 3.2.5. If solar panels are not feasible on Parcel B57.5, Tenant shall not be required to complete any additional improvements other than as set forth in this Section 3.3.4.3(a)(iv).

v. Parcel 57.5 Temporary Improvements - Tenant may use or sublease portions of Parcel B57.5 in accordance with Section 13.4.1(c), subject to Environmental Review under Section 3.2.5, for operations and installation of modular containers to conduct and oversee research activity. The foregoing use shall be permitted on Parcel B57.5 for up to five (5) years from effective date of this Fourth Amendment or until six (6) months following completion of all Tenant Improvements for Parcel B57, whichever is earlier.

(b) Schedule – Tenant shall complete improvements to the Berth and Warehouse on Parcels B58 or B60 no later than December 31, 2022. Tenant shall complete any remaining Improvements set forth in Section 3.3.4.3 (a) i-iv no later

than December 31, 2023. City and Tenant will meet and confer in good faith upon City receiving a written notice from Tenant no later than 6 months following the effective date of the 2nd Amendment to this Agreement requesting a meeting to evaluate remediation-related scope of work and whether time extensions under Section 3.2.6 are required for Tenant to complete the Improvements set forth in this Section 3.3.4.3.

(c) Required Minimum Investment – Tenant shall invest no less than 80% of the estimated project cost of $35 million in Parcels B57.5, B58, B59, B60."

3. Section 3.3.4.4(a)(ii). Section 3.3.4.4(a)(ii) is deleted in its entirety and replaced with the following provision:

"(ii) Redevelop the 46,500 square foot transit shed Warehouse 57, including upgrades necessary to meet City of Los Angeles Building Code requirements, including but not limited to, seismic, electrical, and fire life safety system standards for the Permitted Uses established in Section 4.1 of the Agreement. City shall be responsible for the wharf and/or sea wall improvements to the extent required in Section 3.2.1.3(c)(i) and Section 3.3.5.2(a). Tenant shall install renewable energy systems, including to the extent feasible, solar roof panels.

4. Section 3.3.4.4(b). Section 3.3.4.4(b) is deleted in its entirety and replaced with the following provision:

"(b) Schedule – Tenant shall complete construction of improvements described in Section 3.3.4.4(a) within five (5) years from the award of City's Improvements bid package for the construction contract for the Berth 57 wharf improvements set forth in Section 3.3.5.2(a)."

5. Section 3.3.5.2(a). Section 3.3.5.2(a) is deleted in its entirety and replaced with the following provision:

"(a) Berth 57 Wharf Improvements – City shall expend up to Nine Million Six Hundred Twenty Thousand Dollars ($9,620,000) in construction and soft costs for wharf and/or sea wall improvements which scope of work shall not include seismic improvements to the existing sea wall. The Parties shall agree to a final scope of work as a condition of acceptance set forth in Section 3.2.1.3(c)(i)."

6. Section 3.3.5.2(b). Section 3.3.5.2(b) is deleted in its entirety.

7. Section 3.3.6.2. The title of "Section 3.3.6.2 Parcel B57. Berth 57 Wharf and Signal Street Improvements" is hereby deleted in its entirety and replaced with the following provision:

"3.3.6.2. Parcel B57. Berth 57 Wharf Improvements."

8. Section 7.6. Section 7.6 is deleted in its entirety and replaced with the following provision:

"**7.6 Cost of Construction.** All construction by Tenant pursuant to this Section 7 shall be at Tenant's sole cost and expense except as set forth in Section 7.6.1 of this Agreement. Tenant shall keep the Demised Premises, including the improvements constructed, and the Premises arising from Tenant's rights, free and clear of liens for labor and materials and shall hold City harmless from any responsibility in respect thereto."

9. Section 7.6.1. Section 7.6.1 is added as follows:

"7.6.1 City Monetary Contribution for Tenant's Improvements at Berth 58 Warehouse.

(a) Monetary Contribution:

i. Following Tenant's compliance with the requirements set forth in Sections 7.6.1(b) and (c), City shall commit Six Million Dollars ($6,000,000) as set forth in Section 7.6.1(d), to partially fund the Berth 58 Warehouse Improvements listed in Section 3.3.4.3(a), not including, however, 1) any expenditures to complete the solar energy project on the Premises or 2) for payments toward any aspects of the Berth 58 Warehouse Improvements for which Tenant could request reimbursement from City for remediation of environmentally regulated material under Section 3.3.5.1 of the Agreement;

ii. City's monetary contribution to the Warehouse 58 Improvements shall not be included in the calculation of Rent Credits under Section 5.8.

(b) Conditions Precedent to City Monetary Contribution – Tenant Improvements and Subleasing: Tenant shall provide evidence to the City, acceptable to the Executive Director, for the following components as a condition precedent to the City committing its funds as set forth in Section 7.6.1(d):

i. Tenant shall use commercially reasonable efforts to cause its subtenant to complete the solar energy project on the Premises at Parcels B58 through B60 and Parcels B60B, B72A and B72B capable of generating approximately 2 Megawatts of power by December 31, 2022. The

Executive Director may grant Tenant an extension of up to one year if at least 90-days prior to December 31, 2022 Tenant provides a written request for an extension and evidence of Tenant's commercially reasonable efforts to complete the solar energy project;

ii. Tenant shall provide evidence to City that the $500,000 proceeds from the solar project sublease with Signal Street Operating, LLC is invested in the Warehouse 58 Improvements project scope as defined in Section 3.3.4.3.

iii. Tenant shall provide evidence for the following components of subtenant occupancy at Warehouse 58 (including existing subleases outside of Warehouse 58 that provide Tenant the right to relocate such subtenant(s) to Warehouse 58 and for which Tenant advises City of its intent to relocate such subtenants to Warehouse 58 following construction of the Berth 58 Warehouse Improvements). If the conditions set forth in this Section 7.6.1(b)(iii) are not met prior to Tenant requiring City's monetary contribution to proceed with the Warehouse 58 Improvements, despite Tenant using commercially reasonable efforts to satisfy said conditions, then City and Tenant agree to meet and confer to resolve said conditions in a reasonable manner that will provide City a comparable level of monetary security through existing subleases and would allow Tenant to proceed with the Warehouse 58 Improvements and receive the City's monetary contribution under this Section 7.6.1:

1. Subleases for space at Warehouse 58 utilize at least 85% of the rentable space;

2. Subleases for space at Warehouse 58 show an average lease term between 3 and 5 years; and

3. Subleases for space at Warehouse 58 show a rental revenue threshold of at least 85% of the following five successive year's proforma values of the subleases referenced in Section 7.6.1(b)(iii)(1) starting from the rent commencement date or nine months following Tenant's delivery of sublease premises to sublessee, whichever is earlier: Year 1 = $904,500; Year 2 = $931,635; Year 3 = $959,584; Year 4 = $988,372; and Year 5 = $1,018,023.

(c) Conditions Precedent to City Monetary Contribution – Berth 58 Warehouse Construction Contract: Tenant has elected to complete construction of Berth 58 Warehouse Improvements by December 31, 2022 as provided in Section 3.3.4.3(b), provided Tenant will have the option to extend such timeline for up to one (1) year based on Tenant's construction schedule conditioned on Tenant entering a construction contract to commence work no later than April 1, 2022 for the Berth 58 Warehouse Improvements listed in Section 3.3.4.3(a) that is compliant with conditions listed below in this Section 7.6.1(c). Tenant shall provide evidence to the City, acceptable to the Executive Director, for the following construction contracting procedures and contracting obligations for the Berth 58 Warehouse Improvements as set forth in Section 3.3.4.3(a) as a condition precedent to the City committing its funds as set forth in Section 7.6.1(d):

i. Tenant shall undertake the following construction contracting procedures;

1. Utilize the design-bid-build method of construction project procurement;

2. Comply with all California Public Works contracting requirements, including payment of prevailing wages as determined by the State of California, for the Berth 58 Warehouse Improvements;

3. Utilize industry standard competitive bidding procedures, at a minimum as set forth in Exhibit M, Section (A)(7), for the selection of contractors for the construction of the Berth 58 Warehouse Improvements; and

4. Provide the proposed Berth 58 Warehouse Improvements bid(s)/contract(s) documents to City for review prior to advertisement, and after such submittal, City shall have thirty (30) business days to review and submit any requests or objections to Tenant regarding the bid/contract documents, provided however, such review shall not constitute City's approval that the bid/contract's terms are compliant with federal, state or local laws, and City reserves a right of refusal to fund its account under 7.6.1(d)(i)(3) in the event the bid/contract documents are not acceptable to City and are used by Tenant for awarding the Warehouse 58

Improvements project.

ii. Tenant shall undertake the following contracting obligations;

1. Include certain terms in the bid/contract documents, including but not limited to, requiring the contractor(s) to indemnify City, name City as an additional insured, require any environmental remediation work to be separate bid items and require the selected contractor(s)' Project Manager(s) to provide City with written monthly progress reports; during the review period set forth in Section 7.6.1(c)(i)(4), City may request additional terms or removal of terms after discussion with and concurrence by Tenant; and

2. Obtain payment and performance bonds for the Warehouse 58 Improvements project prior to the commencement of construction.

(d) Tenant Funding Structure and City On-Going Payment Obligations:

i. Tenant Funding Structure;

1. Tenant shall set aside its funds for the cost of the Warehouse 58 Improvements into an account at a financial institution of its choice, with said funds amounting to no less than the Berth 58 Warehouse Improvements construction contract (hereinafter "Construction Contract") minus $6 million;

2. The account established by Tenant shall be designated as solely for the purpose of paying for the Warehouse 58 Improvements; the Parties agree that no withdrawals shall be made from the account for any purpose except to pay the Berth 58 Warehouse Improvements until such contract work is complete;

3. Tenant shall authorize its selected financial institution to provide City with oversight access to Tenant's account for purposes of monitoring funding levels and payments made for the Berth 58 Warehouse Improvements, including providing City with automatic notifications of any and all

withdrawals from the account; and

4. Upon completion of the Warehouse 58 Improvements and final payments made to the contractor(s), Tenant shall be authorized to remove any remaining funds from its account without further obligation to City.

ii. On-Going Payment Obligations

1. City shall make payments to the Tenant based on the Construction Contract terms and conditions, as follows:

    a. City shall make proportional progress payments according to the Construction Contract based on the percentage derived from dividing $6,000,000 by the total Construction Contract amount (example: if the Construction Contract is $15,000,000, then City's proportional progress payment shall be 40% based on the equation $6,000,000/$15,000,000 = 40%);

    b. City shall make progress payments only if Tenant in is compliance with Section 7.6.1(c-d).

2. Prior to making a progress payment to the contractor, City shall receive a written report on project progress from the contractor(s)' Project Manager(s); City reserves the right to monitor and conduct field inspections of the contractor(s)' work for compliance with the Construction Contract(s) terms, and City's payments shall be conditioned upon City's review process. Unless City's review process results in objections from City, City's proportionate share of the progress payments shall be made within thirty (30) days of its receipt of each written report on project progress and a payment application. If City makes any objections then the parties will meet and confer and City will make its proportionate share of the progress payment within thirty (30) days following resolution of City's objections;

10. Section 13.2.2(h). Section 13.2.2(h) is deleted in its entirety and replaced with the following provision:

"(h) Upon City's written request, Transferee shall execute and deliver a written acceptance of assignment in a form acceptable to City in which Transferee expressly assumes all of Tenant's obligations under the Agreement."

11. Section 13.4.1(e). Section 13.4.1(e) is deleted in its entirety and replaced with the following provision:

"(e) Any proposed sublease not covered by Section 13.4.1.(a), (b), (c), (d), or (g) that is in compliance with this Agreement and does not exceed the five (5) year term shall be subject to approval by the Executive Director, which approval shall not be unreasonably withheld."

12. Section 13.4.1(f). Section 13.4.1(f) is deleted in its entirety and replaced with the following provision:

"(f) Any proposed sublease not covered by Section 13.4.1(a), (b), (c), (d), (e) or (g) that is in compliance with this Agreement and does exceed the five (5) year term shall be subject to approval by the Board, which approval shall not be unreasonably withheld. "

13. Exhibit M is deleted in its entirety and replaced with Exhibit M-1, attached hereto and made a part of the Agreement.

14. Exhibit T is deleted in its entirety and replaced with Exhibit T-1, attached hereto and made a part of the Agreement.

15. City and Tenant agree that (i) Line Item 265 in Section 174 of California State legislation AB 170, amended Section 19.56(e) of the California Budget Act of 2021, is intended to allocate $6,000,000 to the City of Los Angeles for Tenant's Center for Innovation, (ii) these funds shall be used by Tenant for construction of the Center for Innovation and are separate and apart from City's monetary contribution to the Warehouse 58 Improvements set forth in Section 7.6.1 of the Agreement, (iii) the State's Natural Resources Agency shall control the allocation of said funds, (iv) City shall not be responsible for any transfer of said funds to Tenant unless and until City receives the funds from the Natural Resources Agency, and (v) if and when City receives said funds, City shall in the normal course of business, and following any directives from the State, transfer to Tenant all such funds received, without offset, deduction or other administrative fee or expense.

Except as amended herein, all remaining terms and conditions of Lease No. 904A shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this Fourth Amendment to Lease No. 904A on the date to the left of their signatures.

Dated: January 31, 2022

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

By: _____
EUGENE D. SEROKA
Executive Director

Attest: Amber M. Klesges Digitally signed by Amber M. Klesges Date: 2022.02.01 10:27:36 -08'00'
AMBER M. KLESGES
Board Secretary

Dated: 10/24, 2021

ALTASEA AT THE PORT OF LOS ANGELES

By: _____
TIMOTHY B. MCOSKER
Chief Executive Officer

Attest: Tim McOsker
Chief Executive Officer
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

11/3, 2021

MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By _____
Heather M. McCloskey, Deputy

Exhibit M-1
Tenant Improvements

Pursuant to Section 7.2.1 of the Agreement, Tenant shall be responsible for providing the following improvements, in compliance with applicable laws, rules and regulations, and the requirements of the Agreement, on the schedule stated herein.

A. General Requirements

1. Compliance with Secretary of Interior Standards: Tenant acknowledges and understands that the Premises are eligible for listing in the California Register of Historical Resources as a Historic District. Further, several Existing City Improvements identified in Exhibit C are also independently eligible for listing in the California Register of Historical Resources. The Tenant acknowledges that Tenant has been provided a copy of the certified Final Environmental Impact Report SCH#2010121013 completed for the Project (FEIR) and the Final Port of Los Angeles Municipal Pier No. 1 Historic Resources Evaluation Report, prepared by ESA for the Port of Los Angeles dated February 2011.

   As specifically discussed in FEIR Section 3.4 Cultural resources, all Tenant Improvements shall conform to the Secretary's Standards for buildings eligible for listing on the California Register of Historical Resources or the National Register of Historic Places and undergo plan review by a qualified consulting architectural historian. The Tenant at its sole cost shall retain a qualified consulting architectural historian to review all Tenant plans and specifications for compliance with the Secretary's Standards.

2. Compliance with Harbor Department Development Policies: Tenant acknowledges and understands that the Harbor Department has established several policies related to development activities as listed in Exhibits K, K-A and K-B, and generally outlined in the FEIR. Tenant shall comply with such Harbor Department policies, as applicable to the development of Tenant Improvements.

3. Public Promenade Design Approval Process: The public promenade shall be designed consistent with the Harbor Department's LA Waterfront Design Standards. Tenant shall submit public promenade design plans and specifications to the Harbor Engineer for review and approval prior to holding any public promenade design workshops as required by Section (A)(4) of this Exhibit M. Tenant shall respond to and modify the public promenade design plans and specifications as appropriate in response to any comments received during the public promenade design workshops. Tenant shall re-submit the public promenade design plans and specifications to the Harbor Engineer for final review and approval.

4. Public Promenade Design Workshops: Tenant shall hold public workshops regarding the public promenade design, once the design is initially approved by the Harbor Department as being consistent with Harbor Department LA Waterfront Design Standards.

5. Public Art: Tenant at its sole cost and expense shall comply with City requirements related to public art for Tenant Improvements.

6. Below Grade Work Coordination: Tenant understands and acknowledges that some of the transit shed warehouse redevelopment construction activities necessary for use as marine research facilities may require below grade work. Tenant shall be responsible for such below grade work at its sole cost and expense ("Tenant's Below Grade Work"), provided that City shall be responsible for Environmentally Regulated Material remediation to the extent required in Exhibit L. With prior written notice to City, Tenant may coordinate with City pursuant to Section 3.12 of the Agreement to incorporate some or all of Tenant's Below Grade Work into City's wharf and ground improvement construction contracts. City and Tenant agree and acknowledge that such an arrangement would require a separate development agreement which, among other terms, must include a provision for Tenant to reimburse City for all costs incurred by City to incorporate Tenant's Below Grade Work.

7. Competitive Bidding/Proposals for Tenant Improvements Receiving Rent Credits. For Tenant Improvements which will receive Rent Credits pursuant to Section 5.8 of the Agreement, Tenant recognizes and accepts that the contractor selection procedures specified herein are intended to promote pricing and responsive and responsible proposals in a fair and reasonable manner. As such, the selection of contractors for the construction of Tenant Improvements pursuant to Section 7.2 of the Agreement and for which Rent Credits are provided pursuant to Section 5.8 of the Agreement shall be based upon competitive bids or proposals as follows:

   (i) The Tenant shall use reasonable efforts to secure the commitment to bid or propose on the construction of Tenant's redevelopment of the transit sheds and development of the public promenade on the Demised Premises from a minimum of three (3) bidders or proposers.

   (ii) In the event that the Tenant obtains fewer than three (3) bids or proposals, it shall provide the Executive Director with a written description of its efforts to obtain competition and, if Tenant believes that it should proceed to award the bid or proposal with fewer than three (3) bidders or proposers, the justification therefor, including why the Tenant believes the cost of such bid or proposal is reasonable.

   (iii) In the event that the Tenant elects not to proceed to award the bid or proposal solely on the basis of price, it shall provide the Executive Director with a written justification of the reasons therefor.

B. Remediation Reimbursement Process. The maximum reimbursable remediation expenditures shall be Twelve Million Dollars ($12,000,000). Tenant shall, at all times, document actual remediation costs associated with parcels and structures that are eligible for remediation reimbursement.

1. Upon Tenant's remediation and completion of construction of Parcels B57.5, B58, B59 B60, B60B, B72A and B72B Tenant Improvements worth a minimum of Thirty Five Million Dollars ($35,000,000), Tenant shall submit satisfactory proof to City of the expenditures associated with the complete remediation of such parcels and structures as previously approved by the Harbor Department. Tenant shall be reimbursed up to One Million Five Hundred Thousand Dollars ($1,500,000) (See Section 3.3.6.1(a)(i)) and remaining expenditures exceeding One Million Five Hundred Thousand Dollars ($1,500,000) will be reimbursed upon substantial completion of Parcel B57.5 Tenant Improvements (See Section 3.3.6.1(a)(ii).

After substantial completion of Parcels B57.5, B58, B59 and B60 Tenant Improvements and upon submittal of the executed construction contract for Parcel B57 Tenant Improvements, Tenant is eligible for the unreimbursed remediation expenses for Parcels B57.5, B58, B59 B60, B60B, B72A and B72B, not to exceed Three Million Dollars ($3,000,000) (See Sections 3.3.6.1(a)(iii) and (iv). The maximum payable amount by the Harbor Department for remediation at Parcels B57.5, B58, B59 B60, B60B, B72A and B72B is Six Million Dollars ($6,000,000) (See Section 3.3.5.1).

2. Upon Tenant's remediation, and completion of construction at Parcel B57 Tenant Improvements worth a minimum of Thirty-Five Million Dollars ($35,000,000), Tenant shall submit satisfactory proof to City of the expenditures associated with the complete remediation of such parcels and structures as previously approved by the Harbor Department. Upon Tenant's remediation and completion of construction at Parcels B56A and B56B Tenant Improvements worth a minimum of Fifty Million Three Hundred Thousand Dollars ($50,300,000), Tenant shall submit satisfactory proof to City of the expenditures associated with the complete remediation of such parcels as previously approved by the Harbor Department (See Sections 3.3.6.2(c) and 3.3.6.3(c)).

   Tenant reimbursement for remediation under this Section B(2) shall not exceed Six Million Dollars ($6,000,000) (See Sections 3.3.5.2 and 3.3.5.3).

Tenant shall request reimbursement and submit appropriate supporting documents to include proof of all expenses paid for remediation annually as an addendum to the annual report required for Non-Monetary Compensation described in Exhibit F for review. The City through the authority of the Executive Director may require, and Tenant shall provide, all documents reasonably required to determine whether amounts on the invoice are allowable expenses under the Agreement. Upon approval, Tenant shall submit an invoice for the total amount in quadruplicate to lease administrator. Such invoice shall be signed by the Tenant and shall include the following certification:

> "I certify under penalty of perjury that the above bill is just and correct according to the terms of Agreement No. _____ and that payment has not been received. I further certify that I have complied with the provisions of the City's Living Wage Ordinance.
>
> _____"
> (Tenant's Signature)

Tenant must include on the face of each invoice its Business Tax Registration Certificate number, as required in Article 16.20 of this Agreement. No invoice will be processed for payment by City without this number shown thereon. All invoices shall be approved by the Executive Director or their designee prior to payment. All invoices due and payable and found to be in order shall be paid as soon as, in the ordinary course of City business the same may be approved, audited and paid.

C. Rent Credits. The provisions applicable to rent credit amounts, effective dates, applicability, expiration and submission request requirements are detailed in Section 5.8 of this Agreement.

Listed below are the eligible improvements for rent credits for Parcels B58, B59, B60 and B61A.

1. Site Work
   - Demo railroad track
   - Earthwork, clear and grub
   - Asphalt/Concrete Paving

2. Site Concrete
   - Concrete
   - ADA ramp infill and foundation
   - Curb work
   - Deck infill
   - Equipment pads

3. Site Utilities
   - Water
   - Electrical

4. Offsite work including in site A/C Paving, Electric, Utilities, etc.

5. Structural Steel
   - Spines, herringbones, cross beams
   - Handrails/Guardrails
   - ADA Ramps – Steel/concrete infill
   - Seismic reinforcements
   - Cross bracing
   - Supports for storefront openings
   - Framing at entry vestibules
   - Railings
   - Sheet metal
   - Doors and frames
   - Metal Stud Framing

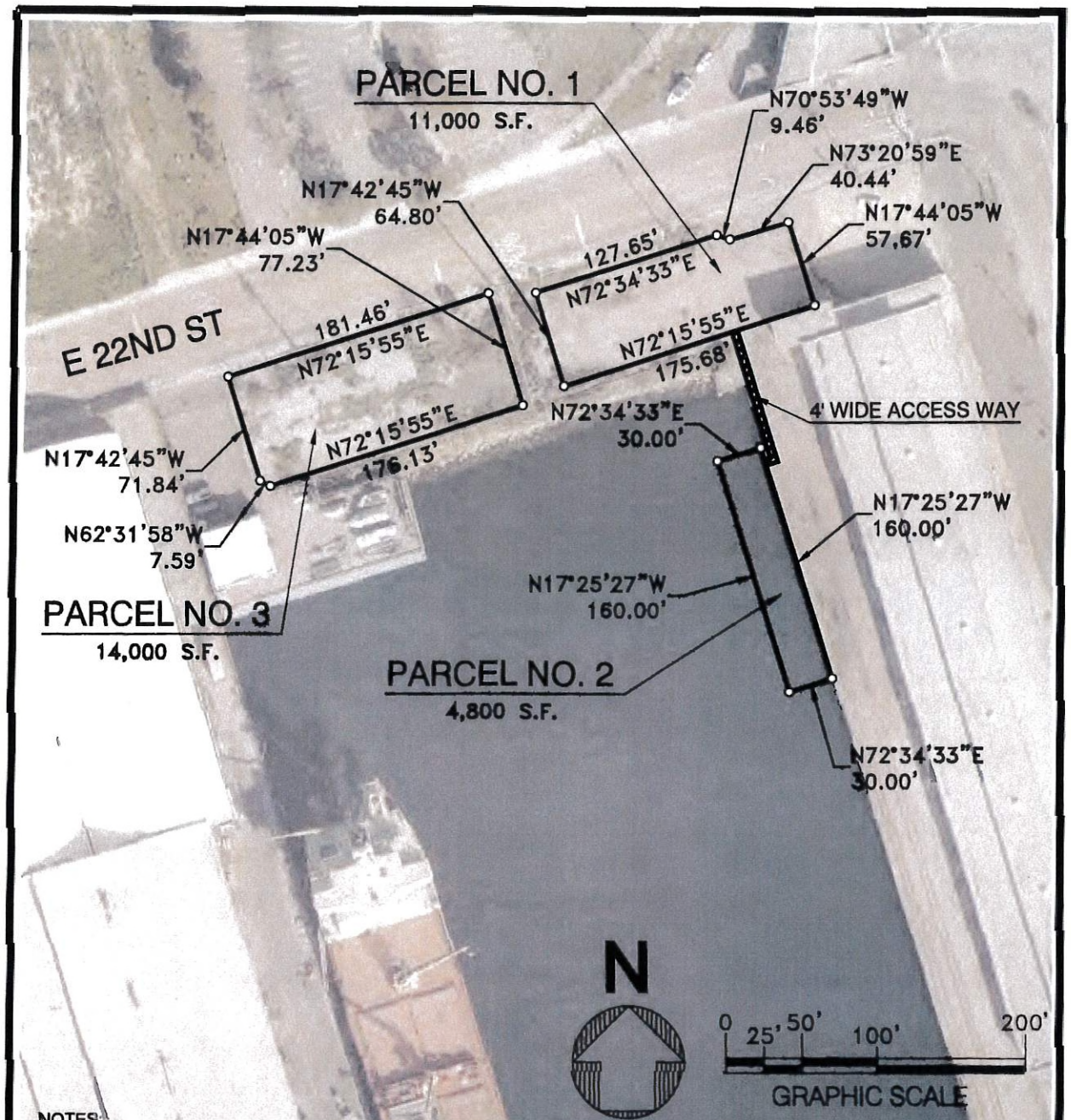
6. Demolition
   - Slab removal
   - Boring for utilities
   - Remove existing lighting and conduit
   - Asphalt removal
   - Overhead door removal

7. Historical building restoration

8. Roof improvements

9. Other improvements that meet the criteria established in Section 5.8 of this Agreement and are not entity/subtenant specific nor installed in a temporary manner:
   - Overhead doors
   - Glass Storefronts
   - Drywall

- Painting
- Signage for address/Location
- Modular restrooms
- Fire sprinklers
- Plumbing
- HVAC
- Electrical – New Service Gear
- Fire Alarm



NOTES:

1) NO SUBSTRUCTURES ARE SHOWN ON THIS DRAWING. ACCURATE SUBSTRUCTURE INFORMATION MUST BE OBTAINED FROM LESSEES AND L.A.H.D. ENGINEERING RECORDS.

2) HORIZONTAL DATUM IS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NAD 83), CALIFORNIA COORDINATE SYSTEM, ZONE 5, FEET.

3) ALL DISTANCES SHOWN ON THIS DRAWING ARE GRID DISTANCES. TO OBTAIN A REASONABLE REPRESENTATION OF THE GROUND DISTANCE, DIVIDE THE DISTANCE HEREIN BY THE AVERAGE SCALE FACTOR OF 1.000076.

REV. 1 10/21 ADDED PARCEL NO. 3 PH

SCALE: AS SHOWN	CHIEF OF DESIGN	PERMIT MAP - AUTHORITY NO. L904A
DRAWN: P. HOANG	ASSISTANT CHIEF OF HARBOR ENGINEER	ALTASEA
CHECKED: C. BROWN	Stuart L. Fricke	
DESIGNED: P. HOANG		
ENGR/ARCH	CHIEF HARBOR ENGINEER 9-15-20 DATE	THE PORT OF LOS ANGELES ENGINEERING DIVISION 425 S. PALOS VERDES STREET SAN PEDRO CA 90731-3309
Phuck Hoang		DRAWING NUMBER 5-7389

DWG: N:\cadd\project\R.O.W.LEASE\Signed Drawings\5-7389 REV 1.dwg USER: hoangp
DATE: Oct 14, 2021 9:04am XREFS:BDRY-PIER IMAGES:L5_8477_1720a L5_8477_1720b
POLAPRO5_VER.1_12/96

Exhibit T-1

FIFTH AMENDMENT TO LEASE NO. 904A
BETWEEN THE CITY OF LOS ANGELES AND
ALTASEA AT THE PORT OF LOS ANGELES

THIS FIFTH AMENDMENT to Lease No. 904A ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

The Agreement is hereby amended a fifth time as follows:

1. Section 3.2.1.3(c). Section 3.2.1.3(c) is deleted in its entirety and replaced with the following provision:

"(c) Parcels B57 and B61B: Tenant shall accept Parcels B57 and B61B no later than December 31, 2025. The following shall be required prior to acceptance:

i. City and Tenant shall agree on a final scope of work for the Parcel B57 Wharf Improvements set forth in Section 3.3.5.2(a) with a not to exceed amount of $9.62 million for total construction and soft costs which shall not include seismic improvements to the sea wall. Buildings constructed or existing within Parcel B57 may require independent structural support to meet seismic and other structural requirements which shall be the Tenant's responsibility; and"

ii. City and Tenant shall agree on a final completion schedule for Parcel B57 after the final project scope is defined and a final scope of environmental assessment is determined by City.

iii. If Tenant complies with the other requirements of Section 3.2.1.1 and substantially completes the Tenant Improvements in Warehouses B58 and B60, then the Tenant Improvements set forth in Section 3.2.1.1(f)(ii) for Parcels B57.5, and B59 shall no longer be required to be completed."

2. Section 3.2.1.3(h). Section 3.2.1.3(h) is added as follows:

"(h) Pre-Acceptance Use of Parcel B57: In addition to the Pre-Acceptance Use permitted under Section 3.2.1.3(f), and subject to Environmental Review under Section 3.2.5, Tenant may use or sublease any portion of the Parcel B57 warehouse for the same uses permitted for the Parcel 58 warehouse prior to the acceptance date for Parcel B57 under Section 3.2.1(c)."

3. Section 3.3.4.3. Section 3.3.4.3 hereby is deleted in its entirety and replaced with the following provision:

"3.3.4.3 Parcels B57.5, B58, B59, B60, B61A

(a) Scope

i. Warehouses 58, 59 and 60 - Develop leasable space for subtenants who qualify to occupy the warehouses at Berths 58 through 60 as set forth under Section 4.1, Permitted Uses. Improvement of up to 120,000 square feet of the existing 180,000 square feet shall be required to meet code requirements for the expected subtenants including but not limited to: new electrical service, electrical rooms and distribution, Upgraded interior and exterior lighting, new cold water system, new fire alarm system, provisions for trailer hook-up within the sheds for office use, modular restroom facilities, modular ramp and stair systems for ADA access to each subtenant space, modular storefront, modular trailers, chain link walls between subtenant spaces, new guardrails along loading dock, signage and environmental graphics displays, parking, exterior seating, new landscaping.

ii. Public Promenade - Tenant shall provide Public Promenade improvements in compliance with the San Pedro Waterfront Design Guidelines for the entire north to south length of Parcels B58, B59, B60 and B61A, including integration into Parcels B57 and B57.5, and if applicable Parcels B70 and B71.

iii. Wharf Improvements – To the extent necessary to support any permanent crane installations to be placed by Tenant on the wharf of Berths 57.5 through 60, Tenant shall repair the existing concrete-pile supported concrete and asphalt wharf on approximately 1,500 linear feet of the existing concrete wharf at Berth 57.5 through Berth 60. To the extent necessary to support any permanent crane installations, Tenant shall repair and upgrade the existing in-water piles, the concrete and asphalt deck and the fender piles and repave approximately 56,100 square feet of degraded asphalt on the wharf deck. Tenant may construct a maximum of three crane installation locations including upgraded structural piles within the existing wharf from Berths 58 through 60. The foregoing shall not limit City's obligations pursuant to Section 8.8.1 of the Agreement to keep, maintain and repair wharf structures on or under the Demised Premises, other than those that are repaired by Tenant as set forth herein, on an "as is" basis as conditions existed on the Effective Date of the Agreement.

iv. Parcel 57.5 Improvements – Tenant shall grind and repave approximately 40,000 square feet of asphalt at Parcel B57.5 in the area between Parcels B58 and B57. Tenant may determine the

feasibility of using solar panels to construct a shaded area on Parcel B57.5 for classroom activities and special events. Tenant's feasibility study for use of solar panels at Parcel B57.5 shall include Environmental Review under Section 3.2.5. If solar panels are not feasible on Parcel B57.5, Tenant shall not be required to complete any additional improvements other than as set forth in this Section 3.3.4.3(a)(iv).

v. Parcel 57.5 Temporary Improvements - Tenant may use or sublease portions of Parcel B57.5 in accordance with Section 13.4.1(c), subject to Environmental Review under Section 3.2.5, for operations and installation of modular containers to conduct and oversee research activity. The foregoing use shall be permitted on Parcel B57.5 for up to five (5) years from effective date of this Fourth Amendment or until six (6) months following completion of all Tenant Improvements for Parcel B57, whichever is earlier.

(b) Schedule – Tenant shall complete improvements to the Berth and Warehouse on Parcels B58 or B60 no later than June 30, 2024. Tenant shall complete any remaining Improvements set forth in Section 3.3.4.3 (a) i-iv no later than December 31, 2025. Tenant may extend the foregoing deadlines for up to one (1) year each upon prior written notice to City. City and Tenant will meet and confer in good faith upon City receiving a written notice from Tenant, prior to July 1, 2023, requesting a meeting to evaluate the scope of work and whether any time extensions are required for Tenant to complete the Improvements set forth in this Section 3.3.4.3.

(c) Required Minimum Investment – Tenant shall invest no less than 80% of the estimated project cost of $35 million in Parcels B57.5, B58, B59, B60."

4. Section 3.3.6.1. Section 3.3.6.1 is hereby removed in its entirety and replaced with the following provision:

"Section 3.3.6.1 Parcels B57.5, B58, B59, B60, B60B, B72A and B72B. Reimbursement for Remediation of Environmentally Regulated Material including addressing soil, groundwater, and hazardous building materials.

(a) In compliance with the Remediation Reimbursement Process in Exhibit M, City shall reimburse Tenant up to six million dollars ($6,000,000) of Tenant's actual costs for remediation addressing soil, groundwater and hazardous building materials related to Existing City Improvements and New Tenant Improvements. Following Tenant's evaluation of the scope of remediation work allowable under this section, and upon written notice from the Tenant and prior to July 1, 2023, the Parties shall meet and confer in good faith to determine if the project completion dates referenced in Section 3.3.4.3 require adjustment, which shall be subject to the approval process described

in Section 3.3.4.3(b). Tenant shall be eligible for reimbursement in phases, subject to the Executive Director's determination that Tenant has completed the following conditions:

i. Tenant shall be reimbursed up to three million dollars ($3,000,000) upon completion of Parcels B58-B60 Tenant Improvements in accordance with Section 3.3.4.3 and completion of Parcels B60B, B72A and B72B Tenant Improvements in accordance with Section 3.3.4.7, and submission by Tenant to City of documentation showing actual costs paid for the remediation for Parcels B58-B60 and Parcels B60B, B72A and B72B. Tenant may request reimbursement under this Subsection individually for each Parcel B58-B60 after the Tenant Improvements for each such individual parcel has been completed;

ii. After payment under subsection (i) herein, any remaining amount of the six million dollars ($6,000,000) may be paid upon Tenant's execution of the construction contract for Parcel B57 Tenant Improvements, which shall include a performance bond for the project, said payment conditioned on Tenant's acceptance of Parcel B57 in accordance with Section 3.2.1.3(c) and submission by Tenant to City of documentation showing actual costs paid for the remediation.

5. Section 7.6.1. Section 7.6.1 is deleted in its entirety and replaced with the following provision:

"7.6.1 City Monetary Contribution for Tenant's Improvements at Berth 58 Warehouse.

(a) Monetary Contribution:

i. Following Tenant's compliance with the requirements set forth in Sections 7.6.1(b) and (c), City shall commit Six Million Dollars ($6,000,000) as set forth in Section 7.6.1(d), to partially fund the Berth 58-60 Warehouse Improvements listed in Section 3.3.4.3(a), not including, however, 1) any expenditures to complete the solar energy project on the Premises or 2) for payments toward any aspects of the Berth 58 Warehouse Improvements for which Tenant could request reimbursement from City for remediation of environmentally regulated material under Section 3.3.5.1 of the Agreement;

ii. City's monetary contribution to the Warehouse 58-60 Improvements shall not be included in the calculation of

Rent Credits under Section 5.8.

(b) Conditions Precedent to City Monetary Contribution – Tenant Improvements and Subleasing: Tenant shall provide evidence to the City, acceptable to the Executive Director, for the following components as a condition precedent to the City committing its funds as set forth in Section 7.6.1(d):

i. Tenant shall use commercially reasonable efforts to cause its subtenant to complete the solar energy project on the Premises at Parcels B58 through B60 and Parcels B60B, B72A and B72B capable of generating approximately 2 Megawatts of power by December 31, 2023. The Executive Director may grant Tenant an extension of up to one year if at least 90-days prior to December 31, 2023 Tenant provides a written request for an extension and evidence of Tenant's commercially reasonable efforts to complete the solar energy project;

ii. Tenant shall provide evidence to City that the $500,000 proceeds from the solar project sublease with Signal Street Operating, LLC is invested in the Warehouse 58-60 Improvements project scope as defined in Section 3.3.4.3.

iii. Tenant shall provide evidence for the following components of subtenant occupancy at Warehouse 58 (including existing subleases outside of Warehouse 58 that provide Tenant the right to relocate such subtenant(s) to Warehouse 58 and for which Tenant advises City of its intent to relocate such subtenants to Warehouse 58 following construction of the Berth 58 Warehouse Improvements). If the conditions set forth in this Section 7.6.1(b)(iii) are not met prior to Tenant requiring City's monetary contribution to proceed with the Warehouse 58-60 Improvements, despite Tenant using commercially reasonable efforts to satisfy said conditions, then City and Tenant agree to meet and confer to resolve said conditions in a reasonable manner that will provide City a comparable level of monetary security through existing subleases and would allow Tenant to proceed with the Warehouse 58-60 Improvements and receive the City's monetary contribution under this Section 7.6.1:

1. Subleases for space at Warehouse 58 utilize at least 85% of the rentable space;

2. Subleases for space at Warehouse 58 show an average lease term between 3 and 5 years; and

3. Subleases for space at Warehouse 58 show a rental revenue threshold of at least 85% of the following five successive year's proforma values of the subleases referenced in Section 7.6.1(b)(iii)(1) starting from the rent commencement date or nine months following Tenant's delivery of sublease premises to sublessee, whichever is earlier: Year 1 = $904,500; Year 2 = $931,635; Year 3 = $959,584; Year 4 = $988,372; and Year 5 = $1,018,023.

(c) Conditions Precedent to City Monetary Contribution – Berth 58 Warehouse Construction Contract: Tenant has elected to complete construction of Berth 58 Warehouse Improvements by June 30, 2024 as provided in Section 3.3.4.3(b), provided Tenant will have the option to extend such timeline for up to one (1) year based on Tenant's construction schedule conditioned on Tenant entering a construction contract to commence work no later than April 1, 2023 for the Berth 58 Warehouse Improvements listed in Section 3.3.4.3(a) that is compliant with conditions listed below in this Section 7.6.1(c). Tenant shall provide evidence to the City, acceptable to the Executive Director, for the following construction contracting procedures and contracting obligations for the Berth 58 Warehouse Improvements as set forth in Section 3.3.4.3(a) as a condition precedent to the City committing its funds as set forth in Section 7.6.1(d):

i. Tenant shall undertake the following construction contracting procedures;

1. Utilize the design-bid-build method of construction project procurement;

2. Comply with all California Public Works contracting requirements, including payment of prevailing wages as determined by the State of California, for the Berth 58 Warehouse Improvements;

3. Utilize industry standard competitive bidding procedures, at a minimum as set forth in Exhibit M, Section (A)(7), for the selection of contractors for the construction of the Berth 58 Warehouse Improvements; and

4. Provide the proposed Berth 58 Warehouse Improvements bid(s)/contract(s) documents to City for review prior to advertisement, and after such submittal, City shall have thirty (30) business days to review and submit any requests or objections to Tenant regarding the bid/contract documents, provided however, such review shall not constitute City's approval that the bid/contract's terms are compliant with federal, state or local laws, and City reserves a right of refusal to fund its account under 7.6.1(d)(i)(3) in the event the bid/contract documents are not acceptable to City and are used by Tenant for awarding the Warehouse 58 Improvements project.

ii. Tenant shall undertake the following contracting obligations;

1. Include certain terms in the bid/contract documents, including but not limited to, requiring the contractor(s) to indemnify City, name City as an additional insured, require any environmental remediation work to be separate bid items and require the selected contractor(s)' Project Manager(s) to provide City with written monthly progress reports; during the review period set forth in Section 7.6.1(c)(i)(4), City may request additional terms or removal of terms after discussion with and concurrence by Tenant; and

2. Obtain payment and performance bonds for the Warehouse 58 Improvements project prior to the commencement of construction.

(d) Tenant Funding Structure and City On-Going Payment Obligations:

i. Tenant Funding Structure;

1. Tenant shall set aside its funds for the cost of the Warehouse 58 Improvements into an account at a financial institution of its choice, with said funds amounting to no less than the Berth 58 Warehouse Improvements construction contract (hereinafter "Construction Contract") minus $6 million;

2. The account established by Tenant shall be

designated as solely for the purpose of paying for the Warehouse 58 Improvements; the Parties agree that no withdrawals shall be made from the account for any purpose except to pay the Berth 58 Warehouse Improvements until such contract work is complete;

3. Tenant shall authorize its selected financial institution to provide City with oversight access to Tenant's account for purposes of monitoring funding levels and payments made for the Berth 58 Warehouse Improvements, including providing City with automatic notifications of any and all withdrawals from the account; and

4. Upon completion of the Warehouse 58 Improvements and final payments made to the contractor(s), Tenant shall be authorized to remove any remaining funds from its account without further obligation to City.

ii. On-Going Payment Obligations

1. City shall make payments to the Tenant based on the Construction Contract terms and conditions, as follows:

    a. City shall make proportional progress payments according to the Construction Contract based on the percentage derived from dividing $6,000,000 by the total Construction Contract amount (example: if the Construction Contract is $15,000,000, then City's proportional progress payment shall be 40% based on the equation $6,000,000/$15,000,000 = 40%);

    b. City shall make progress payments only if Tenant in is compliance with Section 7.6.1(c-d).

2. Prior to making a progress payment to the contractor, City shall receive a written report on project progress from the contractor(s)' Project Manager(s); City reserves the right to monitor and conduct field inspections of the contractor(s)' work

for compliance with the Construction Contract(s) terms, and City's payments shall be conditioned upon City's review process. Unless City's review process results in objections from City, City's proportionate share of the progress payments shall be made within thirty (30) days of its receipt of each written report on project progress and a payment application. If City makes any objections then the parties will meet and confer and City will make its proportionate share of the progress payment within thirty (30) days following resolution of City's objections;

iii. Initial Payment Obligations

1. After Tenant meets the requirements of Sections 7.6.1(b) and (c), City shall make proportional reimbursements (calculated as set forth in Section 7.6.1(d)(ii)(1)(a)) from the $6,000,000 funds in Section 7.6.1(a)(i) to Tenant for expenditures for the Berth 58-60 warehouse improvements set forth in Section 3.3.4.3(a), that were incurred by Tenant prior to having met the requirements of Sections 7.6.1(b) and (c) but otherwise in compliance with terms of the Agreement.

Except as amended herein, all remaining terms and conditions of Lease No. 904A shall remain in full force and effect.

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IN WITNESS THEREOF, the parties hereto have executed this Fifth Amendment to Lease No. 904A on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Dated: Nov. 30, 2022

By: _____
EUGENE D. SEROKA
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

ALTASEA AT THE
PORT OF LOS ANGELES

Dated: October 19, 2022

By: _____
TERRY TAMMINEN
President/CEO

Attest: _____
Jenny Krusoe, Founding Executive Director
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

10/20, 2022
MICHAEL N. FEUER, City Attorney
Steven Y. Otera, General Counsel

By _____
Heather M. McCloskey, Deputy

SIXTH AMENDMENT TO LEASE NO. 904A
BETWEEN THE CITY OF LOS ANGELES AND
ALTASEA AT THE PORT OF LOS ANGELES

THIS SIXTH AMENDMENT to Lease No. 904A ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

The Agreement is hereby amended a sixth time as follows:

1. Section 3.1. Section 3.1 is deleted in its entirety and replaced with the following provision:

"3.1 Description. The premises subject to this Agreement consist of Parcel Nos. B56A, B56B, B56C, B57, B57.5, B58, B59, B60, B60B, B61A, B61B, B61C, B70, B71, B72A, and B72B, as delineated and more particularly described on Permit Map-Authority No. L904A ("Premises") that is on file in the office of the Chief Harbor Engineer of the Harbor Department ("Harbor Engineer") and is attached hereto as Exhibit A-4. The list of Existing City Improvements is attached hereto as Exhibit C. The total acreage of the Premises is 32.13 acres of land/wharf/warehouse and water including 20.83 acres of land/wharf/warehouse and 11.3 acres of water. The Premises encompass the total property and improvements subject to this Agreement. However, Tenant shall be entitled to accept and take possession of individual Parcels within the Premises pursuant to the process for Tenant acceptance and possession of individual Parcels described in Section 3.2 below. Exhibit B shall identify the Demised Premises as said Demised Premises may be revised from time to time during the Term of the Agreement. Upon incorporating any individual Parcels into the Demised Premises, the Executive Director shall issue an updated Demised Premises Exhibit as Exhibit B-3 and so forth numerically as Tenant accepts and takes possession of Parcels over the Term of the Agreement. Said revised Exhibit B-# shall be transmitted to Tenant and shall list all of the Parcels that Tenant has accepted or is in possession of as permitted in Section 3.2 of this Agreement. Upon City's transmittal to Tenant, each such issued Exhibit B-# shall be deemed to: (i) be incorporated into this Agreement without further action of the Board or Council; and (ii) supersede any earlier iterations of Exhibit B-#."

2. Exhibit A-3 is hereby deleted in its entirety and replaced with Exhibit A-4, attached hereto and made a part of the Agreement.

3. Addition of Parcel B56C and Removal of Parcel S22. All references in the Agreement to Parcel B56A and/or B56B shall be deemed to include Parcel B56C which is added to the Premises pursuant to Paragraph 1 above. Parcel S22 is hereby removed from the Premises pursuant to Paragraph 1 above and

all references in the Agreement to Parcel S22 are hereby deleted in their entirety.

4. Section 3.2.1.3(d). Section 3.2.1.3(d) is deleted in its entirety and replaced with the following provision:

"(d) Parcels B56A, B56B and B56C: Tenant shall accept Parcels B56A, B56B and B56C no later than July 1, 2023. The following shall be required prior to acceptance:

i. Tenant shall complete a design concept reasonably satisfactory to the Executive Director that connects the pedestrian rights of way from 22nd Street and Signal Street to an integrated and multifaceted engagement experience within the Premises for public visitors and promotion of the marine-related research, education and commercial endeavors occurring on the Premises. To the extent feasible, Tenant's design concept shall adhere to the San Pedro Waterfront Design Guidelines.

ii. City and Tenant shall agree on a final completion schedule for Parcels B56A, B56B and B56C after the project scope is finalized City and Tenant shall agree on a final completion schedule for Parcel B56A-C after the final project scope is defined and a final scope of environmental assessment is determined by City.

iii. After acceptance of Parcel B56C, Tenant shall not initiate any work or improvements without having first complied with applicable environmental review laws and regulations and completion of applicable Environmental Review."

5. Section 3.3.4.5. Section 3.3.4.5 hereby is deleted in its entirety and replaced with the following provision:

"3.3.4.5. Parcels B56A, B56B, and B56C

(a) Scope - City and Tenant shall agree on a final scope of work for Tenant Improvements in compliance with Section 3.2.1.3(d)(i).

(b) Schedule – City and Tenant shall agree on a final completion schedule for Tenant Improvements in compliance with Section 3.2.1.3(d)."

6. Section 3.3.5.3(a). Section 3.3.5.3(a) is hereby deleted in its entirety and replaced with the following provision:

"(a) 22nd Street Improvement Project – In accordance with Section 7.1.2,

City shall consult with Tenant regarding the design plans and specifications for City's 22nd Street improvements located adjacent to the Premises, conditioned upon the Parties' prior agreement for Tenant's improvements set forth in Section 3.3.3.4.5."

7. Section 3.3.6.3. Section 3.3.6.3 is hereby deleted in its entirety and replaced with the following provision:

"3.3.6.3 Parcels B56A, B56B and B56C Environmental Remediation Reimbursement:

(a) City's Environmental Remediation Reimbursement Conditions Precedent

i. Tenant shall document its actual costs paid for remediation of Parcels B56A, B56B and B56C.

ii. Tenant shall complete Parcels B56A, B56B and B56C Tenant Improvements."

8. Section 5.4.1. Section 5.4.1 is hereby deleted in its entirety and replaced with the following provision:

"5.4.1 Parcels B56A, B56B and B56C. Minimum Annual Rent for Parcels B56A and B56B shall be $7,013.30 and for Parcel B56C shall be $3,169.40 provided Tenant complies with Exhibit F."

9. Section 5.4.3. Section 5.4.3 is hereby deleted in its entirety and is not replaced.

10. Section 5.8.1(a). Section 5.8.1(a) is deleted in its entirety and replaced with the following provision:

"(a) Parcels B56A, B56B and B56C shall have a maximum Rent Credit of Twelve Million Dollars ($12,000,000). Upon completion of Tenant's Improvements agreed to pursuant to Section 3.3.4.5, Tenant shall submit documentation detailing actual Tenant expenditures for improvement of Existing City Improvements and new Public Access Infrastructure. The Executive Director shall review Tenant's documentation to ensure only applicable costs for Existing City Improvements and new Public Access Infrastructure are included. The lesser of the maximum Rent Credit for Parcels B56A, B56B and B56C or actual Tenant expenditures for Existing City Improvements and new Public Access Infrastructure shall be certified in writing by the Executive Director to Tenant."

11. Section 7.6.1. Section 7.6.1 is deleted in its entirety and replaced with the following provision:

"7.6.1 City Monetary Contribution for Tenant's Improvements at Berth 58-60 Warehouse.

(a) Monetary Contribution:

i. Following Tenant's compliance with the requirements set forth in Sections 7.6.1(b) and (c), City shall commit Six Million Dollars ($6,000,000) as set forth in Section 7.6.1(d), to partially fund the Berth 58-60 Warehouse Improvements listed in Section 3.3.4.3(a), not including, however, 1) any expenditures to complete the solar energy project on the Premises or 2) for payments toward any aspects of the Berth 58-60 Warehouse Improvements for which Tenant could request reimbursement from City for remediation of environmentally regulated material under Section 3.3.5.1 of the Agreement;

ii. City's monetary contribution to the Warehouse 58-60 Improvements shall not be included in the calculation of Rent Credits under Section 5.8.

(b) Conditions Precedent to City Monetary Contribution – Tenant Improvements and Subleasing: Tenant shall provide evidence to the City, acceptable to the Executive Director, for the following components as a condition precedent to the City committing its funds as set forth in Section 7.6.1(d):

i. Tenant shall use commercially reasonable efforts to cause its subtenant to complete the solar energy project on the Premises at Parcels B58 through B60 and Parcels B60B, B72A and B72B capable of generating approximately 2 Megawatts of power by December 31, 2023. The Executive Director may grant Tenant an extension of up to one year if at least 90-days prior to December 31, 2023 Tenant provides a written request for an extension and evidence of Tenant's commercially reasonable efforts to complete the solar energy project;

ii. Tenant shall provide evidence to City that the $500,000 proceeds from the solar project sublease with Signal Street Operating, LLC is invested in the Warehouse 58-60 Improvements project scope as defined in Section 3.3.4.3.

iii. Tenant shall provide evidence for the following components of subtenant occupancy at Warehouse 58 (including existing subleases outside of Warehouse 58

that provide Tenant the right to relocate such subtenant(s) to Warehouse 58 and for which Tenant advises City of its intent to relocate such subtenants to Warehouse 58 following construction of the Berth 58 Warehouse Improvements). If the conditions set forth in this Section 7.6.1(b)(iii) are not met prior to Tenant requiring City's monetary contribution to proceed with the Warehouse 58-60 Improvements, despite Tenant using commercially reasonable efforts to satisfy said conditions, then City and Tenant agree to meet and confer to resolve said conditions in a reasonable manner that will provide City a comparable level of monetary security through existing subleases and would allow Tenant to proceed with the Warehouse 58-60 Improvements and receive the City's monetary contribution under this Section 7.6.1:

1. In order to receive $6 million from City, Tenant shall provide evidence of the following:

    i. Subleases for space at Warehouse 58 utilize at least 85% of the rentable space;

    ii. Subleases for space at Warehouse 58 show an average lease term between 3 and 5 years; and

    iii. Subleases for space at Warehouse 58 show a rental revenue threshold of at least 85% of the following five successive year's proforma values of the subleases referenced in Section 7.6.1(b)(iii)(1) starting from the rent commencement date or nine months following Tenant's delivery of sublease premises to sublessee, whichever is earlier: Year 1 = $904,500; Year 2 = $931,635; Year 3 = $959,584; Year 4 = $988,372; and Year 5 = $1,018,023.

2. In order to receive partial allocation of the $6 million up to $3 million from the City, Tenant shall provide evidence of the following:

    i. Subleases for space at Warehouse 58 utilize at least 50% of the rentable space;

    ii. Subleases for space at Warehouse 58

satisfying Section 7.6.1(b)(iii)(2)(i) above show an average lease term between 3 and 5 years; and

iii. Subleases for space at Warehouse 58 show a rental revenue threshold of at least 50% of the following five successive year's proforma values of the subleases referenced in Section 7.6.1(b)(iii)(1) starting from the rent commencement date or nine months following Tenant's delivery of sublease premises to sublessee, whichever is earlier: Year 1 = $904,500; Year 2 = $931,635; Year 3 = $959,584; Year 4 = $988,372; and Year 5 = $1,018,023.

iv. Evidence of letters of intent to occupy the remaining 50% of the Berth 58 Warehouse with requisite sublease revenue to meet or exceed the following five successive year's proforma values of the subleases when added to sublease revenue referenced in Section 7.6.1(b)(iii)(2): Year 1 = $904,500; Year 2 = $931,635; Year 3 = $959,584; Year 4 = $988,372; and Year 5 = $1,018,023.

(c) Conditions Precedent to City Monetary Contribution – Berth 58-60 Warehouse Construction Contract: Tenant has elected to complete construction of Berth 58 Warehouse Improvements by June 30, 2024 as provided in Section 3.3.4.3(b), provided Tenant will have the option to extend such timeline for up to one (1) year based on Tenant's construction schedule conditioned on Tenant entering a construction contract to commence work no later than May 1, 2023 for the Berth 58-60 Warehouse Improvements listed in Section 3.3.4.3(a)(i) with said construction contract compliant with conditions listed below in this Section 7.6.1(c). Tenant shall provide evidence to the City, acceptable to the Executive Director, for the following construction contracting procedures and contracting obligations for the Berth 58-60 Warehouse Improvements as set forth in Section 3.3.4.3(a) as a condition precedent to the City committing its funds as set forth in Section 7.6.1(d):

i. Tenant shall undertake the following construction contracting procedures;

1. Utilize the design-bid-build method of construction

project procurement;

2. Comply with all California Public Works contracting requirements, including payment of prevailing wages as determined by the State of California, for the Berth 58-60 Warehouse Improvements;

3. Utilize industry standard competitive bidding procedures, at a minimum as set forth in Exhibit M, Section (A)(7), for the selection of contractors for the construction of the Berth 58-60 Warehouse Improvements; and

4. Provide the proposed Berth 58-60 Warehouse Improvements bid(s)/contract(s) documents to City for review prior to advertisement, and after such submittal, City shall have thirty (30) business days to review and submit any requests or objections to Tenant regarding the bid/contract documents, provided however, such review shall not constitute City's approval that the bid/contract's terms are compliant with federal, state or local laws, and City reserves a right of refusal to fund its account under 7.6.1(d)(i)(3) in the event the bid/contract documents are not acceptable to City and are used by Tenant for awarding the Warehouse 58-60 Improvements project.

ii. Tenant shall undertake the following contracting obligations;

1. Include certain terms in the bid/contract documents, including but not limited to, requiring the contractor(s) to indemnify City, name City as an additional insured, require any environmental remediation work to be separate bid items and require the selected contractor(s)' Project Manager(s) to provide City with written monthly progress reports; during the review period set forth in Section 7.6.1(c)(i)(4), City may request additional terms or removal of terms after discussion with and concurrence by Tenant; and

2. Obtain payment and performance bonds for the Warehouse 58-60 Improvements project prior to the commencement of construction.

(d) Tenant Funding Structure and City On-Going Payment Obligations:

i. Tenant Funding Structure

1. Tenant has provided Landlord evidence acceptable to the Executive Director demonstrating that Tenant has the requisite funds in the amount of $20 million, either in its possession or contractually committed, to pay for the Warehouse 58-60 Improvements. The minimum funding requirement under this provision and requiring acceptable evidence is based on an estimated project cost of $26 million minus the Harbor Department's conditional contribution of $6 million.

2. Tenant shall establish a separate account ("Construction Funding Account") to pay for the cost of the Warehouse 58-60 Improvements at a financial institution of its choice, into which Tenant will initially deposit $1 million to make progress payments under the contract(s) entered into by Tenant pursuant to this Section 7.6.1 for the Berth 58-60 Warehouse Improvements (hereinafter the "Construction Contract"). Tenant shall refresh the deposit amount on a quarterly basis to the initial funding amount of $1 million; provided that Tenant shall not be required to set aside and deposit the entire cost of the Warehouse 58-60 Improvements in the Construction Funding Account;

3. The Construction Funding Account shall be designated as solely for the purpose of paying for the Warehouse 58-60 Improvements; the Parties agree that no withdrawals shall be made from the Construction Funding Account for any purpose except to pay the Berth 58-60 Warehouse Improvements until such contract work is complete;

4. Tenant shall authorize its selected financial institution to provide City with oversight access to the Construction Funding Account for purposes of monitoring funding levels and payments made for the Berth 58-60 Warehouse Improvements, including providing City with automatic notifications of any and all withdrawals from the Construction Funding

Account; and

5. Upon Tenant providing City satisfactory evidence of completion of the Warehouse 58-60 Improvements and final payments made to the contractor(s) for the Berth 58-60 Warehouse Construction Contract, Tenant shall be authorized to remove any remaining funds from the Construction Funding Account without further obligation to City.

ii. On-Going Payment Obligations

1. City shall make payments to Tenant based on the Construction Contract terms and conditions, as follows:

    a. City shall make proportional progress payments to Tenant according to the Berth 58-60 Warehouse Construction Contract based on the percentage derived from dividing the total amount committed by City conditioned on Section 7.6.1(b)(iii) which may be either $6 million or $3 million by the total Construction Contract amount (example: if the Construction Contract is $20,000,000 and Tenant has only satisfied the conditions to receive $3 million then City's proportional progress payment shall be 15% based on the equation $3,000,000/$20,000,000 = 15%);

    b. City shall make progress payments only if Tenant in is compliance with Section 7.6.1(c) and (d).

2. Prior to making a progress payment to Tenant, City shall receive a written report on project progress from the contractor(s)' Project Manager(s); City reserves the right to monitor and conduct field inspections of the contractor(s)' work for compliance with the Construction Contract(s) terms, and City's payments shall be conditioned upon City's review process. Unless City's review process results in objections from City, City's proportionate share of the progress payments shall be made within thirty (30) days of its receipt of each written report on project progress and

a payment application. If City makes any objections then the parties will meet and confer and City will make its proportionate share of the progress payment within thirty (30) days following resolution of City's objections."

Except as amended herein, all remaining terms and conditions of Lease No. 904A shall remain in full force and effect.

IN WITNESS THEREOF, the parties hereto have executed this Sixth Amendment to Lease No. 904A on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Dated: August 7, 2023

By: _____
EUGENE D. SEROKA
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

ALTASEA AT THE PORT OF LOS ANGELES

Dated: 4/17/23, 2023

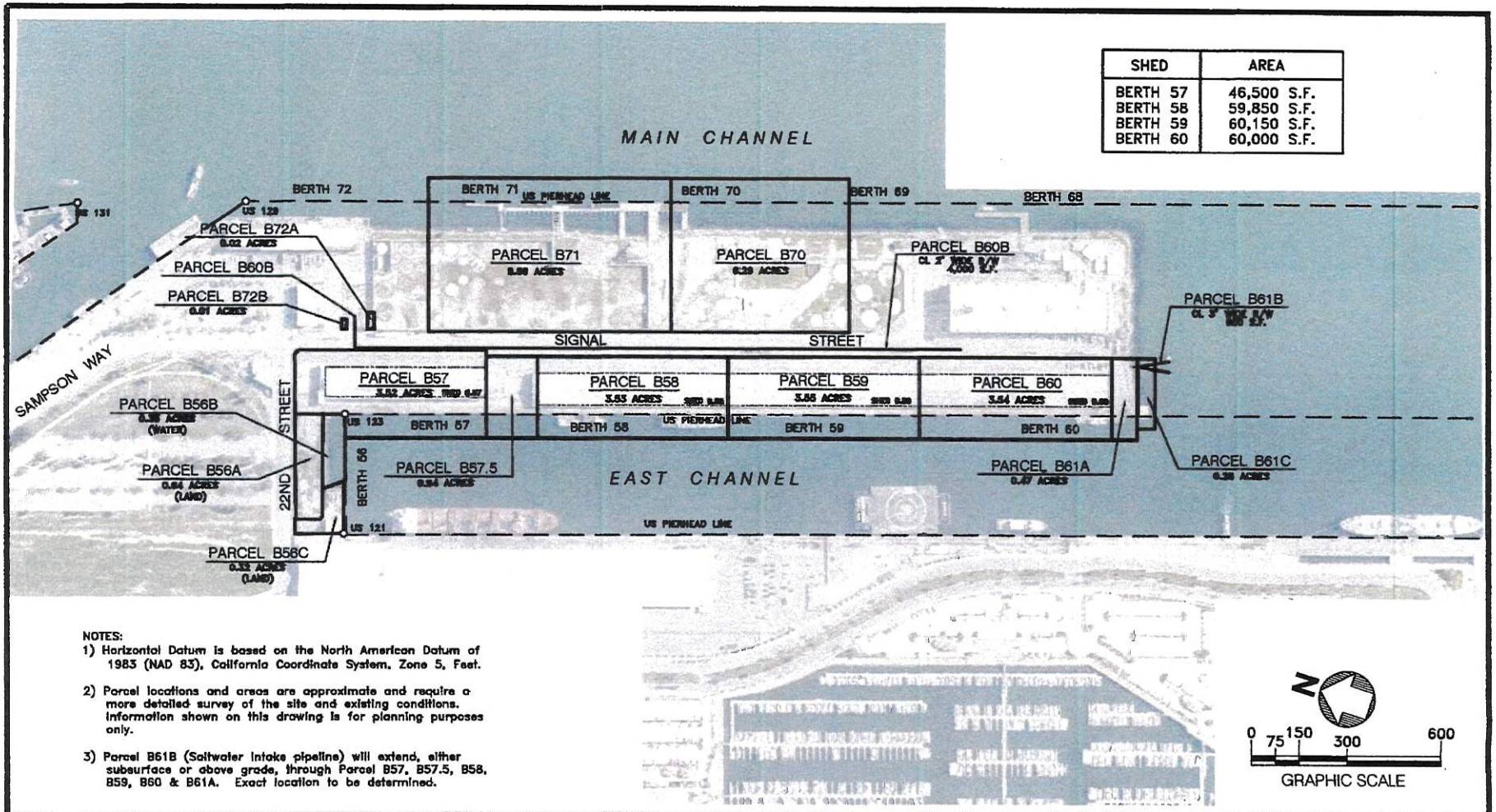
By: _____
TERRY TAMMINEN
President/CEO

Attest: _____
Michelle Raymond
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

April 19, 2023
HYDEE FELDSTEIN SOTO, City Attorney
Steven Y. Otera, General Counsel

By _____
Heather M. McCloskey, Deputy



SHED	AREA
BERTH 57	46,500 S.F.
BERTH 58	59,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.

NOTES:

1) Horizontal Datum is based on the North American Datum of 1983 (NAD 83), California Coordinate System, Zone 5, Feet.

2) Parcel locations and areas are approximate and require a more detailed survey of the site and existing conditions. Information shown on this drawing is for planning purposes only.

3) Parcel B61B (Saltwater intake pipeline) will extend, either subsurface or above grade, through Parcel B57, B57.5, B58, B59, B60 & B61A. Exact location to be determined.

NO.	DATE	DRAWN	REVISIONS –	CH'KD	APP'D
1	04/18	DRR	REVISED AND RENUMBERED PARCELS	DRR	
2	09/18	DRR	ADDED PARCEL B61C, REVISED PARCELS B58 & B59 AND CHANGED AUTHORITY NO.	DRR	
3	09/20	PH	REVISED PARCEL B70	PH	
4	12/20	PH	ADDED PARCELS B72A & B72B	PH	
5	06/21	PH	ADDED PARCEL B60B	PH	
6	04/23	PH	ADDED PARCEL B56C AND DELETED PARCEL S22	PH	

SCALE: 1" = 300'

DRAWN: DRR 9/13

CHECKED: C. GROSSI 9/13

DESIGNED: D. RAASCH 9/13

ENGR/ARCH

Daryl R. Raasch

RECOMMENDED FOR APPROVAL

CHIEF OF DESIGN

ASSISTANT CHIEF HARBOR ENGINEER

APPROVED

CHIEF HARBOR ENGINEER

PERMIT MAP - AUTHORITY NO. L904A

ALTASEA - MARINE RESEARCH CENTER

THE PORT OF LOS ANGELES
ENGINEERING DIVISION
425 S. PALOS VERDES STREET SAN PEDRO CA 90731-3309

DRAWING NUMBER
45640

Exhibit A-4

SEVENTH AMENDMENT TO LEASE NO. 904A
BETWEEN THE CITY OF LOS ANGELES AND
ALTASEA AT THE PORT OF LOS ANGELES

THIS SEVENTH AMENDMENT to Lease No. 904A ("Agreement") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and ALTASEA AT THE PORT OF LOS ANGELES ("Tenant").

The Agreement is hereby amended a seventh time as follows:

1. Section 3.2.1.3(d). Section 3.2.1.3(d) is deleted in its entirety and replaced with the following provision:

   "3.2.1.3(d). Parcels B56A, B56B and B56C: Tenant shall have until December 31, 2027, to accept Parcels B56A, B56B and B56C. Prior to acceptance, at Tenant's request, City and Tenant shall use commercially reasonable good faith efforts to agree on a final scope of work and completion schedule for Parcels B56A, B56B and B56C, and for City to determine the final scope of environmental assessment required for such Parcel."

2. Section 3.3.4.4. Section 3.3.4.4 is deleted in its entirety and replaced with the following provision:

   "Section 3.3.4.4 Parcel B57

   (a) Parcel B57 Tenant Improvements Scope. Demolish and remove 3,640 square foot facade on the north end of transit shed Warehouse 57. Redevelop the 46,500 square foot transit shed Warehouse 57, including upgrades necessary to meet City of Los Angeles Building Code requirements, including but not limited to, seismic, electrical, and fire life safety system standards for the Permitted Uses established in Section 4.1 of the Agreement. City shall be responsible for the wharf and/or sea wall improvements to the extent required in 3.3.5.2(a). Tenant shall install renewable energy systems, including to the extent feasible, solar panels.

   (b) Schedule. Tenant shall complete construction of improvements described in Section 3.3.4.4(a) no later than the date that is two years following the effective date of the seventh amendment to this Lease, subject to extension for delays beyond the reasonable control of Tenant.

   (c) Required Minimum Investment. Tenant shall invest no less than 80% of the estimated project cost of $8 million in Parcel B57."

3. Section 3.3.5.1(a). Section 3.3.5.1(a) is deleted in its entirety and replaced with the following provision:

"Parcels B57.5, B58, B59, and B60

In addition to City's monetary contribution set forth in Section 7.6.1, City shall reimburse Tenant up to $6 million for Tenant's actual costs to construct Tenant Improvements set forth in Section 3.3.4.3(a)(i)(ii)(iii) and (iv), including but not limited to, and subject to the reimbursement process set forth in Exhibit M-1, Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to construction of Tenant Improvements referenced in Section 3.3.4.3(a)(i)(ii)(iii) and (iv). Reimbursement requests for Tenant Improvements shall be eligible only after Tenant completes, and City reimburses Tenant for, the remediation of all known Environmentally Regulated Materials for which remediation is necessary due to Tenant Improvements referenced in Section 3.3.4.3(a)(i), (ii), (iii) and (iv). Tenant shall notify City in writing if Tenant determines that the remediation costs for removal of the Environmentally Regulated Materials is estimated to exceed $6 million. City and Tenant shall schedule a meeting within thirty (30) days of such written notice to discuss opportunities and strategies to complete the Tenant Improvements set forth in Section 3.3.4.3.

Upon the Effective Date of the Seventh Amendment, Tenant will have completed remediation of all known Environmentally Regulated Materials for which remediation is necessary pursuant to this Section 3.3.5.1, and Tenant may request reimbursement for Tenant's actual costs to construct Tenant Improvements set forth in Section 3.3.4.3(a)(i)(ii)(iii) and (iv). Tenant may request reimbursement for costs of construction of Tenant Improvements set forth in Section 3.3.4.3(a)(i)(ii)(iii) and (iv) completed by Tenant prior to the Effective Date of this Seventh Amendment.

Any remaining funds from the $12 million set forth in Sections 7.6.1 and 3.3.5.1(a) that have not been paid by City to Tenant shall be used by City to reimburse Tenant for Parcel B57 Tenant Improvements under Section 3.3.4.4, in accordance with the terms of, and in addition to the $6 million available pursuant to, Section 3.3.5.2(c). City must approve the scope of Tenant Improvements proposed for reimbursement under this section 3.3.5.1(a) prior to Tenant commencing work. City shall respond to Tenant's request for Tenant Improvements approval within 30 days.

City's monetary contributions made pursuant to this Section 3.3.5.1 shall not be included in the calculation of Rent Credits under Section 5.8."

The Tenant Improvements referenced in Section 3.3.4.3 and made by

Tenant prior to the Effective Date of the Seventh Amendment are approved by City and eligible for reimbursement hereunder.

4. Section 3.3.5.2(c). Section 3.3.5.2(c) is deleted in its entirety and replaced with the following provision:

"(c) Parcel B57 City Monetary Contribution - City shall reimburse Tenant up to $6 million for Tenant's actual costs to construct Tenant Improvements set forth in Section 3.3.4.4, including but not limited to, and subject to the reimbursement procedures set forth in Section 3.3.6.2(c) and Exhibit M-1, Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to construction of Tenant Improvements referenced in Section 3.3.4.4. Reimbursement requests for Tenant Improvements set forth in Section 3.3.4.4 shall be eligible either concurrently with or following completion of Tenant's remediation of all known Environmentally Regulated Materials for which remediation is necessary due to Tenant Improvements set forth in Section 3.3.4.4. Prior to the commencement of Tenant Improvements set forth in Section 3.3.4.4, Tenant shall notify City in writing if Tenant determines that the remediation costs for removal of the Environmentally Regulated Materials is estimated to exceed $6 million. City and Tenant shall schedule a meeting within thirty (30) days of such written notice to discuss opportunities and strategies to complete the Tenant Improvements referenced in Section 3.3.4.4.

Any remaining funds from the $6 million set forth in this Section 3.3.5.2(c) and 3.3.5.3(b) that have not been paid by City to Tenant shall be used by City to reimburse Tenant for Tenant Improvements under Section 3.3.4.3(a)(i)(ii)(iii) and (iv), in accordance with the terms of, and in addition to the $6 million available pursuant to, Section 3.3.5.1(a). City must approve the scope of Tenant Improvements proposed for reimbursement under this section 3.3.5.2(c) prior to Tenant commencing work. City shall respond to Tenant's request for Tenant Improvements approval within 30 days.

City's monetary contributions made pursuant to this Section 3.3.5.2(c) shall not be included in the calculation of Rent Credits under Section 5.8."

5. Section 3.3.6.1. Section 3.3.6.1 is hereby removed in its entirety and not replaced.

6. Section 3.3.6.2(c). Section 3.3.6.2(c) is hereby removed in its entirety and replaced with the following provision:

"Section 3.3.6.2(c) Conditions Precedent to City's Reimbursement Obligations for Parcel B57 Tenant Improvements.

i. Tenant shall comply with, or where feasible submit evidence to City that it has undertaken, the following construction contracting requirements and procedures for Parcel B57 Tenant Improvements;

1. Utilized the design-bid-build method of construction project procurement;

2. Complied with all California Public Works contracting requirements, including payment of prevailing wages as determined by the State of California;

3. Utilized industry standard competitive bidding procedures, at a minimum as set forth in Exhibit M-1, Section (A)(7);

4. Included certain terms in any bid/contract documents, including but not limited to, requiring the contractor(s) to indemnify City (including the Harbor Department); name City (including the Harbor Department) as an additional insured; require any environmental remediation work to be separate bid items; and require the selected contractor(s)' project manager(s) to provide Tenant and City with written monthly progress reports;

5. In any bid/contract documents, contractors shall be required to obtain payment and performance bonds in compliance with applicable laws for any Parcel B57 Tenant Improvements; and

6. Provide any proposed Parcel B57 Tenant Improvements bid(s)/contract(s) documents to City for review prior to advertisement. After such submittal, City shall have thirty (30) business days to review and submit written requests or objections to Tenant regarding the bid/contract documents (including but not limited to proposing the addition or removal of terms). Provided however, City's review shall not constitute evidence of City's approval that the bid(s)/contract(s)s' terms are compliant with federal, state or local laws. City reserves the right to refuse payment of its monetary contributions required under Section 3.3.5.2(c) in the event City provides written notice to Tenant that any bid/contract documents are not acceptable to City and Tenant thereafter utilizes said bid/contract documents for awarding construction contracts for the Parcel B57 Tenant Improvements.

ii. Prior to requesting each progress payment, Tenant shall either provide, or have its contractor(s) provide, to City a written progress report on Parcel 57 Tenant Improvements. During construction of the Tenant Improvements, City may monitor and conduct field inspections of Tenant's contractor(s)' work for compliance with the construction

contract(s) terms, and City's payments shall be conditioned upon City's review process. If City does not provide written objections to a progress report to Tenant within 30 days from receiving said progress report, then City shall process and submit to Tenant City's proportionate share of the progress payment. . In the event that City submits written objections to Tenant regarding a progress report, then City and Tenant shall meet and confer to resolve any objections to the extent reasonably feasible. In the event that City's objections are resolved, City shall process and submit to Tenant City's proportionate share of the progress payment within 30 days following such resolution;

iii. City shall make proportional progress payments to Tenant according to the Parcel B57 Tenant Improvements construction contract based on the percentage derived from dividing the total amount committed by City under Section 3.3.5.2(c) (i.e., $6 million plus any amounts remaining that have not been paid to Tenant pursuant to Section 3.3.5.1(a) for Tenant Improvements at Parcels B57.5-60) by the total Parcel B57 Tenant Improvements construction contract price; provided that if such total amount committed by City and available for payment under Sections 3.3.5.1(a) and 3.3.5.2(c) exceeds the total Parcel B57 Tenant Improvements construction contract price, the City shall pay the amount of the requested progress payment.

iv. Prior to making any proportional progress payments, Tenant shall submit to City documentation showing Tenant's actual costs paid for Parcel B57 Tenant Improvements made in accordance with Section 3.3.4.4, including Tenant's actual remediation costs for removal of any Environmentally Regulated Materials including addressing soil, ground water, or hazardous building materials relating to construction of Tenant Improvements referenced in Section 3.3.4.4.

v. City shall be required to make reimbursement progress payments when Tenant is in compliance with the applicable requirements of this Section 3.3.6.2(c)."

Except as amended herein, all remaining terms and conditions of Lease No. 904A shall remain in full force and effect.

Subject to the provisions of Charter Section 373, the Effective Date of this Seventh Amendment shall be the date of its execution by the Executive Director upon authorization of the Board. Tenant is aware that pursuant to Charter Section 373 and Administrative Code Section 10.5, this Seventh Amendment requires approval by City Council prior to becoming effective.

IN WITNESS THEREOF, the parties hereto have executed this Seventh Amendment to Lease No. 904A on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Dated: Dec. 3rd, 2025

By: _____
EUGENE D. SEROKA
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

ALTASEA AT THE PORT OF LOS ANGELES

Dated: September 9, 2025

By: _____
TERRY TAMMINEN
President/CEO

Attest: _____
Jenny Krusoe
Executive Vice President/COO

APPROVED AS TO FORM AND LEGALITY

September 18, 2025

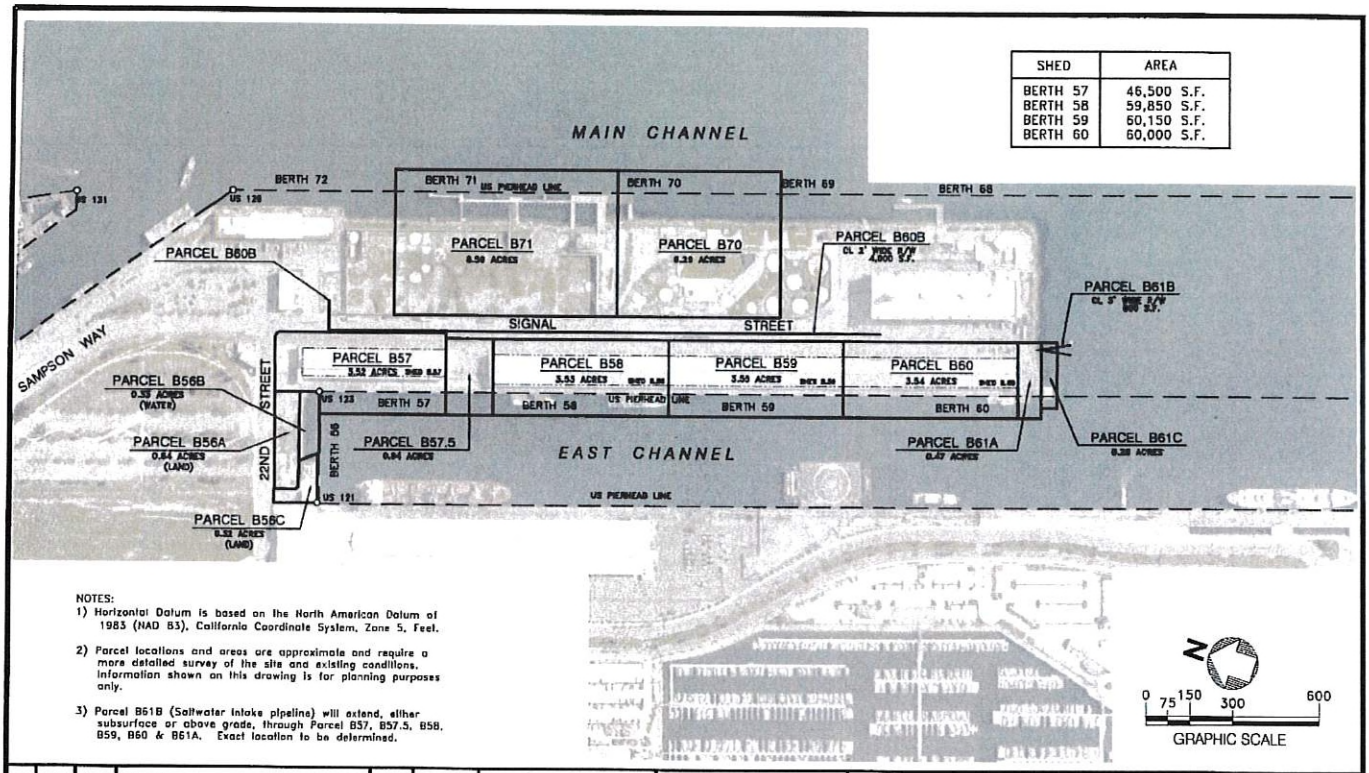
HYDEE FELDSTEIN SOTO, City Attorney
STEVEN Y. OTERA, General Counsel

By _____
Heather M. McCloskey, Deputy

POLA Obligation	Amended & Restated Lease 904A	4th Amendment	6th Amendment	7th Amendment
B58-60	• Remediation Reimbursement - **$6,000,000**	• Remediation Reimbursement - **$6,000,000** • Warehouse Improvements - **$6,000,000**	• Remediation Reimbursement - **$6,000,000** • Warehouse Improvements - **$6,000,000**	• Remediation Reimbursement (remaining funds eligible for warehouse improvement reimbursement) -**$6,000,000** • Warehouse Improvements - **$6,000,000**
B57	• Wharf & Sea Wall Improvements - **$10,200,000** • Signal Street Improvements - **$5,420,000** • Remediation Reimbursement - **$3,000,000**	• Wharf & Sea Wall Improvements reduced by ($580,000)- **$9,620,000** • Remove Signal Street Improvements ($5,420,000) • Remediation Reimbursement - **$3,000,000**	• Wharf & Sea Wall Improvements - **$9,620,000** • Remediation Reimbursement - **$3,000,000**	• Wharf & Sea Wall Improvements - **$9,620,000** • Remediation Reimbursement (remaining funds eligible for warehouse improvement reimbursement) - **$3,000,000**
B56	• 22nd Street Realignment - **$9,040,000** • Remediation Reimbursement - **$3,000,000**	• 22nd Street Realignment - **$9,040,000** • Remediation Reimbursement - **$3,000,000**	• Remove 22nd Street Realignment (subject to future agreement with Harbor Department) - $9,040,000 • Remediation Reimbursement - **$3,000,000**	• Remediation Reimbursement (remaining funds eligible for warehouse improvement reimbursement) - **$3,000,000**
POLA Total Obligation	• **$36,660,000**	• **$36,660,000**	• **$27,620,000** • *$9,040,000 (subject to future agreement with Harbor Department)* • **$36,660,000**	• **$27,620,000** • *$9,040,000 (subject to future agreement with Harbor Department)* • **$36,660,000**

$8,981,527.65 paid by POLA to date

TRANSMITTAL 1



SHED	AREA
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BERTH 58	59,850 S.F.
BERTH 59	60,150 S.F.
BERTH 60	60,000 S.F.

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SCALE: 1" = 300'
DRAWN: DRR 9/13
CHECKED: C. GROSSI 9/13
DESIGNED: D. RAASCH 9/13
ENGR/ARCH

RECOMMENDED FOR APPROVAL
CHIEF OF DESIGN
ASSISTANT CHIEF HARBOR ENGINEER
APPROVED
CHIEF HARBOR ENGINEER

PERMIT MAP - AUTHORITY NO. L904A

ALTASEA - MARINE RESEARCH CENTER

THE PORT OF LOS ANGELES
ENGINEERING DIVISION
425 S. PALOS VERDES STREET SAN PEDRO, CA 90731-3309

DRAWING NUMBER
45640

Exhibit A-3