

OFFICE LEASE SUMMARY

BUILDING: 233 South Beaudry Avenue, Los Angeles, CA 90012

PREMISES: Total of approximately 132,459 rentable square feet
(Floors 11, 12 and Penthouse), which represents 100% of the current office area of the Building.

LANDLORD: Golden Hills Properties, LLC, a California limited liability company.

TENANT: City of Los Angeles, acting by and through its Department of Water and Power.

TERM: Lease term may commence on different days with respect to certain floors, in accordance with Section 5.1; lease term for all floors shall expire concurrently on same date, in accordance with Section 5.1 subject to any termination rights expressly provided for herein.

BASE RENT: \$2.46 per rentable square foot per month; with annual 3.00% escalation beginning on the first anniversary of the Lease Commencement Date as described in Section 7.1.

RENT ABATEMENT: Applicable only upon delay by Landlord to deliver the entire Premises or the last floor(s) if delivered in phases, as the case may be, to Tenant, due to the negligence or willful misconduct of Landlord, or Landlord's contractors, subcontractors, or consultants, beginning on the first (1st) day of the tenth (10th) month after Tenant delivers a fully approved and executed Lease to Landlord, as further discussed in Section 5.1.

VARIABLE RENT: Tenant's Percentage Share of increase in Operating Costs relative to Operating Costs of the Base Year (as defined in Section 6.2.3.2). Operating Costs will not include water, electricity, janitorial or security services for the Premises, which will be billed to and paid for by Tenant.

DUE UPON EXECUTION: Tenant shall pay Landlord one lump sum payment, which will include the 1st month's rent payment (\$325,849.14) and a Security Deposit in an amount equal to the 120th month's rent payment (\$425,159.22), which totals to \$751,008.36.

TI ALLOWANCE: Landlord shall pay the first \$70.00 per net rentable square foot for tenant improvement costs, which equates to \$9,272,130. Tenant will pay no more than actual cost of Tenant Improvements from \$70.01 to \$140.00 per net rentable square foot, which equates to a

maximum of \$9,272,130. Landlord and Tenant will share equally all tenant improvement costs from \$140.01 to 160.00 per net rentable square foot, which equates to a maximum of \$2,649,180. Landlord shall pay all tenant improvement costs in excess of \$160.00 per net rentable square foot. Under no circumstance will Tenant pay in excess of the actual cost of the Tenant Improvements. The Tenant Improvements will be completed by Landlord in accordance with the Work Letter described in Exhibit B attached hereto and incorporated by reference herein.

PARKING: Tenant will lease 623 parking spaces on floors one through four of the parking facility of the Building, at the base rate of \$200 per space, per month (which rate shall increase by 3% annually, compounded) (as described in Article 14).

TENANT IMPROVEMENTS: Tenant may request certain modifications to the finished Tenant Improvements. All additional alterations and improvements requested will be completed by Landlord, billed to Tenant and reimbursed by Tenant to Landlord within sixty (60) days as described in Article 12.

OFFICE LEASE
BETWEEN GOLDEN HILLS PROPERTIES, LLC AND
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

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EXHIBIT A-1: LAND

EXHIBIT A-2: FLOOR PLAN

EXHIBIT B: WORK LETTER

EXHIBIT C: CONSTRUCTION SCHEDULE

OFFICE LEASE
BETWEEN GOLDEN HILLS PROPERTIES, LLC AND
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

ARTICLE 1. BASIC PROVISIONS

1.1 Date and Parties. This Office Lease ("Lease") is dated, for reference purposes only, as of _____, 2019, and is entered into by and between Golden Hills Properties, LLC, a California limited liability company, as landlord hereunder ("Landlord"), and CITY OF LOS ANGELES, acting by and through its Department of Water and Power, as tenant hereunder ("Tenant"), upon the provisions and conditions contained in this Lease. Landlord is located at 9538 Brighton Way, Suite 300 / 302, Beverly Hills, CA, 90210. Tenant is a proprietary department of the City of Los Angeles, a municipal corporation, with principal offices at 111 North Hope Street, Los Angeles, CA 90012.

1.2 Execution Date. The term "Execution Date" shall mean the date that both Landlord and Tenant execute this Lease. This Lease shall take effect upon the Execution Date.

ARTICLE 2. NOTICES

2.1 Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States registered or certified mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., facsimile), followed by hard copy sent by United States regular mail, in which case the receiving party shall immediately confirm receipt of such telecopied notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 2.2 below. Either party may, by written notice to the other, from time to time designate another person or place for the purpose of receiving notice.

2.2 Notices - Where Sent. All notices given under this Lease that are mailed or telecopied shall be addressed to the respective parties as follows:

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|--|--|
| <p>If to Landlord:</p> <p>Golden Hills Properties, LLC 9538 Brighton Way Suite 300 / 302 Beverly Hills, CA, 90210 Attn: Cyrus Davoodian Facsimile: (310) 550-7082</p> | <p><i>With a copy to:</i></p> <p>Gregory P. Powers, Esq. Jackson Tidus 2030 Main Street, 12th Floor Irvine, CA 92614 Facsimile: (949) 752-0597</p> |
| <p>If to Tenant:</p> <p>Los Angeles Department of Water and Power 221 N. Figueroa St., Suite 1600 Los Angeles, CA 90012 ATTN: Real Estate Services Facsimile: (213) 367-0746</p> | <p><i>With a copy to:</i></p> <p>Office of the City Attorney Los Angeles Department of Water and Power 221 N. Figueroa Street, Suite 1000 Los Angeles, CA 90012 ATTN: General Counsel Facsimile: (213) 367-4588</p> |

ARTICLE 3. USE

3.1 Use. Tenant or its permitted assignees or sublessees may use the Premises only for general office purposes that are consistent with the character of the Building and the uses permitted by Landlord of other above-ground floor office tenants of the Building. Landlord shall not preclude, restrict, or limit Tenant's ability to utilize the Premises for any general office use. Tenant shall not use or occupy the Premises in violation of any State, Federal, or local laws, ordinances, rules and regulations, or governmental directives (individually "Law," and collectively, "Laws"), and shall discontinue any use of the Premises which is declared by any governmental authority to be a violation of any Law or Laws. For purposes of this Lease, "Law" and "Laws" shall also include all federal, state, county, or government agency laws, statutes, ordinances, standards, rules, requirements, or orders now in force or hereafter enacted, promulgated, or issued, including, without limitation, government measures regulating or enforcing public access, occupational, health, or safety standards for employers, employees, landlords, or tenants. Tenant, at its sole cost and expense, shall comply with any directive of any governmental authority which shall impose any duty upon Tenant or Landlord with respect to the Premises or the use or occupation thereof, which arises due to the nature of Tenant's use or occupancy of the Premises. Tenant shall not commit, suffer or cause to be committed, any waste, nuisance or other similar act at the Building, or any act which may increase the cost of public liability or property insurance which Landlord elects to carry in connection with the ownership, management, maintenance and operation of the Building, or which is otherwise in contravention of insurance underwriting regulations, guidelines and practices.

ARTICLE 4. PREMISES

4.1 Premises. Landlord hereby leases to Tenant, and Tenant leases from Landlord, certain office space within the Pacific Stock Exchange building ("Building") located on the land ("Land") depicted in **Exhibit A-1** which is attached hereto and incorporated by reference herein, which Building has the mailing address of 233 South Beaudry Avenue, Los Angeles, California. Such office space within the Building comprises a total of approximately 132,459 rentable square feet and described as

the entire Floors 11, 12 and the Penthouse, as indicated on the Floor Plan attached to this Lease as **Exhibit A-2** and incorporated herein by this reference (collectively, "Premises"), together with the right to use in common with others the Building's common areas, parking areas, lobbies, stairwells, elevators, and rest rooms, pursuant to the provisions and conditions of this Lease. Tenant shall not have any rights to the roof of the Building.

While the approximate square footage of the Premises has been used in this Lease, the actual rentable square footage shall be determined during space planning using BOMA standards (ANSI/BOMA 265.1- 1996) and the actual rentable square footage and all corresponding Rents (as defined in Section 6.1) including Base Rent set forth in Section 6.2 shall be adjusted accordingly should the actual size of the Premises be determined to be different.

4.2 Building Ownership. Landlord warrants that Landlord is the owner of the Building and is legally authorized to lease the Premises described in Section 4.1.

ARTICLE 5. TERM

5.1 Term. This Lease shall have an initial term of ten (10) years ("Term"). The "Expiration Date" shall mean the date immediately preceding the tenth (10) year anniversary of the Lease Commencement Date (defined below), unless extended or earlier terminated pursuant to this Lease. The parties understand that all floors of the Premises may not have the same commencement date, however, this Lease and Tenant's right to possession of any floor which constitutes the Premises, shall each and all terminate on the Expiration Date. The "Term" and all applicable provisions of this Lease shall commence for each floor of the Premises on its respective commencement date; each a "Floor Commencement Date," and together upon the delivery of the last floor to Tenant, the "Lease Commencement Date." As each Floor Commencement Date is dependent on the Substantial Completion (as defined below) of construction of the Tenant Improvements (hereinafter defined), the Landlord will provide Tenant with at least thirty (30) days advance notice of the Substantial Completion of each floor, subject only to minor punch list items, and the related Floor Commencement Date as to each floor so delivered. If the construction of Tenant Improvements is completed in phases, per floor, the Landlord will provide an estimated schedule of completion of the construction for each floor to the Tenant. Tenant will have the option of accepting each floor of the Premises upon Substantial Completion of that floor or at a single time upon Substantial Completion of the entire Premises. If the acceptance is in phases, per floor, the Tenant will only accept space on a full floor basis. Notwithstanding the foregoing or anything to the contrary set forth in this Lease, Landlord shall use commercially reasonable efforts to deliver the last floor to Tenant as soon as possible in accordance with the construction schedule ("Construction Schedule") attached hereto as **Exhibit C** and incorporated by reference herein, which such Construction Schedule shall commence upon Landlord's receipt of a fully approved and executed Lease from Tenant.

Landlord and Tenant acknowledge that it is Landlord's goal to deliver the entire Premises or the last floor if delivered in phases, as the case may be, to Tenant within six (6) months of Landlord's receipt of a fully approved and executed Lease from Tenant. However, in the event Landlord fails to deliver the Premises or the last floor, as the case may be, to Tenant within nine (9) months of Landlord's receipt of the fully approved and executed Lease from Tenant, and such delay is due to the negligence or willful misconduct of Landlord (including Landlord's contractors, subcontractors, or consultants), Tenant shall be entitled to rent abatement after the Floor Commencement Date or the Lease Commencement Date, as applicable, in the amount of fifty percent (50%) of the Rents for the

undelivered Premises or the last floor, as the case may be, for each day ("Rent Abatement") after nine (9) months have elapsed since the fully approved and executed Lease was delivered to Landlord and Landlord fails to deliver the Premises or the last floor(s), as the case may be, to Tenant ("Rent Abatement Period"). For purposes of calculating the Rent Abatement amount, the Rent Abatement Period shall begin on the first day of the tenth (10th) month after Tenant delivers a fully approved and executed Lease to Landlord and Landlord fails to deliver the Premises or the last floor, as the case may be, to Tenant due to the negligence or willful misconduct of Landlord (including Landlord's contractors, subcontractors and consultants), and the Rent Abatement Period will continue and Rent Abatement will continue to accrue on a daily basis until Landlord delivers the Premises or the last floor, as the case may be, to Tenant. Tenant shall be entitled to apply the accrued Rent Abatement amount toward Rents payable under Article 6 of this Lease after the Floor Commencement Date or the Lease Commencement Date, as applicable. In the event Landlord fails to deliver the Premises or the last floor, as the case may be, to Tenant within fourteen (14) months of Landlord's receipt of a fully approved and executed Lease from Tenant, and such delay is the result of the negligence or willful misconduct of Landlord (including Landlord's contractors, subcontractor and consultants), Tenant shall have the right, but not the obligation, to terminate this Lease upon written notice to Landlord in accordance with Section 2.2 herein. If Tenant terminates this Lease in accordance with this Section 5.1, all tenant improvement costs paid by Tenant pursuant to this Lease and the Work Letter which is attached hereto as **Exhibit B** shall be reimbursed by Landlord to Tenant within sixty (60) days, along with interest at the Interest Rate attributable to said tenant improvement costs, from the date each tenant improvement costs payment was made until the date said tenant improvement costs payments are reimbursed by Landlord to Tenant. Tenant shall have no right to terminate this Lease due to any delay(s) unless caused by Landlord's (including Landlord's contractors, subcontractors and consultants) negligence or willful misconduct. Delays for any other reason, including but not limited to delays caused by Tenant Delay (as defined below), delays caused by the City, or any person, entity, agency, and/or governmental body(ies), or any Force Majeure event (as defined below), shall not give Tenant the right to receive Rent Abatement or terminate this Lease. The Lease Commencement Date shall be the last Floor Commencement Date.

Substantial Completion shall mean the date when the following conditions have been satisfied: (i) the construction of the Tenant Improvements has been completed in accordance with the Approved Plans (as defined in Section 8.4) and Construction Drawings (as defined in Section 8.4) (subject to minor punch-list items), as described in Article 8, (ii) all furniture, equipment, business and trade fixtures ("FF&E") have been acquired and installed in accordance with a detailed plan ("Furniture Plan") prepared by Landlord and approved by Tenant (subject to minor punch list items that do not materially impact Tenant's occupancy), and (iii) Landlord is in receipt of an unconditional final sign-off by the local fire authority representing that the Premises or any full floor thereof, is or are "ready-for-occupancy". For purposes of this Lease, "Tenant Delay" shall mean delays in the construction of the Tenant Improvements caused by Tenant or Tenant's agents, employees, contractors or subcontractors, or delays as the result of change orders requested by Tenant in the Approved Plan, Construction Drawings, or other plans or drawings previously approved by Tenant (collectively, "Tenant Delay"). In the event that any Floor Commencement Date or the Lease Commencement Date falls on a day other than the first day of the month, then Tenant shall pay Base Rent on a pro rata basis for such floor and partial month and then the official Lease Commencement Date or Floor Commencement Date, as the case may be, shall be deemed to be the first (1st) day of the following month.

5.1.1 Tenant's Option to Extend. Provided Tenant is not then in default, Tenant shall have one (1) option (the "Option") to extend the Term of this Lease for an additional five (5) year period (the "Option Term"), commencing on the first day following the Expiration Date. Tenant's exercise of the Option, if at all, shall be by written notice as provided in Section 2.2 hereof to Landlord of such election to exercise the Option no later than six (6) months prior to the Expiration Date. The Option is personal to Tenant and shall not be assignable or transferable without Landlord's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned, and shall be upon the same terms, covenants, conditions and provisions as are in effect as of the Expiration Date, except that Base Rent for the first year of the Option Term shall increase by the amount of three percent (3%) over the Base Rent paid by Tenant during the last month of the initial Term and shall further increase on each yearly anniversary date during the Option Term by the amount of three percent (3%) over the Base Rent paid during the last month of the prior year of the Option Term, as described in Section 7.1.

5.1.2 Landlord's Right of Early Termination. Landlord does not have any early termination rights, except as otherwise expressly set forth herein.

5.2 Holdover. If Tenant remains in possession of any portion of the Premises beyond the expiration or earlier termination of the Term or the Option Term, as applicable, with or without the express or implied consent of Landlord, such tenancy shall be on a month-to-month basis only, and not a renewal hereof or an extension for any further term, and in such case, Tenant shall pay to Landlord a monthly rental equivalent to one hundred twenty-five percent (125%) of the rent payable by Tenant to Landlord with respect to the last month of the Term and other monetary sums due hereunder in the amount and at the time specified in this Lease, and such month to month tenancy shall be subject to every other provision, covenant and agreement contained herein. Acceptance by Landlord of rent after such expiration or earlier termination shall not constitute Landlord's consent to the holdover hereunder or result in a renewal of this Lease. The foregoing provisions are in addition to and do not affect right of re-entry or any rights of Landlord hereunder or as otherwise provided by law, and in no way shall affect any right which Landlord may otherwise have to recover damages from Tenant for loss or liability incurred by Landlord resulting from such failure by Tenant to surrender the Premises or any portion thereof. Nothing contained in this section shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises (or any portion thereof) to Landlord as provided in this Lease.

5.3 Surrender of Premises. The voluntary or other surrender of this Lease by Tenant to Landlord, or a mutual termination hereof, shall not work a merger, and shall at the option of Landlord, operate as an assignment to it of any or all subleases or sub-tenancies affecting the Premises, except as to any sublease to or sub-tenancy of an affiliate of Tenant.

5.3.1 Upon the expiration of the Term of this Lease (or upon expiration of the Option Term, as the case may be), Tenant shall quit and surrender possession of the Premises to Landlord in good order and condition, reasonable wear and tear and repairs which are Landlord's obligation excepted, and shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, all FF&E that are capable of being removed without damage to the Premises, free-standing cabinet work that is not affixed to the Premises, moveable partitioning and other articles of personal property (other than telephone and data cabling), owned by Tenant or installed or placed by Tenant at its own expense in the Premises, and all similar articles of any other persons claiming under Tenant (unless Landlord exercises its option to have any subleases or sub-tenancies assigned to it), and

Tenant shall repair all damage to the Premises resulting from the removal of such items from the Premises.

5.3.2 Whenever Landlord shall re-enter the Premises as provided in Section 5.3 hereof, or as otherwise provided in this Lease, any personal property of Tenant not removed by Tenant upon the expiration of the Term of this Lease shall be considered abandoned property (other than telephone and data cabling) ("Abandoned Property"). Landlord may take any one or more of the following actions with respect to Abandoned Property: (i) remove any or all of the Abandoned Property from the Premises, (ii) dispose of any or all of the Abandoned Property in any manner, (iii) store any or all of the Abandoned Property in any location at the expense and risk of Tenant, and/or (iv) sell any or all of the Abandoned Property at public or private sale, in such manner and at such times and places as Landlord, in its reasonable discretion, may deem proper, without notice to or demand upon Tenant. If Landlord sells the Abandoned Property, Landlord shall apply the proceeds of such sale as follows: first, to the cost and expense of such sale, including reasonable attorneys' fees and costs 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 Landlord from Tenant under any of the terms of this Lease; and fourth, the balance, if any, to Tenant.

5.3.3 All fixtures, Tenant Improvements, Alterations (as defined in Article 12), additions, improvements and/or appurtenances attached to or built into the Premises prior to or during the Term, other than personal property removable by Tenant as set forth above, whether by Landlord or Tenant and whether at the expense of Landlord or Tenant, or of both, shall be and remain part of the Premises and shall not be removed by Tenant at the end of the Term unless otherwise expressly provided for in this Lease or unless such removal is required by Landlord (provided Landlord shall not require Tenant to remove any Tenant Improvements, Alterations, additions, improvements and/or appurtenances attached to or built into the Premises approved by Landlord). Such fixtures, Tenant Improvements, Alterations, additions, improvements and/or appurtenances shall include but not be limited to: all floor coverings, drapes, blinds, paneling, molding, doors, vaults (including vault doors), plumbing systems, security systems, electrical systems, lighting systems, silencing equipment, all fixtures and outlets for the systems mentioned above and for all telephone, radio, internet, telegraph and television purposes, and any special flooring or ceiling installations.

ARTICLE 6. RENT

6.1 Rent Obligations. Tenant shall pay Landlord all of those "Rents" (collectively defined to include Initial Rent (as defined below), Base Rent, Variable Rent, and Additional Rent set forth below), in advance on the first day of each calendar month, commencing on the respective Floor Commencement Date or the Lease Commencement Date, as applicable, without notice or demand, and without any abatement, deduction, or setoff, except as specifically permitted by this Lease. In the event the Floor Commencement Date or the Lease Commencement Date, as applicable, or the date of expiration of this Lease occurs other than on the first day or last day of a calendar month, the Rent for such month shall be prorated. Tenant shall pay Rents in lawful money of the United States, to Landlord at the address to which notices to Landlord are given pursuant to Section 2.2, or at such other place as Landlord may from time to time designate in writing. All payments of Rents shall be paid by check drawn on a bank that is a member of the California Bankers Clearing House Association.

6.2 Rents.

6.2.1 First Month's Rent. Tenant shall pay Landlord the first month's rent for the Premises in the amount of \$325,849.14 ("Initial Rent") on the Execution Date.

6.2.2 Base Rent.

6.2.2.1 Base Rent Obligation. With respect to each Floor of the Premises, commencing upon its respective Floor Commencement Date and throughout the Term should Tenant elect to take the Premises in stages as floors are completed, Tenant shall pay to Landlord, in addition to any other Rents, as monthly base rent ("Base Rent") the following amounts: Upon the Floor Commencement Date of the eleventh (11th) Floor, the amount of \$150,854.58 per month; upon the Floor Commencement Date of the twelfth Floor (12th), the amount of \$116,239.92 per month; and upon the Floor Commencement Date of the Penthouse Floor ("Penthouse"), the amount of \$58,754.64 per month; payable in advance on or before the first day of each calendar month thereafter, and subject to annual adjustment set forth below in Article 7 without prior notice or demand. Should Landlord deliver the Premises to Tenant at one time, or should Tenant elect to take possession of all floors which comprise the Premises at the Substantial Completion of the entire Premises, Tenant shall pay to Landlord monthly Base Rent for the Premises in the amount of \$325,849.14 (total of 132,459 rentable square feet for all three floors constituting the Premises multiplied by \$2.46 per month per rentable square foot) per month, subject to annual adjustment set forth below in Article 7 from and after the Lease Commencement Date. If the Floor Commencement Date or the Lease Commencement Date, as applicable, for the Premises occurs on a day other than the first day of a calendar month, the monthly Base Rent for such fractional month shall be appropriately prorated by multiplying the monthly Base Rent by a fraction, the numerator of which is the number of days of the partial month included in the Term and the denominator of which is the total number of days in the full calendar month.

6.2.2.2 Abatement of Base Rent. None

6.2.3 Variable Rent.

6.2.3.1 Variable Rent Obligation. In addition to any other Rents, and as provided more particularly below, Tenant shall pay Landlord periodic payments ("Variable Rent") representing Tenant's Percentage Share of all Operating Costs incurred by the Landlord in connection with its ownership, maintenance, and operation of the office area of the Building, which shall not include the parking facilities of the Project, in excess of such Operating Costs incurred during the Base Year, in each case computed on a periodic basis as set forth below. Variable Rent shall be due and payable as described in Subsection 6.2.3.3, until this Lease fully expires or terminates. During each calendar year, including the Base Year, Operating Costs shall be grossed up to 100%, as described more specifically below. Not included in the Variable Rent are the costs of water, electrical, security and janitorial services for the Premises, which will be billed to and paid for by Tenant directly.

During the initial Term, Tenant shall be obligated to pay fifty percent (50%) of any increases in real property taxes due to any reason whatsoever, including but not limited to reassessment of the Building resulting from the sale, refinancing, or disposition of the Building or any interest therein, or any change in ownership during the initial Term, or in any change in property tax laws or the Laws. Thereafter, should Tenant timely and properly exercise its Option, Tenant shall be obligated to pay Tenant's Percentage Share of any increases in real property taxes due to any reassessment of the Building resulting from the sale, refinancing, or disposition of the Building or any interest therein, or any change

in ownership. In addition, Tenant shall be obligated to pay any incremental future tax increases imposed as a result of any future city, county, state, or federal laws applying to the taxation of real property, which increases the annual amount payable under existing law.

6.2.3.2 Definitions Associated with Variable Rent.

"Base Year" shall mean the first twelve (12) months after full occupancy of the Premises.

"Project" shall mean Land, Building, and all other improvements and structures located on or below the Land, with the exception of parking facilities reserved for other entities, which from time to time may change.

"Tenant's Percentage Share" shall mean a percentage derived from a fraction, the numerator of which shall be the number of rentable square feet of office space in all of the Premises leased pursuant to this Lease and the denominator of which shall be the number of total rentable square feet of office space in the Building. Tenant's Percentage Share upon the Lease Commencement Date will be one hundred percent (100%), if the tenant accepts all floors as described in this Lease. In the event either the Premises and/or the Building is expanded or reduced based on this Lease or other mutual written agreement of Landlord and Tenant, such fraction shall be appropriately adjusted for as long as such expansion or reduction stays in effect. For example (without limiting the generality of the foregoing), for each area added or reduced from the Premises pursuant to either Landlord's or Tenant's actions, the numerator in the fraction mentioned above shall be increased or reduced by the rentable square feet.

"Operating Costs" shall mean the sum of the: (i) Property-Related Taxes, (ii) Operating Expenses, and (iii) Insurance Expenses (as those terms are defined below). If one hundred percent (100%) of the rentable office area of the Building is not occupied during the appropriate calendar year period, including the Base Year, then the Operating Costs shall be deemed to be equal to the Operating Costs which would have been incurred for the entirety of such calendar year if one hundred percent (100%) of the rentable area of the Building were occupied during the entirety of such calendar year (but in any year in which the Building was not one hundred percent (100%) occupied during the entire calendar year, the Tenant shall not be required to pay during such year an amount higher than it would have been required to pay had the Building been one hundred percent (100%) occupied during such year) and the Building had been fully assessed (for the purpose of computing Property-Related Taxes and utilizing the methodology of the Los Angeles County Tax Collector) for the entirety of such calendar year. Notwithstanding the foregoing or anything to the contrary set forth in this Lease, Operating Costs shall not include (i) those expenses incurred by Landlord in the operation and maintenance of the parking facilities of the Project, or (ii) water, electricity, janitorial or security services for the Premises billed to and paid for by Tenant directly.

"Property-Related Taxes" shall mean payments and related expenses incurred by Landlord with respect to the taxes on the Project, including, without limitation, the following: (1) any form of assessment, business or license fee or tax, commercial rental tax, levy, charge, excise, tax or similar imposition or substitution for any of the foregoing (hereinafter, collectively; "Tax"), imposed by any authority having

the direct power to Tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage or other improvement or special assessment district thereof, or any other special assessment, except as otherwise provided below, as against any legal or equitable interest of Landlord in the Project; (2) any Property-Related Tax on the rental income received by Landlord in connection with the business of renting space in the Project, levied or assessed at any time against Landlord; (3) any actual costs incurred in connection with any reasonable proceedings to contest or determine Property-Related Taxes, including all reasonable costs of any kind paid or incurred by Landlord as Landlord deems necessary, to employ attorneys, accountants, appraisers and consultants for the purpose of maintaining the assessed value of the Project at the lowest possible level; and (4) any Tax or assessment imposed to finance rapid transit systems, or the subject of any other special assessment, but only to the extent that such Tax or assessment in any year, to the extent it fairly covers a greater period of time, is fairly allocated and spread over all of the years involved. Property-Related Taxes shall not include income, franchise, transfer, inheritance, estate, generation-skipping, gift, capital stock or documentary transfer or similar or successor taxes, unless, due to a change in the method of taxation, any of such taxes are levied or assessed against Landlord in lieu of, in whole or in part, or as an addition to, any other Tax which would otherwise constitute a Property-Related Tax. Notwithstanding the foregoing or anything to the contrary set forth in this Lease, Property-Related Taxes shall not include those payments and related expenses incurred by Landlord with respect to the taxes on the parking facilities of the Project.

"Operating Expenses," during the Base Year and each year thereafter, shall mean the total of those expenses incurred by Landlord in the operation, maintenance and security of the Project (however, Operating Expenses shall not include those expenses incurred by Landlord in the operation and maintenance of the parking facilities of the Project), in accordance with generally accepted accounting principles, consistently applied, including, without limitation, except as otherwise specifically set forth to the contrary in this Lease, the following:

1. All utility costs not otherwise charged directly to Tenant or any other Tenant of the Project, including, without limitation, the cost of air conditioning, water, electricity, steam, heating, mechanical, ventilation, escalator and elevator systems, the cost of supplies and equipment and maintenance and service contracts in connection therewith, and any sales, use, and excise taxes on such goods and services. Landlord intends to cause the Premises to be separately metered, in which case Tenant shall cause such separately metered services to be placed in Tenant's name and Tenant shall pay for such services directly;
2. All wages and salaries of employees, independent contractors, or agents of the Landlord engaged in the operation, maintenance and security of the Project; employer's social security taxes, payroll taxes, unemployment taxes or insurance premiums, including Workers' Compensation, pension benefits, and any other taxes which may be levied on such wages and salaries; the cost of disability benefits, or any other fringe benefits for such employees;

3. All expenses for janitorial services, trash, pest control, waste disposal, garbage, snow and ice removal; governmental services such as police and fire protection; servicing, replacing, equipping and maintenance of all security and fire alarms, fire pumps, sprinkler systems and fire extinguishers and hose cabinets; guard services; painting; window cleaning and landscaping and gardening, including any sales, use and excise taxes on such services. The janitorial services for the Premises shall not be included as an Operating Expense of the Building in the event it is paid for by Tenant directly;
4. All normal non-capital (except as permitted in Item 9 below) repairs to, normal non-capital (except as permitted in Item 9 below) replacement of, and normal non-capital (except as permitted in Item 9 below) physical maintenance of the Project, including, without limitation, mechanical equipment and appurtenances thereto, and the cost of all supplies, uniforms, equipment, tools, materials, and any other expenditures necessary to the operation and maintenance of the Project, including sales, use, and excise taxes on such goods and services;
5. Any license, permit and inspection fees required in connection with the operation of the Project;
6. Any auditor's fees for public accounting normally provided for the operation and maintenance of the Project;
7. Any legal fees, costs and disbursements as would normally be incurred in connection with the operation, maintenance and repair of the Project (other than in connection with Property-Related Taxes proceedings), and which do not redound primarily to the benefit of any particular tenant;
8. All reasonable fees for management services provided by an independent management company or by Landlord, but not in excess of the amount that would be charged by a first-class management company that does not perform brokerage services as the listing broker for the Building;
9. The following, and only the following (any other provision of this Lease to the contrary notwithstanding) costs, depreciation and amortization expenses:
 - i. The annual amortization of costs, including financing costs, if any, incurred by Landlord after completion of the Project for any capital improvements installed or paid for by Landlord and required by any new (or change in) Laws, rules or regulations of any governmental or quasi-governmental authority having jurisdiction (other than changes requested by Landlord or attributable to the activities of Landlord on any property other than the Land), which costs are amortized over the useful life of such capital improvement;

ii. The annual amortization of costs, including financing costs, if any, of any equipment, device or capital improvement incurred after completion of the construction of the Premises and reasonably intended as a labor-saving measure or to effect other economies in the operation or maintenance of the Project, which costs are amortized over their useful life (but shall in no event in any year exceed the actual amount of anticipated savings) and which do not redound primarily to the benefit of any particular tenant;

iii. The annual amortization of costs incurred after completion of the construction of the Premises, including financing costs, if any, of (a) exterior window coverings provided by Landlord in the public areas of the Building and (b) carpeting provided by Landlord in the public areas of the Building, including the elevator lobby of each floor (but not the corridors); and

iv. Capital expenditures of less than \$1,000 per item for equipment and furnishings and decorations for use in the Project, but not more than \$50,000 in any one calendar year. Such expenditures may, if done consistently, be entirely expensed in any year, rather than amortized. The \$1,000 and \$50,000 limits shall be increased by five percent (5%) on each anniversary of the Lease Commencement Date.

Depreciation shall be determined by dividing the original cost of such capital expenditure by the number of years of useful life of the capital item acquired, which useful life shall be reasonably determined in accordance with generally accepted accounting principles, consistently applied, in effect at the time of acquisition of the capital item; and

10. Such other usual non-capital costs and expenses of the type which are paid by other landlords for the purpose of providing for the on-site operation, servicing, maintenance and repair of other Class B office buildings in the downtown Los Angeles financial district.

"Insurance Expenses" shall mean all premiums and other charges incurred by Landlord with respect to the insurance of the Project, including, without limitation, the following: (i) fire and extended coverage insurance, including earthquake, windstorm, hail and explosion; (ii) riot attending a strike, civil commotion, aircraft, vehicle and smoke insurance; (iii) public liability and property damage insurance; (iv) elevator insurance; (v) Workers' Compensation Insurance for employees; (vi) boiler and machinery insurance, sprinkler leakage, water damage, legal liability, burglary, fidelity and pilferage insurance on equipment and materials; (vii) rent abatement, rent continuation, business interruption insurance, and similar types of insurance; and (viii) such other insurance as is customarily carried by operators of other Class B office buildings in the downtown Los Angeles financial district. Notwithstanding the foregoing or anything to the contrary set forth in this Lease, Insurance Expenses shall not include

those premiums or other charges incurred by Landlord with respect to the insurance of the parking facilities of the Project.

6.2.3.3 Computation of Variable Rent. Commencing on the first anniversary of the Base Year, and until this Lease fully expires or terminates, Tenant shall pay Landlord, in periodic monthly payments, Tenant's Percentage Share of all annual Operating Costs in excess of the Operating Costs incurred in the Base Year, in accordance with the following process and procedure:

Prior to the first anniversary of the Base Year and prior to each subsequent anniversary of the Base Year, or as soon thereafter as possible, Landlord shall provide Tenant with an invoice showing Landlord's estimate of the Operating Costs due from Tenant as Variable Rent for the entire calendar year, together with a reasonably detailed itemized statement showing each category (janitorial, security, insurance, electrical, water, taxes, etc.) of Operating Costs ("Itemized Statement"). Commencing on the first anniversary of the Base Year, and until this Lease fully expires or terminates, on or before the first day of each calendar month, Tenant shall pay Landlord one-twelfth (1/12th) of the amount of the estimated Variable Rent due from Tenant for the calendar year as shown by the invoice; provided, if only a portion of a calendar year falls within the period of time during which Tenant is obligated to pay Variable Rent, then on or before the first day of each calendar month during such partial calendar year, Tenant shall pay Landlord a sum equal to the total estimated Variable Rent due from Tenant for that partial calendar year divided by the number of applicable calendar months in that calendar year, adjusted proportionately for any fractional calendar month. If Landlord's invoice is not furnished at least thirty (30) days prior to when the initial payments would otherwise be due, on or before the first day of the first calendar month following Tenant's receipt of Landlord's invoice, in addition to the monthly installment of estimated Variable Rent for the calendar year due on that date, Tenant shall pay an additional amount equal to the estimated Variable Rent incurred for each calendar month or fraction thereof that has elapsed in the calendar year. If the Term expires or terminates on a day other than December 31st, the Variable Rent payable by Tenant shall be prorated on a daily basis, based on a 365-day year.

Not more frequently than quarterly during any calendar year, Landlord may revise its estimates of Operating Costs for the calendar year. The estimated amounts of Variable Rent on account of Operating Costs, and the installment Variable Rent payments with respect to Operating Costs, shall then be adjusted as necessary to assure that, as nearly as possible, Tenant shall have paid Tenant's annual Variable Rent obligation, based on the revised estimates, by the end of the calendar year.

As soon as practical after the end of each calendar year, Landlord shall present Tenant with a final Itemized Statement of actual Operating Costs for the year then ending. In the event that the actual Operating Costs exceeds the estimated Operating Costs during that applicable calendar year, within thirty (30) business days of presentation of such final statement, Tenant shall pay Landlord, as Variable Rent, any amounts due for Tenant's portion of Operating Costs. Any credit due Tenant for overpayment of Tenant's portion of Operating Costs shall, along with interest at the Interest Rate (as defined in Section 6.6) attributable to the overpayment, from the date each overpayment was made until the date the credit is given, be credited against the monthly installments of Base Rent next becoming due. Landlord shall refund to Tenant the amount of any such credit for the final calendar year of this Lease, or in the event the actual Operating Costs exceed the estimated Operating Costs for the final calendar year of this Lease, Tenant shall pay Landlord any amounts due within thirty (30) business days of expiration of this Lease and Tenant's receipt of an invoice from Landlord. The parties

expressly acknowledge and agree that Landlord's refund obligation, or Tenant's payment obligation, as the case may be, will survive expiration of this Lease and remain in effect until fully satisfied.

Tenant shall have twelve (12) months after presentation of Landlord's final statement of Operating Costs ("Exercise Period") within which to exercise its Section 6.2.3.4 audit rights and to submit the matter to non-binding arbitration. If Tenant has not, within the Exercise Period, submitted to non-binding arbitration any dispute Tenant has as to the accuracy of the Operating Costs, Landlord's statement shall be conclusive and binding on Tenant. Objection by Tenant to any Operating Costs computations shall not excuse or delay Tenant's obligations to pay Variable Rent. Tenant shall pay the amount of Variable Rent until it is relieved of such obligation by a final determination pursuant to an arbitration conducted pursuant to Section 6.2.3.4.

In the event that the Project includes buildings and land other than the Building and the Land, or in the event that items of Operating Costs relate to expenses, insurance and taxes which are attributable to the ownership, operation and maintenance of a building other than the Building, or to land other than the Land, or to the Land to the extent that the Land is shared by a building other than the Building, the Operating Costs shall be reasonably apportioned by the Landlord in accordance with the ratio of the rentable square feet in the Building and all other buildings to which the Operating Costs relate if such Operating Costs most likely vary primarily on the basis of square footage. If the Operating Costs with respect to any item are unlikely to vary primarily on the basis of square footage, then Landlord shall reasonably apportion such Operating Costs to produce the same result that would have been achieved had separate metering, charges or assessments been available so that Operating Costs are no higher than they would have been had all Operating Costs related only to the Building and to the Land and the Project as if the Land and the Project pertained only to, and served only, the Building.

6.2.3.4 Audit Rights Relating to Variable Rent. In the event Tenant disputes the amount set forth in the Landlord's final Itemized Statement of actual Operating Costs, Tenant shall have the right within the Exercise Period to cause Landlord's operations, books and records with respect to the preceding calendar year to be audited or reviewed by Tenant's employees or an independent certified public accountant (which accountant is hired on a non-contingency fee basis), designated by Tenant. Such review or audit shall be made only after reasonable notice to Landlord and at reasonable times, and such inspection of Landlord's records shall be made at Landlord's offices, provided that such audit or review rights shall be made only if Tenant is not then in default after expiration of all applicable cure periods of any obligation under this Lease (including, but not limited to, the payment of the amount in dispute) and provided further that Tenant and such accountant or representative shall, and each of them shall use their commercially reasonable efforts to cause their respective agents and employees to, maintain all information contained in Landlord's records in strict confidence, subject to Tenant's disclosure obligations as a public entity or as required by Law. Notwithstanding the foregoing, absent a commercially reasonable and articulable need, Tenant shall only have the right, at Tenant's sole cost and expense (subject to the reimbursement provisions below), to review Landlord's records one (1) time during any twelve (12) month period, and Landlord shall maintain a complete and accurate copy of all records in Los Angeles County, California. All audits shall occur in Los Angeles County, California, unless otherwise mutually agreed upon by the parties. The amounts payable by Landlord to Tenant or by Tenant to Landlord, as the case may be, shall be appropriately adjusted on the basis of the conclusion of such review or audit if Landlord and Tenant agree on the results of such review or audit. If Landlord and Tenant do not agree on the results of such review or audit, Tenant may, within the Exercise Period, require that the issue of the accuracy of

Operating Costs applicable to the period in question be submitted to non-binding arbitration before AAA in Los Angeles County pursuant to the AAA expedited rules then in effect. If such non-binding arbitration discloses a liability for further refund by Landlord to Tenant in excess of five percent (5%) of the payments previously made by Tenant for such calendar year, the cost of such audit, if any be made by Tenant's independent certified public accountants, shall be borne by Landlord if Landlord does not thereafter contest the non-binding arbitration finding; otherwise the cost of such audit shall be borne by Tenant. If such audit reveals that Landlord has overcharged Tenant, and Landlord does not thereafter contest the non-binding arbitration finding, then within ten (10) business days after the results of such audit are made available to Landlord, Landlord shall (i) credit Tenant against next monthly Base Rent, Additional Rent or Variable Rent due or (ii) reimburse Tenant the amount of such overcharge if this Lease has terminated or expired. In either case, the amount of the overcharge shall include interest from the date of each overcharge thereon at the Interest Rate until the overcharge is paid or a final ruling on the dispute as to the disputed Operating Cost has been finally decided by a court of competent jurisdiction. If such audit reveals that Landlord has undercharged Tenant, then within ten (10) business days after the results of such audit are made available to Tenant, Tenant shall pay the amount of such undercharge to Landlord. If Tenant shall not conduct an audit and file for non-binding arbitration within the Exercise Period, such final statement shall be conclusively binding upon Landlord and Tenant.

6.3 Security Deposit. Tenant shall deposit with Landlord upon the Execution Date the amount of \$425,159.22 ("Security Deposit") as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant breaches any provision of this Lease, including but not limited to the payment of Rent, Landlord 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 Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of said deposit is so used or applied, Tenant shall, within five (5) business days after written demand therefore, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its full amount. Tenant agrees that Landlord shall not be required to keep the Security Deposit in trust, segregate it or keep it separate from Landlord's general funds, and Landlord may commingle the Security Deposit with its general funds and Tenant shall not be entitled to interest on such deposit. At the expiration of the Term, and provided there exists no default by Tenant hereunder, the Security Deposit or any balance thereof shall be returned to Tenant provided that subsequent to the expiration of this Lease, Landlord may retain from said Security Deposit any and all amounts permitted by Law or this Article 6. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code and all other provisions of Law, now or hereafter in effect, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant beyond normal wear and tear, it being agreed that Landlord may, in addition, claim those sums specified in this Article 6 above. Landlord shall be free to utilize the Security Deposit to offset damages. However, notwithstanding the waiver of §1950.7, Landlord agrees to account for the use (if any) of the Security Deposit and return any balance owing, if any, within a reasonable time, but in any event not later than ninety (90) days following the Expiration Date or earlier termination of the Term.

6.4 Additional Rent. All charges and payments other than Initial Rent, Base Rent, and Variable Rent to be paid by Tenant hereunder shall be considered additional rent ("Additional Rent") for the purposes of this Lease. Unless otherwise specified, Additional Rent shall be due and payable within twenty (20) business days of receipt by Tenant of a notice from Landlord enclosing an invoice for such Additional Rent.

6.5 Partial Payment. No payment by Tenant, or receipt or acceptance by Landlord, of a lesser amount than the correct Rents due shall be deemed to be other than a payment on account, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance, treat such partial payment as a default or pursue any other remedy provided in this Lease or at law. Tenant may submit such check or payment without prejudice to its right to question, challenge or recover such payment.

6.6 Late Charge. Tenant acknowledges that the late payment of Rents will cause Landlord to incur damages, including administrative costs, loss of use of the overdue funds and other costs, the exact amount of which would be impractical and extremely difficult to ascertain. Landlord and Tenant agree that if Landlord does not receive a payment of Rents on or before ten (10) calendar days following the date that such payment is due, Tenant shall pay to Landlord, as Additional Rent, a late charge computed at the rate of six percent (6%) per annum ("Interest Rate") or the maximum rate allowable under state and federal law, whichever is less, on the overdue amounts, from the date payment of such amounts were due until Landlord receives the overdue payment. Acceptance of the late charge by Landlord shall not cure or waive Tenant's default, nor prevent Landlord from exercising, before or after such acceptance, any of the rights and remedies for a default provided by this Lease or at law. Payment of the late charge is not an alternative means of performance of Tenant's obligation to pay Rents at the times specified in this Lease. Tenant will be liable for the late charge regardless of whether Tenant's failure to pay the Rents when due constitutes a default under the Lease.

6.7 Abatement of Rents When Tenant is Prevented from Using Premises. In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, for five (5) consecutive business days or twenty (20) business days in any twelve (12) month period (the "Eligibility Period") as a result of any damage or destruction to the Premises or any repair, maintenance or alteration performed by Landlord required by this Lease (except for any Tenant Improvements or Alterations), which substantially interferes with Tenant's use of the Premises, or any failure to provide services or access to the Premises or because of an eminent domain proceeding or because of the presence of Hazardous Materials in, on, or about the Building or the Premises which could, in Tenant's prudent business judgment pose a health risk to occupants of the Premises, then Tenant's Rents shall be abated or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area of the Premises. However, in the event that Tenant is prevented from conducting, and does not conduct, its business in any portion of the Premises for a period of time in excess of the Eligibility Period, and the remaining portion of the Premises is not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Rents for the entire Premises shall be abated until such time as the Premises are once again occupiable; provided, however, if Tenant reoccupies and conducts its business from any portion of the Premises during such period, the rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date such business operations commence. If Tenant's right to abatement occurs because of an eminent domain taking and/or because of damage or destruction to the Premises or Tenant's property, Tenant's abatement period shall continue until Tenant has been given sufficient time, and sufficient access to the Premises, to rebuild the portion of the Premises it is required to rebuild, to

install its property, FF&E and to move in over a weekend. To the extent Tenant is entitled to abatement without regard to the Eligibility Period, because of an event covered by Article 20 and Article 24, then the Eligibility Period shall not be applicable. Notwithstanding the foregoing, in the event Tenant, or Tenant's agents, employees, contractors, subcontractors or invitees, are the cause, or materially contribute to the cause of the damage or destruction, or any other condition rendering the Premises, or a portion thereof, unusable, Tenant shall not be entitled to the abatement of Tenant's Rents provided by this Section.

6.8 Personal Property Taxes. Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed and which become payable during the Term (and Option Term, as the case may be) hereof upon all Tenant's leasehold improvements, FF&E and personal property located in the Premises.

ARTICLE 7. ANNUAL BASE RENT ADJUSTMENTS

7.1. Base Rent Increases. Commencing with the first anniversary of the Lease Commencement Date and continuing on the commencement of each Lease Year thereafter, the Base Rent payable under Section 6.2.2 above shall automatically increase by three percent (3%), compounded. Accordingly, the monthly Base Rent shall be as follows during the full ten-year base term and the five-year option term, if timely and properly exercised by Tenant:

| Lease Year | Monthly Base Rent |
|-------------------|-------------------|
| Lease Year 1 () | \$325,849.14 |
| Lease Year 2 () | \$335,624.61 |
| Lease Year 3 () | \$345,693.35 |
| Lease Year 4 () | \$356,064.15 |
| Lease Year 5 () | \$366,746.08 |
| Lease Year 6 () | \$377,748.46 |
| Lease Year 7 () | \$389,080.91 |
| Lease Year 8 () | \$400,753.34 |
| Lease Year 9 () | \$412,775.94 |
| Lease Year 10 () | \$425,159.22 |
| Option | Option |
| Lease Year 11 () | \$437,914.00 |
| Lease Year 12 () | \$451,051.42 |
| Lease Year 13 () | \$464,582.96 |
| Lease Year 14 () | \$478,520.45 |
| Lease Year 15 () | \$492,876.06 |

ARTICLE 8. TENANT IMPROVEMENTS

8.1. Tenant Improvements. All initial improvements to be completed on all of the floors shall be completed by Landlord in accordance with and as specified in **Exhibit B** attached hereto. Except as otherwise set forth in **Exhibit B** or any other part of this Lease, Landlord and Tenant shall pay for the Tenant Improvements in accordance with the provisions, schedules and tables contained in

the Work Letter which is attached hereto as **Exhibit B** and which is incorporated by reference herein. Tenant shall accept each floor or the Premises as of each Floor Commencement Date or the Lease Commencement Date, as the case may be, in its then existing condition. All Tenant Improvements, completed or yet to be completed, within all of the floors as shown on the Work Letter (attached as **Exhibit B**) and the Construction Schedule (attached as **Exhibit C**), shall be referred to herein as the "Tenant Improvements".

8.2. Prevailing Wages. Landlord understands that the Tenant Improvements, requested specifically by and for Tenant and done by or caused to be performed by the Landlord in connection with the Premises, may be considered a "public work" within the meaning of Section 1720.2 of California Labor Code, and therefore agrees, to the extent such work is determined to be a "public work," by the applicable governing authority with jurisdiction over the Premises, that Landlord will cause its contractors who are hired by Landlord and/or Landlord's contractors to perform the Tenant Improvements to be paid not less than the general prevailing rate of wages for work of a similar nature in the Los Angeles area.

8.3. Intentionally Omitted.

8.4. Selection of Contractors and Pricing. Landlord shall select and hire the contractors to perform the Tenant Improvements, subject to Tenant's reasonable approval, which approval shall not be unreasonably withheld, delayed or conditioned. Landlord shall perform a price out of the work in accordance with a detailed space plan developed from the work specified in **Exhibits B and C** and reasonably approved by Landlord and Tenant (the "Approved Plans") using Building standard materials. Tenant shall reasonably approve the final bid for the work pursuant to the Approved Plans and in accordance with a set of detailed construction drawings prepared by Landlord's architect and reasonably approved by Tenant ("Construction Drawings"). All of Tenant's approvals set forth herein, shall not be unreasonably withheld, delayed or conditioned. The Tenant Improvement work shall be completed in accordance to the Approved Plans and the Construction Schedule, which shall commence upon Landlord's receipt of a fully approved and executed Lease from Tenant.

8.5. Identity and Signage. Tenant shall be permitted to install appropriate building standard signage adjacent to the lobby of each floor of the Premises, on the lobby directories to be established by Landlord, if any, and on the Building's exterior above the fifth (5th) floor main entrance doors to the Building. The exact location, size, materials, coloring, lettering and lighting of all the foregoing shall be mutually agreed upon by Landlord and Tenant and shall be in conformance with all applicable building standards. These rights described in this Section 8.4 are personal to Tenant, and in all instances Tenant must not be in default under this Lease and in occupancy of at least ninety percent (90%) of the Premises for external signage. Additionally, Landlord reserves the right to seek the necessary approvals and, if approved, place additional signage, which may include electronic or non-electronic (static) signage or third party advertisement(s) ("Offsite Signage") that is unrelated to Tenant and Tenant's occupancy of the Premises, in or on the Project, including on the exterior of the building occupied by Tenant, so long as such Offsite Signage does not interfere with, obstruct, or aesthetically or physically degrade Tenant's signage, and such Offsite Signage is in full conformance with all applicable building standards. Prior to submitting a formal application to the City for Offsite Signage, Landlord shall meet and confer with Tenant regarding the proposed Offsite Signage, will provide any information reasonably requested by Tenant, and must obtain Tenant's written consent for the proposed Offsite Signage prior to submitting a formal application with the City for the Offsite Signage. Tenant's consent under this Section 8.4 shall not be unreasonably withheld or delayed.

ARTICLE 9. CONDITION OF PREMISES

9.1. General Condition. Landlord shall deliver the Premises to the Tenant as described in **Exhibit B**, which is the Work Letter. Landlord represents to Tenant that on the Lease Commencement Date, the roof, elevators, plumbing, lighting, air conditioning, and heating system in the Premises shall be in good operating condition. In the event that Tenant notifies Landlord in writing within sixty (60) days of its determination that this representation was not correct, then it shall be the obligation of Landlord, after receipt of such written notice from Tenant setting forth with specificity the nature of the deficiency, to promptly, at Landlord's sole cost, rectify such deficiency. Landlord reserves the right to make alterations to or additions to or to change the location of elements of the Building and the common areas thereof.

9.2. Tenant's Acceptance of Building. Except as otherwise provided in this Lease (including **Exhibit B**), Tenant hereby accepts the Building in its condition existing as of Execution Date subject to all applicable zoning, municipal, county, state, and other governmental Laws, and any easements, covenants or restrictions of record, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto.

ARTICLE 10. COMPLIANCE WITH LAWS

10.1 Compliance with Laws. Tenant shall at its sole cost and expense, continuously and without exception repair and maintain the Premises, including the Tenant Improvements, Alterations, and FF&E, in an order and condition in compliance with all Laws. Tenant, at Tenant's sole expense, shall promptly make all repairs, replacements, alterations, or improvements needed to comply with all Laws to the extent that the Laws relate to or are triggered by (a) Tenant's particular use of the Premises, (b) the Tenant Improvements located in the Premises, or (b) any Alterations located in the Premises. Landlord, at Landlord's sole expense, shall promptly make all repairs, replacements, alterations, or improvements needed to comply with all Laws to the extent that the Laws relate to the structural or mechanical components of the Building. If, however, such compliance work on the structural or mechanical components of the Building is triggered by the Tenant Improvements or Alterations requested by Tenant under Article 12 below, or by the negligent acts, errors or omissions of Tenant, Tenant's agents, employees, contractors, subcontractor, or invitees, Tenant shall bear all expense of such work on the structural or mechanical components of the Building. If the Tenant needs assistance completing any work required under this section, the Tenant can request assistance from the Landlord. If the Landlord provides assistance, that assistance will be billed to the Tenant and the Tenant will pay the cost within sixty (60) days of receiving that bill.

10.2 Compliance with Americans with Disabilities Act. With respect to compliance with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.), and any and all other applicable Laws (collectively "the ADA"), where modifications are required to be made to the Premises or the Building to meet accessibility standards, Landlord and Tenant shall have the following responsibilities:

10.2.1 Landlord's Responsibilities. It is Landlord's responsibility to provide a Building which is fully accessible to and usable by individuals with disabilities and otherwise in compliance with the ADA. Accordingly, except as provided in Section 10.2.3, below, Landlord shall be responsible, at its own cost, to make such modifications, additions, or changes as are required for compliance with the ADA, including, but not limited to:

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

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

- (1) Provide a path of travel accessible to and useable by individuals with disabilities from the exterior of the Building (including the parking) to each floor of the Premises;
- (2) Assure that any Building alarm systems include flashing alarm lights as well as auditory alarm mechanisms, which shall be maintained in working order during the Term of the Agreement;
- (3) To the extent such facilities have been provided prior to the commencement of this Lease, provide on each floor of the Premises rest rooms, drinking fountains, and/or public telephones which are readily accessible to and useable by individuals with disabilities, including individuals who use wheelchairs;
- (4) Provide signage at all inaccessible entrances to the Building or common area portions of the Building, directing users to an accessible entrance or to a location at which they can obtain information about accessible facilities. The international symbol for accessibility shall be used at each accessible entrance; and
- (5) Ensure that interested persons, including persons with impaired vision or hearing, can obtain information as to the existence and location of accessible portions of the Premises.

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

- (1) Tenant Improvements and any other Alterations made by Tenant within the Premises;
- (2) Changes or modifications required to be made to Tenant's
- (3) personal property or other equipment located in the Premises which is not owned or controlled by Landlord, including, but not limited to, the rearranging, raising, or lowering of tables, chairs, filing cabinets, vending machines,

display racks, and other furniture;

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

(5) All required modifications, additions, or changes to the Building or the Premises arising from alterations done or requested by Tenant during the Term. Work for which Landlord is responsible under Sections 10.2.1 or 10.2.2 shall not be considered "alterations" for the purposes of this Subsection. In addition, Tenant shall be responsible to assure that the alterations, in and of themselves, comply with the ADA.

10.2.4 Limitations on Section. Nothing in this Section 10.2 shall be construed to:

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

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

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

10.2.4.4 Require Landlord to make any other portion of the Building accessible to and usable by individuals with disabilities.

10.2.4.5 Certified Access Specialist. As of the Effective Date of this Lease, the Building has not been inspected by a Certified Access Specialist pursuant to California Civil Code Section 55.53 [1938]. A Certified Access Specialist (CASp) can inspect the Building and Premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under applicable Laws. Although state law does not require a CASp inspection of the Premises, Landlord may not prohibit Tenant from obtaining a CASp inspection of the Premises for the occupancy or potential occupancy by 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 in this Section 10.2.4.5 shall be construed to modify Landlord's or Tenant's responsibilities contain in Section 10.2 of this Lease.

ARTICLE 11. MAINTENANCE AND REPAIRS

11.1 Landlord's Obligations. Landlord shall keep the Project and Building, including, without limitation, exterior walls, roof, common areas, HVAC, electrical, elevators, plumbing, and the equipment, whether used exclusively for the Premises or in common with other premises, in good condition and repair; provided, however, except as otherwise provided in this Lease (including **Exhibit B**), Landlord shall not be obligated to paint, repair or replace wall coverings, or to repair or replace any Tenant Improvements or improvements or Alterations which are not ordinarily a part of the Building or are above then building standards. Except as otherwise provided in this Lease, including as provided in Section 6.7, there shall be no abatement of Rents or liability of Tenant on account of any injury or

interference with Tenant's business with respect to any improvements, alterations or repairs made by Landlord to the Building or any part thereof. Tenant expressly waives the benefits of any statute now or hereafter in effect, including, without limitation, Sections 1941 and 1942 of the California Civil Code, which would otherwise afford Tenant the right to make repairs at Landlord's expense or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

11.2 Tenant's Obligations.

11.2.1 Maintenance and Repair of Premises. Tenant shall be responsible for payment of the cost thereof to Landlord as Additional Rent for that portion of the cost of any maintenance and repair of the Premises, or any equipment (wherever located) that serves only Tenant or the Premises, to the extent such cost is attributable to causes beyond normal wear and tear. Tenant shall be responsible for the cost of painting, repairing or replacing wall coverings, and to repair or replace any Tenant Improvements which were constructed or installed by or on behalf of Tenant or improvements that are not ordinarily a part of the Building or that are above then Building standards. Landlord may, at its option, upon reasonable notice, elect to perform any particular such maintenance or repairs the cost of which is otherwise Tenant's responsibility hereunder.

11.2.2 Termination of Lease. On the last day of the Term (or the Option Term, as the case may be) hereof, Tenant shall surrender the Premises to Landlord in the same condition as received (except for the Tenant Improvements and ordinary wear and tear), clean and free of debris. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices by Tenant. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, free-standing cabinet work, and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in Landlord's sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal. Tenant shall repair any damage to the Premises occasioned by the installation or removal of Tenant's FF&E and alterations. Except as otherwise stated in this Lease, Tenant shall leave the air ducts and lines, power panels, electrical distribution systems, lighting fixtures, air conditioning, window coverings, wall coverings, carpets, wall paneling, ceilings and plumbing on the Premises and in good operating condition (excepting normal wear and tear).

11.3 Recycling Program. Tenant shall, during the Term of this Lease or any extension thereof, conduct a recycling program on the Premises in conjunction with the City Facilities Recycling Program of the City of Los Angeles, or any similar program subsequently implemented. Such program will include all materials which may be reasonably recycled (e.g., white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers). The Landlord and Tenant will use reasonable effort to jointly work together meet the goals of the recycling program.

11.4 Additional Services. In the event Tenant requires any extra services ("Additional Services") related to maintaining their Premises, such as steam cleaning carpets and/or similar services other than standard janitorial services, then such Additional Services shall be completed and paid for by Landlord, and Tenant shall reimburse Landlord the actual costs of such Additional Services plus an administrative fee according to the below schedule in the form of Additional Rent within thirty days (30) days of the completion of the Additional Services:

\$ 001- \$4,999 = 10% administrative fee or \$150 minimum
 \$ 5,000- \$9,999 = 8% administrative fee
 \$10,000- \$14,999 = 6% administrative fee
 \$15,000+ = 5% administrative fee

ARTICLE 12. ALTERATIONS AND IMPROVEMENTS

12.1 Alterations and Improvements. After the Lease Commencement Date and with the prior written approval of Landlord and Tenant, the Landlord will make additional Tenant requested alterations and improvements to the Premises ("Alterations") which do not affect the (1) exterior appearance of the Building, (2) structural aspects of the Building, (3) the common areas of the Building, (4) the use of the Building by other tenants or occupants of the Building, or (5) the Building Systems, as that phrase is defined in Section 12.2, as long as Tenant pays for the entire cost of such Alterations. If the requested and agreed Alterations require plans or permits, and Landlord performs such Alterations at Tenant's cost, the Landlord will use commercially reasonable efforts to obtain all required plans and permits. The parties acknowledge that certain Alterations could be requested by Tenant that would require discretionary permits or approvals from one or more governmental agencies, including the City of Los Angeles, and that neither Landlord nor Tenant can guarantee that such discretionary approvals and/or permits will be issued. Any time Tenant proposes to make such Alterations, Tenant shall provide Landlord with prior written request and approval. Landlord's consent and construction of any Alteration shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding anything to the contrary set forth above, Tenant may make, without Landlord's prior written consent but after fifteen (15) business days' written notice to Landlord, Alterations which (i) do not require any structural or any substantial modification to the Premises or Building, (ii) do not affect the Building Systems, (iii) do not affect the exterior appearance of the Building, (iv) do not affect the common areas of the Building, (v) do not interfere with the use of the Building by other tenants or occupants of the Building, and (vi) do not cost in excess of Ten Thousand Dollars (\$10,000).

12.2 "Building Systems" - Defined. As used in this Lease, the phrase "Building Systems" shall mean any machinery, transformers, duct work, conduit, pipe, bus duct, cable, wires, and other equipment, facilities, and systems, to the extent within the Building, designed to supply heat, ventilation, air conditioning and humidity or any other services or utilities, or comprising or serving as any component or portion of the electrical, gas, steam, plumbing, sprinkler, communications, alarm, security, or fire/life safety systems or equipment, or any other mechanical, electrical, electronic, computer, or other systems or equipment which service the Building in whole or in part; provided, however, that such equipment, facilities, and systems which serve solely the Premises or Tenant with respect to communications, alarm, security, and computer systems shall not be considered part of the Building Systems to the extent that such equipment, facilities, and systems may be accessed and altered without interference with any Building Systems.

12.3 Manner of Construction. Landlord may impose reasonable requirements as a condition of its consent to all Alterations or repairs of the Premises or about the Premises, including, but not limited to, the requirement that upon Landlord's request, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any termination of the Term (or the Option Term, as the case may be), and/or the requirement, with respect to work on the Building Systems, that Tenant utilize for such purposes only contractors, materials, mechanics, and material providers approved by Landlord. Landlord may require Tenant to provide Landlord, at Tenant's sole cost and expense, a lien and completion bond in an amount not less than the estimated cost of such improvements, to insure Landlord against any liability for claims or purported mechanic's and materialmen's liens and to insure completion of the work. Landlord and Tenant shall construct such Alterations and perform such repairs in conformance with any and all applicable rules and regulations of any federal, state, county or municipal code or ordinance and pursuant to a valid building permit, issued by the City of Los Angeles, in conformance with Landlord's reasonable construction rules and regulations. All work with respect to

any Alterations must be done by licensed contractors and in a good and professional manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the period of work. In performing the work of any such Alterations, Landlord and Tenant shall have the work performed in such manner as to minimize any obstruction of access to the Building or the common areas for any other tenant of the Building, and as not to obstruct the business of Landlord or other tenants in the Building, or interfere with the labor force working in the Building. Upon completion of any Alterations, Landlord agrees at the request of Tenant to cause a Notice of Completion to be recorded in the office of the Recorder of the County of Los Angeles in accordance with Section 3093 of the California Civil Code or any successor statute, and Tenant shall deliver to Landlord a reproducible copy of the "as-built" drawings, if any, of the Alterations.

12.4 Construction Insurance. In the event Tenant makes any Alterations, Tenant agrees to carry "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations.

12.5 Payment for Alterations. Where the work under this Article is performed by Landlord and/or Landlord's contractor, the charges for such work shall be deemed Additional Rent under this Lease, payable within sixty (60) days of the receipt by Tenant of a sufficiently itemized invoice and billing therefor. Where the work under this Article is performed by Tenant or Tenant's contractor, upon completion of such work, Tenant shall deliver to Landlord, where applicable, evidence of payment, contractors' affidavits and full and final waivers of all liens for labor, services, and materials.

12.6 Ownership of Alterations. All Alterations, fixtures, and equipment which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant. Alterations, fixtures, and equipment remaining at the Premises after the vacation of the Premises by Tenant shall be and become, at the election of Landlord, the property of Landlord. Tenant may remove any Alterations, fixtures, or equipment paid for and installed by Tenant, provided Tenant repairs any damage to the Premises and Building caused by such removal. Furthermore, if Landlord requires that Tenant remove any Alteration upon the expiration or early termination of the Term, Landlord may, by written notice to Tenant prior to the end of the Term, or given upon any earlier termination of this Lease, require Tenant at Tenant's expense to remove such Alterations and to repair any damage to the Premises and Building caused by such removal. If Tenant fails to complete such removal or to repair any damage caused by the removal of any Alterations, Landlord may do so and may charge the cost thereof to Tenant, and Tenant shall reimburse Landlord for all reasonable costs and expenses in connection with such removal within sixty (60) days of receiving written notice from Landlord. Such notice shall be accompanied by an itemized statement reflecting the items that were removed and the associated costs for such removal.

12.7 Personal Property/Removal at Termination. All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by Tenant at Tenant's expense in the Premises shall be and remain the property of Tenant and may be removed by Tenant at any time during the Term, provided that, with Landlord's consent, any and all wires, conduits, or pipe leading to any fixtures may be left in place in said Premises at the option of Tenant, provided the same shall be insulated, plugged or otherwise treated in accordance with applicable standard practices and Laws. If Tenant shall fail to remove all of Tenant's property from the Premises upon termination or expiration of the Term for any cause whatsoever, Landlord may, at Landlord's option any time after five (5) calendar days' written notice to Tenant of Landlord's intention, (i) assume ownership of a portion or all of such property, (ii) remove and dispose

of a portion or all of such property in any manner that Landlord shall choose, and/or (iii) remove and store such property without liability to Tenant for loss thereof and Tenant agrees to pay Landlord upon demand (in accordance with Section 12.6 above) any and all costs and expenses incurred in such removal, including court costs and attorneys' fees and storage charges on such property for any length of time that the same shall be in Landlord's possession.

12.8 Mechanics' Liens. Tenant shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Tenant at or for use in the Premises, which claims made against Landlord and/or purport to be secured by any mechanic's or materialmen's lien against the Premises or the Building, or any interest therein. If Tenant fails to pay such claims or demands or if Tenant shall, in good faith, contest the validity of any such lien, claim or demand, then Tenant shall, at its sole expense, defend itself and Landlord against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Landlord or the Premises or the Building, upon the condition that if Landlord shall require, Tenant shall furnish to Landlord a Mechanic's lien release surety bond satisfactory to Landlord in an amount equal to such contested lien, claim or demand indemnifying Landlord against liability for the same and holding the Premises and the Building free from the effect of such lien or claim. In addition, Landlord may require Tenant to pay Landlord's reasonable attorneys' and expert witness fees and costs in participating in such action if Landlord shall decide it is to Landlord's best interest so to do.

12.9 Non-responsibility and Work Commencement Notices. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by Law, or which Landlord shall deem proper for the protection of Landlord and the Premises, and any other party having an interest therein, from liens, and Landlord shall give to Tenant at least ten (10) business days prior written notice of the expected date of commencement of and work relating to Alterations or additions to the Premises.

12.10 Failure to Comply with Conditions. Should Tenant make any Alterations without the prior approval of Landlord, or, where required, use a contractor not expressly approved by Landlord, or otherwise fail to comply with the conditions of this Article 12, Landlord may, at any time during the Term, require that Tenant remove any part or all of the same at Tenant's sole cost and expense.

ARTICLE 13. SERVICES PROVIDED BY LANDLORD

13.1 Business Hours. For purposes of this Lease, "Business Hours" shall mean Monday to Friday, 7:00 a.m. to 5:00 p.m. and Saturday from 9:00 a.m. to 1:00 p.m., excluding Sundays, New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Thanksgiving Day, Friday after Thanksgiving Day, Christmas Day, and other holidays generally observed by Tenant by closing of business.

13.2 Separate Meters. Landlord shall cause, at its sole cost and expense, the Premises to be separately metered to determine Tenant's electrical and water usage within the Premises (with the exception of the EV parking spaces, as defined and discussed in Section 14.1 below). Tenant shall cause such separately metered services to be placed in Tenant's name and Tenant shall pay for such services directly.

13.3 Access and Common Areas. Subject to repairs, alterations, damage, and destruction, at all times Landlord shall maintain and keep lighted the common areas of the Project and Building, including the common stairs and common entries to the Building, and rest rooms on the floors of the

Building containing the Premises. Lighting in rest rooms may be controlled by readily apparent and accessible light switches. Subject to repairs, alterations, damage, and destruction, Landlord shall provide and make available to Tenant, at all times twenty-four (24) hours per day, seven (7) days a week, access to the Premises and parking and such basic services as elevators, water, and electricity for normal lighting of common areas required to access the Premises as Tenant may reasonably require.

13.4 Heat, Ventilation, and Air Conditioning (HVAC). Landlord shall provide to the Premises, at all times twenty-four (24) hours per day, seven (7) days per week, the heating, ventilation, and air conditioning (HVAC) system and equipment reasonably required for the comfortable use and occupation of the Premises, consistent with any specific standards set forth in this Lease, including, without limitation, as specified in **Exhibit B**.

In the event that Tenant wishes to install any Tenant-owned supplemental HVAC system or equipment within the Premises, Tenant shall: (i) obtain Landlord's prior written approval of such installation, (ii) cause such supplemental system or equipment to be separately metered, and (iii) pay for all costs associated with such supplemental system/equipment, including without limitation installation costs and expenses, ongoing utilities costs and expenses, and costs and expenses incurred by Landlord to review and approve/disapprove such supplemental system/equipment.

13.5 Electricity. Landlord shall provide, at all times twenty-four (24) hours per day, seven (7) days per week, the electrical system and equipment required for normal electricity and lighting of the Premises and fractional horsepower office machines as Tenant may require, consistent with any specific standards set forth in this Lease, including, without limitation, as specified in **Exhibit B**. Landlord shall provide at its expense electricity sufficient for all common areas, which shall be included as an Operating Expense of the Building.

13.6 Elevators. Landlord shall provide, at all times twenty-four (24) hours per day, seven (7) days a week, and at its expense, automatic passenger elevators providing adequate service leading to the floors on which the Premises are located. In the event that 50% of the Tenant-dedicated elevators (two elevators) are not operating for a period more than thirty (30) consecutive days, or twelve (12) business days in any twelve-month period, other than as a result of Force Majeure, or damage or destruction as provided in Article 20, or any delay in maintenance and/or repairs beyond Landlord's reasonable control (the "Elevator Disruption"), then Tenant shall receive \$1,000 per day in rent abatement for each day the Elevator Disruption occurs beyond such 30-day period or 12-business-day period, as the case may be. Landlord shall provide at its expense elevators sufficient for all common areas, which shall be included as an Operating Expense of the Building. The parties acknowledge and agree that Tenant shall have four (4) dedicated elevators dedicated solely to Tenant's use that will connect directly to parking levels one through four. The parties further acknowledge and agree that to the extent Tenant wishes to have its employees, invitees, or agents enter through the fifth (5th) floor, Tenant will be responsible for providing any necessary security, including but not limited to access cards/passes, and/or one or more security guards, in Tenant's discretion and at Tenant's sole cost and expense, and Landlord has no obligation under this Lease to provide a dedicated elevator for Tenant from the 5th floor. If Tenant and Landlord realize at some point during the Term of this Lease that four dedicated elevators are not needed, the parties may meet and confer and agree to reduce the number of dedicated elevators for Tenant. Such decision shall be memorialized in writing and signed by both parties.

13.7 Water. Landlord shall provide, at all times twenty-four (24) hours per day, seven (7) days per week, the hot and cold water system and equipment sufficient for drinking, lavatory, toilet, and ordinary janitorial and cleaning purposes to be drawn from approved fixtures in the Premises or on the floor on which the Premises are located, consistent with any specific standards set forth in this Lease, including, without limitation, as specified in **Exhibit B**. Landlord shall provide at its expense hot and cold water sufficient for all common areas, which shall be included as an Operating Expense of the Building.

13.8 Security. Tenant assumes all responsibility for the protection of the Premises, Tenant, Tenant's agents, employees, and invitees and their property from the acts of third parties. Subject to Landlord's reasonable approval, Tenant shall be entitled, at its sole cost and expense, to (i) install its own security systems for the Premises, which shall be located within the Premises and which shall not interfere with the Building Systems, and (ii) provide its own on-site security guard service for the Premises, the cost of which will be billed to and paid for by Tenant directly.

13.8.1 Security for Non-Tenant Areas. Landlord and Tenant acknowledge that Tenant shall have no obligation or responsibility to provide any type of security for areas not used or leased by Tenant under this Lease; and that if Landlord opts to provide security for areas in or around the Building that are not used or leased by Tenant under this Lease, any costs and expenses in connection with such security shall not be considered an Operating Expense for purposes of this Lease.

13.9 Janitorial Services. Landlord shall provide janitorial services to the Premises five (5) days per week during hours established by Landlord and Tenant, provided that the cost of such janitorial services shall be billed to Tenant monthly and shall be paid within thirty (30) days of receipt of an invoice from Landlord. Landlord is also responsible for the removal or extermination of any pests, vermin, rodents, fleas, or similar infestations from the Premises and the Building within a reasonable period of time after its receipt of written notice of the need for such removal or extermination, the cost of which shall be included as an Operating Expense of the Building. Landlord may impose a reasonable charge for any additional or unusual cleaning services or costs required because of the nature of Tenant's business or its security provisions. Notwithstanding the foregoing, Tenant shall have the right to provide its own janitorial services to the Premises, the cost of which shall be billed to and paid for by Tenant directly.

13.10 Bulbs and Fluorescent Tubes. Landlord shall provide the Premises with such replacement building standard fluorescent tubes, starters, ballasts, plastic shields covering light fixtures, or light bulbs as are required from time to time, which shall be included as an Operating Expense of the Building. If during the course of this Lease, lighting efficiency standards or technologies change, Landlord will provide similar replacement products complying with the new lighting efficiency standards or technologies.

13.11 Rubbish Removal and Extermination. Tenant shall arrange for the removal of rubbish, garbage, trash, and similar debris ("Trash") from the Premises as part of its own janitorial services, the cost of which shall be billed to and paid for by Tenant directly, unless janitorial services are provided for by Landlord pursuant to Section 13.9 above, in which case the provisions of Section 13.9 shall control with respect to Trash removal and extermination, and reimbursement to Landlord by Tenant for such services, as discussed in Section 13.9. Landlord shall be solely responsible for removal of all Trash from all common areas, and for arranging and paying for services for removal of Trash from the dumpsters on the Project.

ARTICLE 14. PARKING

14.1 Parking. So long as Tenant is not in default as defined in Section 21.1, and subject to parking facility rules and regulations as established by Landlord or the parking facility licensee/operator from time to time which are not inconsistent with this Lease, Landlord shall provide and Tenant shall lease Six Hundred Twenty-Three (623) unmarked, designated parking spaces grouped together within floors one through four of the parking facility of the Building. The parties expressly understand and acknowledge that Landlord must provide and Tenant must rent all 623 parking spaces on parking levels 1 through 4, and that all parking spaces will be dedicated solely to Tenant.

All parking spaces shall be rented at the initial base rate of two hundred dollars (\$200) per space per month, and Tenant shall be responsible for paying for all electricity in connection with Tenant's use of the parking facility based on the separate electric meters provided by Landlord (with the exception of the separate meters or sub-meters to be provided by Tenant for the EV parking stations, as discussed in this Section below.

In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority, including, without limitation, the City of Los Angeles, in connection with the renting of such parking spaces by Tenant or the use of the parking facility by Tenant, unless Tenant is exempt from such taxes or fees. Tenant's continued right to use the parking spaces is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking spaces are located, including any sticker or other identification system established by Landlord, Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations, and Tenant not being in default under this Lease. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may from time to time, temporarily close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, cleaning, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator or a lessee of the parking facility in which case such parking operator or lessee shall have all the rights of control attributed hereby to the Landlord. The parking spaces used by Tenant pursuant to this Article 14 are provided to Tenant solely for use by Tenant's employees and visitors and such spaces may not be transferred, assigned, subleased or otherwise alienated by Tenant separate and apart from this Lease without Landlord's prior approval (except in connection with a transfer of this Lease which does not require Landlord's consent).

In the event Tenant desires to have one or more electric vehicle ("EV") parking stations available for Tenant's use during the Term of this Lease (and the Option Term, as the case may be), Tenant may request up to ten (10) of EV parking spaces to be designed, engineered, and constructed in the parking facility. All costs and expenses associated with such design, engineering, construction, installation, and maintenance of the EV parking spaces shall be the sole and exclusive responsibility of Tenant, and Landlord shall not be responsible for any costs or expenses in connection with the EV parking spaces requested by Tenant. In addition, the EV parking spaces shall be separately metered (or sub-metered, as the case may be), and all costs, expenses, and fees, including but not limited to electricity costs incurred by operation of the EV parking spaces, shall be borne solely by Tenant and shall be paid directly by Tenant to the electricity provider. It will be Landlord's responsibility to ensure that electric service is available for the EV parking station(s).

Commencing with the first anniversary of the Lease Commencement Date and continuing on the commencement of each Lease Year thereafter, the above-mentioned parking rates (i.e., \$200 per space per month) shall automatically increase by three percent (3%) each year, compounded. Accordingly, the monthly parking rate for each space shall be as follows during the full ten-year Term (plus the additional 5-year Option Term, if applicable), subject to any termination rights expressly set forth in this Lease:

| Lease Year | Monthly Parking Rate Per Space |
|-------------------|--------------------------------|
| Lease Year 1 () | \$200.00 |
| Lease Year 2 () | \$206.00 |
| Lease Year 3 () | \$212.18 |
| Lease Year 4 () | \$218.55 |
| Lease Year 5 () | \$225.10 |
| Lease Year 6 () | \$231.85 |
| Lease Year 7 () | \$238.81 |
| Lease Year 8 () | \$245.97 |
| Lease Year 9 () | \$253.35 |
| Lease Year 10 () | \$260.95 |
| Option Term | Option Term Parking Rate |
| Lease Year 11 () | \$268.78 |
| Lease Year 12 () | \$276.85 |
| Lease Year 13 () | \$285.15 |
| Lease Year 14 () | \$293.71 |
| Lease Year 15 () | \$302.52 |

ARTICLE 15. ASSIGNMENT AND SUBLETTING

15.1 Provisions and Conditions Applicable to Assignment and Subletting. Tenant shall have the right during the term of this Lease (or during the Option Term, as the case may be) to sublease or assign all or any portion of the Premises to any other "Governmental entity" (specifically including City of Los Angeles, or its departments and agencies) upon thirty (30) days prior written notification to Landlord. Any sublease or assignment of all or any portion of the Premises to any non-Governmental entity shall require the Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, but shall be subject to subsections (a) through (e) of this Section 15.1. Tenant shall remain liable to Landlord for performance under this Lease regardless of any sublease or assignment. Tenant may transfer its interest pursuant to this Lease to a non-Governmental entity only upon the following express conditions set forth in subsections (a) through (e) below, which conditions are agreed by Landlord and Tenant to be reasonable:

(a) That the proposed "Transferee" (as hereafter defined) shall be subject to the prior written consent of Landlord, which consent will not be unreasonably withheld, but without limiting the generality of the foregoing, the parties acknowledge and agree that it shall be reasonable for Landlord to deny such consent and reject any sublease or assignment to a non-Government entity if:

- (i) The use to be made of the Premises by the proposed Transferee is (a) not generally consistent with the character and nature of all other tenancies in the

Project, or (b) a use which conflicts with any so-called "exclusive" then in favor of another tenant in the Building, or any other buildings which are in the same complex as the Project, (c) a use which would be prohibited by any other portion of this Lease (including but not limited to any rules and regulations then in effect), or (d) a use inconsistent with, or in conflict with, any Laws;

- (ii) The financial capabilities and/or responsibility of the proposed Transferee is not reasonably satisfactory to Landlord;

(b) That the proposed Transferee shall execute a sublease or an assignment and assumption agreement that is reasonably acceptable to Landlord and pursuant to which it shall agree to perform faithfully and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease applicable to that portion of the Premises so transferred; and

(c) That an executed duplicate original of said assignment and assumption agreement or other transfer on a form reasonably approved by Landlord and Tenant, shall be delivered to Landlord within five (5) calendar days after the execution thereof, and that such sublease or assignment shall not be binding upon Landlord until the delivery thereof to Landlord and the execution and delivery of Landlord's consent thereto, which shall be given or withheld by Landlord within fifteen (15) business days. Landlord may require that Tenant not then be in default hereunder in any respect; Tenant shall remain primarily obligated under this Lease following any assignment of this Lease approved by Landlord; and Tenant or the proposed assignee (collectively, "Transferee") shall agree to pay Landlord, upon demand, as Additional Rent, a sum equal to the additional costs, if any, incurred by Landlord for maintenance and repair as a result of any change in the nature of occupancy caused by such assignment. Any transfer of this Lease which is not in compliance with the provisions of this Article 15 shall be voidable by written notice from Landlord and shall, at the option of Landlord, terminate this Lease. In no event shall the consent by Landlord to any Transfer be construed as relieving Tenant or any Transferee from obtaining the express written consent of Landlord to any further transfer, or as releasing Tenant from any liability or obligation hereunder whether or not then accrued and Tenant shall continue to be fully liable therefore. No collection or acceptance of Rents by Landlord from any person other than Tenant shall be deemed a waiver of any provision of this Article 15 or the acceptance of any Transferee hereunder, or a release of Tenant (or of any Transferee of Tenant). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under this Article 15 or otherwise has breached or acted unreasonably under this Article 15, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable Laws, on behalf of the proposed Transferee.

(d) Notwithstanding anything to the contrary contained in this Article 15, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after Landlord's receipt of a request for consent to a proposed transfer to a non-Governmental entity to terminate this Lease as to the portion of the Premises that is the subject of the proposed transfer. If this Lease is so terminated with respect to less than the entire Premises, all Rents including Base Rent shall be prorated based on the number of net rentable square feet retained by Tenant as compared

to the total number of rentable square feet previously contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon the request of either party, the parties shall execute written confirmation of the same.

(e) Should any assignment or sublease of the Premises be for a rental amount in excess of that amount then being paid by Tenant for the portion of the Premises being sublet or assigned, then in that event, Landlord shall be paid fifty percent (50%) of any excess rent received and Tenant shall retain fifty percent (50%) of any excess rent received on any such space.

ARTICLE 16. INSURANCE AND INDEMNIFICATION

16.1 Insurance. Subject to Tenant's right to self-insure, as set forth below, Tenant, at its own cost and expense, shall, prior to any possession or other use of the Premises or any portion thereof, secure from an insurance company or companies licensed in the State of California and maintain during the entire Term and any extension or holdover of this Lease, the following insurance coverage for the Premises:

16.1.1 General Liability Insurance. Tenant shall provide and maintain general liability insurance in an amount not less than Five Million Dollars (\$5,000,000) Combined Single Limit per occurrence. Such coverage shall include coverage for both oral and written contracts, and: (i) personal injury coverage, covering the insuring provisions of this Lease and the performance of Tenant of the indemnity and exemption of Landlord from liability agreements set forth herein to the extent commercially available; (ii) professional liability insurance with a combined single limit of not less than commercially reasonable for the business operations conducted at the Premises and the use to which the Premises are put; (iii) a policy of standard fire, extended coverage and special extended coverage insurance (all risks), including a 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 (A) Improvements, Alterations, fixtures and other improvements in the Premises, including but not limited to all mechanical, plumbing, heating, ventilating, air conditioning, electrical, telecommunication and other equipment, systems and facilities, and (B) trade fixtures, furniture, equipment and other personal property installed by or at the expense of Tenant; (C) business interruption, loss of income and extra expense insurance covering any failure or interruption of Tenant's business equipment (including, without limitation, telecommunications equipment) and covering all other perils, failures or interruptions sufficient to cover a period of interruption of not less than twelve (12) months. Evidence of such insurance shall be on Landlord's General Liability Special Endorsement form and should provide coverage for premises and operations, contractual, personal injury and fire legal liability.

16.1.2 Workers' Compensation. By signing this Lease, Tenant hereby certifies that it is aware of the provisions of Sections 3700, et seq., of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the Term of this Lease. A Waiver of Subrogation in favor of Landlord is required.

16.1.3 Additional Insureds. Tenant agrees that Landlord, its boards, officers, agents and employees shall be included as additional insureds in all General Liability insurance required herein.

Tenant shall indemnify, defend and hold Landlord, its subsidiaries, and their respective officers, directors, and employees (collectively, "Landlord Parties") harmless from any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees and expert witness fees) incurred in connection with or arising from any cause in, on or about the Premises (including, but not limited to, a slip and fall in the Premises), Tenant's use of the Premises or from the conduct of its business or from any activity, work or thing which may be permitted or suffered by Tenant in or about the Premises or Project, and shall further indemnify, defend and hold Landlord and the Landlord Parties harmless from and against any and all claims, liabilities, damages, expenses and losses arising from any breach or default in the performance of any obligation on Tenant's part to be performed under this Lease, or arising from any alleged acts, omissions, negligence or willful misconduct of Tenant or any of its agents, employees in or about the Project.

Tenant assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause and Tenant waives all claims in respect thereof against Landlord and the Landlord Parties, excepting where the damage is caused by the negligence or willful misconduct of Landlord or the Landlord Parties.

(b) Exemption of Landlord from Liability. Except as otherwise provided in this Lease, Landlord and the Landlord Parties shall not be liable for injury to Tenant's business, or loss of income, loss of opportunity or loss of goodwill therefrom, or any consequential, punitive, special or exemplary damages, however occurring (including, without limitation, from any failure or interruption of services or utilities). Further, Landlord and the Landlord Parties shall not be liable for damage or injury that may be sustained in, upon or about the Premises by Tenant, its employees, invitees, customers, agents, or contractors, or any other person, except to the extent such damage or injury results from the negligence or willful misconduct of Landlord or the Landlord Parties. Landlord and the Landlord Parties shall not be liable to Tenant for any damages arising from any alleged negligent acts, errors, omissions, or willful misconduct of any other tenant of the Project.

(c) Landlord Indemnity. Landlord shall indemnify, defend and hold harmless Tenant and Tenant's officials, directors, officers, agents, partners, employees, contractors, subcontractors, and assignees from and against any and all loss, liability, or expense for claims for injury or damage to the extent arising from the negligence or willful misconduct of Landlord or Landlord's officers, agencies, employees, contractors, licensees or invitees, jointly or severally, in the occupancy or use of the Project, including claims arising because of the placement of Hazardous Material in the Project by the Landlord or any of its officers, agencies, agents, representatives, employees, contractors, subcontractors, licensees or invitees. Tenant agrees to notify Landlord of any claims for which Landlord may be liable under this Section.

ARTICLE 17. HAZARDOUS MATERIALS

17.1 Hazardous Materials. Landlord and Tenant agree as follows with respect to the existence or use of Hazardous Material (as defined in Section 17.1.5) on the Premises or in the Building:

17.1.1 Prohibition. Landlord and Tenant shall each comply with all Laws relating to industrial hygiene and environmental conditions on, under, or about the Building including, but not limited to, soil and ground water conditions. Without limiting the generality of the foregoing, Tenant

16.1.4 Tenant's Property. Landlord will not insure Tenant's equipment, stored goods, other personal property, fixtures, or tenant improvements, nor such personal property owned by Tenant's subtenants or assignees, if any, or invitees. Landlord shall not be required to repair any injury or damage to any personal property or trade fixtures installed in the Premises by Tenant caused by fire or other casualty, or to replace any such personal property or trade fixtures. Tenant may, at Tenant's sole option and expense, obtain physical damage insurance covering Tenant's equipment, stored goods, other personal property, fixtures or tenant improvements or obtain business interruption insurance.

16.1.5 Notice of Change in Insurance. All insurance policies required shall expressly provide that such insurance shall not be subject to cancellation, material reduction in coverage or non-renewal except after written notice by first class or electronic mail to the LADWP Risk Management Section (30) calendar days prior to the effective date thereof. The notification shall be sent by first class mail to: The Risk Management Section, Los Angeles Department of Water and Power, Post Office Box 51111, JFB Room 465, Los Angeles, California 90051-0100; (Riskmanagement.risky@ladwp.com)

16.1.6 Default. If insurance is canceled, lapsed, or reduced below minimums required in this Article, Landlord may consider this Lease to be in default and may terminate it. Termination shall occur at the expiration of a three (3) day notice given in accordance with the provisions of the Code of Civil Procedure Section 1162. At the termination of three (3) days or sooner, the Tenant shall vacate the Premises and the Tenant shall have no right to possess or control the Premises or the operations conducted therein. If the Tenant does not vacate, Landlord may utilize any and all court proceedings to obtain a right to possession.

16.1.7 Adjustment of Insurance Levels. Landlord reserves the right at any time during the Term or any extension or holdover of this Lease, applying generally accepted risk management principles, to change the amounts and types of insurance required hereunder upon giving Tenant ninety (90) days prior written notice.

16.1.8 Waiver of Subrogation. With respect to property damage, each party agrees to waive its rights of subrogation for any claim applicable to the California Standard Fire Policy with Extended Coverage and Vandalism and Malicious Mischief endorsements.

16.1.9 Self-Insurance. Notwithstanding anything to the contrary, at its sole option, Tenant may satisfy its obligations under the insurance requirements of this Article by a combination of commercial insurance, formal risk pooling under California statutory provisions, and/or a self-funded loss reserve in whatever proportions are deemed appropriate by Tenant's risk management staff. Tenant shall furnish Landlord a certificate or other written evidence of its election to provide all or part of its coverage under a risk pooling, risk retention, or self-insurance program or combination thereof. In the event that Tenant elects to satisfy any of its insurance requirements of this Article (or any portion(s) thereof) by self-insuring, no requirement relating to the form of insurance policies shall be applicable to such self-insurance, provided that any self-insurance shall be deemed to contain all of the terms and conditions applicable to such insurance as required by this Lease, including, without limitation, a waiver of subrogation. This provision shall apply to Tenant only, and may not be assigned. In no event shall any self-insurance result in a detriment to Landlord or an increase in the amount payable by Landlord's insurance companies.

16.2 Indemnification.

(a) **Tenant Indemnity.** Unless caused by Landlord's negligence or willful misconduct,

shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release, or discharge any Hazardous Material (as defined in Section 17.1.5) upon or about the Building or the land upon which the Building sits, nor shall Tenant permit its officers, agents, contractors, or employees to engage in such activities upon or about the Building or the land upon which the Building sits. However, the foregoing provisions shall not prohibit Tenant from transportation to and from, and the use, storage, maintenance, and handling within, the Premises or the Building of substances customarily used in connection with normal office use provided: (1) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Section 3.1 of this Lease, strictly in accordance with applicable Laws and the manufacturers' instructions therefor; (2) such substances shall not be disposed of, released, or discharged at the Building, and shall be transported to and from the Premises in compliance with all applicable Laws, and as Landlord shall reasonably require; (3) if any applicable Law or Landlord's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by Landlord), and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances in the Premises; and (4) any remaining such substances shall be completely, properly, and lawfully removed from the Building upon expiration or earlier termination of this Lease.

17.1.2 Clean Up of Hazardous Material.

17.1.2.1 Clean Up by Landlord. If any Hazardous Material is released, discharged, or disposed of by Landlord, or Landlord's officers, agents, contractors, or employees on or about the Premises in violation of this Section 17.1, Landlord shall immediately, properly, and in compliance with applicable Laws, clean up and, where required, remove the Hazardous Material from the Premises and any other affected property and clean or replace any affected personal property (whether or not owned by Tenant), at Landlord's expense. Such clean up and removal work if occurring within the Premises, shall be subject to Tenant's prior reasonable written approval (except in emergencies), which approval shall not be unreasonably withheld, delayed or conditioned, and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by Tenant. If Landlord shall fail to comply with the provisions of this Subsection within ten (10) business days after written notice by Tenant, or such shorter time as may be required by applicable Law or in order to minimize any hazard to persons or property, Tenant may (but shall not be obligated to) arrange for such compliance directly or on Landlord's behalf through contractors or other parties selected by Tenant, at Landlord's expense (without limiting Tenant's other remedies under this Lease or applicable Law).

17.1.2.2 Clean Up by Tenant. If any Hazardous Material is released, discharged, or disposed of by Tenant, or Tenant's officers, agents, contractors, employees, or invitees on or about the Building in violation of this Section 17.1, Tenant shall immediately, properly, and in compliance with applicable Laws, clean up and, where required, remove the Hazardous Material from the Building and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord), at Tenant's expense. Such clean up and removal work shall be subject to Landlord's prior written approval (except in emergencies), which approval shall not be unreasonably withheld, delayed or conditioned, and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by Landlord. If Tenant shall fail to

comply with the provisions of this Subsection within ten (10) business days after written notice by Tenant, or such shorter time as may be required by applicable Law or in order to minimize any hazard to persons or property, Landlord may (but shall not be obligated to) arrange for such compliance directly or on Tenant's behalf through contractors or other parties selected by Landlord, at Tenant's expense (without limiting Landlord's other remedies under this Lease or applicable Law).

17.1.2.3 Casualty Damage. If any Hazardous Material is released, discharged, or disposed of on or about the Building, the land upon which the Building sits, or the Premises and such release, discharge, or disposal is not caused by Landlord or Landlord's officers, agents, contractors, or employees or other occupants of the Building, such release shall be deemed casualty damage under Article 20 to the extent that the Premises or common areas serving the Premises are affected thereby; in such case, Landlord and Tenant shall have the obligations and rights respecting such casualty damage provided under Article 20.

17.1.2.4 Joint Liability. As between Landlord and Tenant, nothing in this Section 17.1.2 shall be construed to prohibit or prevent, where appropriate, joint liability for the costs of clean up and removal of Hazardous Material, in proportions according to proof that any such joint liability exists.

17.1.3 Compliance Costs. Landlord and Tenant acknowledge that Landlord may become legally liable for the costs of complying with Laws relating to Hazardous Material which are not specifically made the responsibility of either party under the provisions of this Lease, including the following: (1) Hazardous Material present in the soil or ground water; (2) a change in Laws which relate to Hazardous Material which make such Hazardous Material which is present on the Premises or in the Building as of the Commencement Date, whether known or unknown to Landlord, a violation of such new Laws; (3) Hazardous Material that migrates, flows, percolates, diffuses or in any way moves on to or under the land; (4) Hazardous Material present on or under the land or in the Building as a result of any discharge, dumping or spilling (whether accidental or otherwise) on the land or in the Building by other lessees of the Building or their agents, employees, contractors or invitees, or by others. Accordingly, Landlord and Tenant agree that the cost of complying with Laws relating to Hazardous Material on the land or in the Building shall be borne by Landlord, unless the cost of such compliance, as between Landlord and Tenant, is made specifically the responsibility of Tenant pursuant to this Lease.

17.1.4 Termination. This Section is applicable upon any discovery of Hazardous Material in, on or about the Building or Site not placed in, on or about the Building or Site by Tenant or Tenant's employees, agents, contractors, or invitees, that, considering the nature and amount of the substances involved, materially and adversely interferes with Tenant's use of the Premises or, in the prudent judgment of Tenant, presents a health risk to any occupants of the Premises. Where such a state of affairs is present, if, within six (6) months of the date Tenant is notified or becomes aware of the fact that Tenant cannot be given reasonable use of, and access to, a fully repaired, restored, safe and healthful Premises and Building (except for minor "punch-list" items which will be repaired promptly thereafter), and the utilities and services pertaining to the Building and Premises, all suitable for the efficient conduct of Tenant's business therefrom, then Tenant may elect to terminate the Lease upon thirty (30) days written notice sent to Landlord at any time within a period of ninety (90) days following Tenant's notification or awareness that it is extremely unlikely that Tenant will be given the reasonable use of, and access to, a fully repaired, restored, safe and healthful Premises within six (6) months of the date of such interference. In the event of the state of affairs covered by this Section

occurs during the last year of the Term such that Tenant has been prevented from using the Premises for thirty (30) consecutive days, Tenant may elect to terminate this Lease upon thirty (30) days' written notice sent to Landlord.

17.1.5 "Hazardous Material" - Definition. The phrase "Hazardous Material" for the purposes of this Lease shall mean any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. Without limiting the generality of the foregoing, Hazardous Material shall include, but not be limited to, any material or substance which is: (1) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (2) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, et seq.); (3) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code section 25500, et seq.); (4) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, et seq.); (5) petroleum; (6) asbestos; (7) defined as a "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. section 66001, et seq.); (8) designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq.); (9) defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, et seq.); (10) defined as a "hazardous substance" pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, et seq.); or (11) defined as "hazardous material" under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, et seq.), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

17.1.6 Notice Regarding Hazardous Materials. Landlord shall promptly notify Tenant, with respect to the Building and the land on which the Building sits, and Tenant shall promptly notify Landlord, with respect to the Premises, of: (1) any enforcement, cleanup, or other regulatory action taken or threatened by any governmental or other regulatory authority with respect to the presence of any Hazardous Material on the Building, the land upon which the Building sits, or the Premises or the migration thereof from or to other property; (2) any demands or claims made or threatened by any party against Landlord or Tenant, as applicable, relating to any loss or injury resulting from any Hazardous Material; (3) any release, discharge, or non-routine, improper or unlawful

disposal or transportation of any Hazardous Material on or from the Building, the land upon which the Building sits, or the Premises; and (4) any matters where Landlord or Tenant, as applicable, is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Material on the Building, the land upon which the Building sits, or the Premises. Landlord and Tenant shall have the right (but not the obligation) to join and participate, as a party, in any legal proceedings or actions affecting the Building, the land upon which the Building sits, or the Premises initiated in connection with any environmental, health, or safety Law. At such times as Landlord may reasonably request, Tenant shall provide Landlord with a written list identifying any Hazardous Material then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any material safety data sheet issued by the manufacturer thereof, written information concerning the removal, transportation and disposal of the same, and such other information as Landlord may reasonably require or as may be required by applicable Law. In addition, California Health and Safety Code section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property, prior to the lease or rental of that real property or when the presence of such release is actually known, to give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. Landlord and Tenant shall comply with the requirements of Section 25359.7 and any successor statute thereto.

17.1.7 Notices Regarding Asbestos. The California Asbestos Notification Act (Cal. Health & Saf. Code, §§25915 et seq.) requires that every owner of a commercial or industrial building who knows that the building contains asbestos-containing materials must provide written notice to its tenants and to its employees and contractors working in the building. Such notification shall be made by Landlord to Tenant at the address given for other notices (Section 2.2), or to such person or such address that Tenant specifies in writing to Landlord. In the event Tenant receives such notice, Tenant shall provide written notice to its assignees and sublessees (if any) in the Building, and its employees and contractors working in the Building.

ARTICLE 18. RULES AND REGULATIONS

18.1 Intentionally Omitted.

ARTICLE 19. INSPECTION BY LANDLORD

19.1 Inspection by Landlord. Landlord shall, with reasonable prior notice to the supervising Tenant employee in charge of the Premises, the name of which supervising employee shall be provided to Landlord upon occupancy of the Premises, have the right, to be exercised reasonably and only at times that Tenant employees are present in the Premises, to enter the Premises, inspect the same, to exhibit said Premises to prospective purchasers or lenders and, during the last twelve (12) months of the Term, to prospective tenants, to post notices of non-responsibility, and to alter, improve or repair the Premises and any portion of the Building of which the Premises are a part that Landlord may deem necessary or desirable, without abatement of Rent. Notwithstanding anything to the contrary contained in this Section, Landlord, or its employees, agents, or subcontractors, shall have the right to enter the Premises on a customary and regular basis to supply janitorial service and any other service to be provided by Landlord to Tenant hereunder. For all such purposes, Landlord may erect scaffolding and

other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the Premises shall not be blocked thereby, and further providing that Landlord shall use its commercially reasonable efforts to minimize interference with the business of Tenant. In the case of an emergency, neither prior notice to Tenant nor the presence of Tenant employees on the Premises shall be required to enter and inspect the Premises or to take such steps as are necessary to abate the emergency, but Tenant shall receive prompt notice after such entry. Landlord agrees that Tenant may request, and Landlord shall, at Tenant's sole expense, "rekey" any and all doors in and upon the Premises provided Landlord retains copies of all keys to the Premises (except those areas which are designated by Tenant as Secured Areas under Section 19.2), in order to allow Landlord access to the Premises at all reasonable hours for inspections, repairs or any other purposes related to the safety, protection, preservation or improvement of the Premises or the Building.

19.2 Secured Areas. Tenant may designate certain areas of the Premises as "Secured Areas" should Tenant require such areas for the purpose of securing certain valuable property or confidential information. Landlord may not enter such Secured Areas except in the case of emergency or in the event of a Landlord inspection, in which case Landlord shall provide Tenant with at least ten (10) days' prior written notice of the specific date, time, and purpose of such Landlord inspection.

ARTICLE 20. DAMAGE OR DESTRUCTION

20.1 Total Destruction. This Lease shall automatically terminate if the Building is totally destroyed.

20.2 Partial Damage or Destruction. If the Project is damaged by fire or other casualty, the damage shall be repaired by Landlord provided such repairs can, in Landlord's sole opinion, be completed within two hundred forty (240) days after the necessity for repairs as a result of such damage becomes known to Landlord, without the payment of overtime or other premiums, and until such repairs are completed rent shall be abated (but there shall be no abatement of Rent by reason of any portion of the Premises being unusable for a period equal to one (1) day or less). However, if the damage is due to the negligent acts, errors, or omissions of Tenant, its employees, agents, contractors, guests, invitees and the like, there shall be no abatement of Rent, unless and to the extent Landlord receives rental income insurance proceeds that fully cover Tenant's Rent obligations. If repairs cannot, in Landlord's opinion, be completed within two hundred forty (240) days after the necessity for repairs as a result of such damage becomes known to Landlord without the payment of overtime or other premiums, Landlord may elect not to effect such repairs, in which case, either Landlord or Tenant may terminate this Lease, by notifying the other in writing of such termination within sixty (60) days after Landlord learns of the necessity for repairs as a result of damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises. In addition, Landlord may elect to terminate this Lease if the Project shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, if damage is not covered, excluding the deductible amounts, by Landlord's insurance policies. Finally, if the Premises or the Project is damaged to the extent that such damage substantially interferes with Tenant's intended use of the Premises during the last twenty-four (24) months of the Term (or the Option Term, as the case may be) and such damage cannot be reasonably be repaired as contemplated in this section 20.2, then notwithstanding anything contained in this Section 20 to the contrary, Landlord and Tenant shall each have the option to terminate this Lease by giving written notice to the other of the exercise of such option within sixty (60) days after Landlord learns of the necessity for repairs as the result of such damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises. Tenant understands that Landlord will not carry

insurance of any kind on Tenant's personal property including its FF&E, and that Landlord shall not be obligated to repair any damage thereto or replace the same. Tenant acknowledges that Tenant shall have no right to any proceeds of insurance carried by Landlord relating to personal property damage.

20.3 Waiver. To the extent legally possible, the provisions contained in this Lease shall supersede any contrary Laws now or hereafter in effect relating to damage or destruction, and Landlord and Tenant hereby waive the provisions of California Civil Code Sections 1932(2) [termination where greater part of thing hired perishes] and 1933(4) [automatic termination upon destruction of thing hired].

20.4 Termination. If either party terminates this Lease as permitted by this Article 20, then this Lease shall end effective the date specified in the termination notice, unless otherwise specifically provided in this Lease. The rent and other charges shall be payable up to the effective date of termination and shall account for any abatement. Landlord shall promptly refund to Tenant any prepaid, unaccrued rent, accounting for any abatement, less any sum then owing by Tenant to Landlord.

ARTICLE 21. DEFAULT

21.1 Default by Tenant. The occurrence of any one or more of the following events shall constitute an Event of Default of this Lease by Tenant:

21.1.1 Failure to Pay Rent. The failure by Tenant to make any payment of any of the Rents, as and when due, where such failure shall continue for a period of three (3) calendar days after written notice thereof from Landlord to Tenant. In the event that Landlord serves Tenant with a Notice to Pay Rent or Quit pursuant to California Code of Civil Procedure section 1161, such Notice to Pay Rent or Quit shall also constitute the notice required by this Section.

21.1.2 Abandonment. The abandonment of the Premises by Tenant, as defined in California Civil Code Section 1951.3 (Abandonment of Leased Real Property) shall also include the failure to occupy the Premises for a continuous period of sixty (60) calendar days or more, without payment of Rent. Landlord has the remedy described in California Civil Code Section 1951.4 (Landlord may continue Lease in effect after Tenant's breach and abandonment and recover rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations).

21.1.3 Breach of Provisions. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be performed by Tenant, other than as specified in Sections 21.1.1 or 21.1.2 above, where such failure shall continue for a period of thirty (30) calendar days after written notice thereof from Landlord to Tenant specifying the nature of such failure or such longer period as is reasonably necessary to remedy such default, provided that Tenant shall continuously and diligently pursue such remedy at all times until such default is cured. To the extent permitted by law, such thirty (30) day notice shall constitute the sole and exclusive notice required to be given to Tenant.

21.1.4 Failure to Observe. Tenant's failure to observe or perform according to the provisions of Articles 23 or 26 within the times provided therein and within ten (10) business days after notice from Landlord;

21.1.5 False Statements. The discovery by Landlord that any financial statement given to Landlord by Tenant or its successor in interest was materially false.

21.2 Remedies. In the event of any Event of Default or breach of this Lease by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default:

21.2.1 Termination of Possession. Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease and the Term hereof shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to: the cost of recovering possession of the Premises, recovery of unpaid Rent, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees and expert witness fees, and any real estate commission actually paid.

21.2.2 Continuation of Lease. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have vacated or abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder. Landlord's rights shall include, but not be limited to, those rights as provided in California Civil Code Section 1951.4, as amended; or

21.2.3 Other Remedies. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of California, include, but not be limited to, those rights as provided in California Civil Code section 1951.2, as amended. Unpaid installments of Rent and other unpaid monetary obligations of Tenant under the provisions of this Lease shall bear interest from the date due at the rate which is the lower of the Interest Rate or the maximum rate then allowable by law.

21.3 Landlord's Cumulative Rights; No Waiver of Default. Except where otherwise provided, all rights, options and remedies of Landlord contained in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease. No waiver of any default by Tenant hereunder shall be implied from any acceptance by Landlord of any rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than as specified in said waiver. The consent or approval of Landlord to any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to any subsequent similar acts by Tenant. Nothing in this Article 21 shall be deemed to affect Landlord's right to indemnification for liability or liabilities arising prior to the termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease.

21.4 Application of Funds. Any payments received by Landlord under any provisions of this Lease during the existence or continuance of any Event of Default (including payments made to Landlord rather than Tenant due to the existence of an Event of Default) shall be applied to Tenant's obligations in the order which Landlord may determine or as may be prescribed by the laws of the State of California, and the retention by Landlord of any funds from Tenant which are due but are not sufficient to cure any existing monetary default (whether or not any notice of such default shall have been given) shall not cure such default but only reduce Tenant's debt in such amount, notwithstanding any assertion by Tenant to the contrary.

21.5 Right of Re-Entry. If an Event of Default by Tenant has occurred and Tenant has abandoned the Premises, then Landlord shall also have the right to enforce the provisions of California

Civil Code Sections 1980 through 1991. No re-entry or taking of possession of the Premises by Landlord pursuant to this Section 21.5 shall be construed as an election to terminate this Lease unless a written notice of such intention shall be given to Tenant or unless the termination hereof shall be decreed by a court of competent jurisdiction. For the purposes of this Article 21, Tenant's right to possession shall not be deemed to have terminated by efforts of Landlord to relet the Premises, by its acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests hereunder. The foregoing enumeration is not exhaustive, but merely illustrative of acts which may be performed by Landlord without terminating Tenant's right to possession.

21.6 Default by Landlord. Landlord shall not be in default unless Landlord neglects or fails to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed within thirty (30) calendar days after written notice of default (or if more than thirty (30) calendar days shall be required because of the nature of the default, if Landlord shall fail to commence work to cure the default within thirty (30) calendar days after notice and diligently pursue such work to completion).

ARTICLE 22. RIGHTS RESERVED BY LANDLORD

22.1 Rights Reserved by Landlord. Landlord reserves the right from time to time, subject to its use of commercially reasonable efforts to minimize interference with Tenant's use and occupancy of the Premises:

22.1.1 To install, use, maintain, repair, replace and relocate pipes, ducts, conduits, wires and appurtenant meters and equipment for service to the Premises and/or other parts of the Building above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas, in which case Landlord shall have responsibility for the disturbance, if any, of asbestos resulting therefrom;

22.1.2 To make changes to the Building's common areas, including without limitation, changes in the location, size, shape and number of driveways, entrances, loading and unloading areas, ingress, egress, direction of traffic, walkways, and parking facilities; and

22.1.3 To use the Building's common areas while engaged in making additional improvements, repairs or alterations to the Building, or to close such areas for maintenance purposes, as long as reasonable access to the Premises is maintained.

ARTICLE 23. ESTOPPEL CERTIFICATES

23.1 Estoppel Certificate from Tenant. Within thirty (30) days following any written request which Landlord may make from time to time pursuant to the request of a prospective purchaser or lender, Tenant shall execute and deliver to Landlord a statement regarding (but not limited to the following information in the event further statements of fact related to this Lease are requested by any potential lender or prospective purchaser): (a) the Lease Commencement Date of each floor, (b) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, as modified, and stating the date and nature of such modifications); (c) the date to which the rental and other sums payable under this Lease have been paid; and (d) the fact that there are no current defaults under this Lease by either party except as specified in Tenant's statement. The parties intend that any statement delivered pursuant to this Section 23.1 may be

relied upon by Landlord and any mortgagee, beneficiary, purchaser or prospective purchaser of the Building or any interest therein.

ARTICLE 24. CONDEMNATION

24.1 Definitions.

"Condemnation" means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor and (2) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

"Date of taking" means the date the Condemnor has the right to possession of the property being condemned.

"Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial Condemnation.

"Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

24.2 Parties' Rights and Obligations to be Governed by Lease. If, during the period of time between the Execution Date and the full expiration or termination of this Lease, there is any taking of all or any part of the Building, other improvements, or land of which the Premises are a part or any interest in this Lease by Condemnation, the rights and obligations of the parties shall be determined pursuant to this Article 24.

24.3 Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date of taking.

24.4 Partial Taking.

24.4.1 Effect on Lease. If any portion of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant can elect to terminate this Lease if the remaining portion of the Premises is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to terminate this Lease pursuant to this Article 24, Tenant must exercise its right to terminate by giving written notice to Landlord within thirty (30) calendar days after the nature and extent of the taking have been finally determined. Such termination shall be effective on the date of the taking. If Tenant does not terminate this Lease within the thirty-day period, this Lease shall continue in full force and effect. If ten percent (10.0%) or more of the Building is taken by Condemnation, Landlord shall have the option to terminate this Lease upon ninety (90) days' notice to Tenant.

24.4.2 Taking of Parking. If any of the parking facilities of the Project (garage, surface, or underground) is taken by Condemnation, this Lease shall remain in full force and effect, except that if Landlord is unable to provide Tenant with substitute parking within a reasonable distance of the Building, which substitute parking shall include the number of parking spaces Tenant is entitled to under Article 14 of this Lease, Tenant shall have the election to terminate this Lease pursuant to this Article 24, subject to the notice requirements set forth above in Section 24.4.1.

24.4.3 Award. Landlord shall be entitled to receive the entire award or payment in connection with a Condemnation, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and FF&E belonging to Tenant and removable by Tenant upon expiration of the Term pursuant to the provisions of this Lease, and for moving expenses, so long as such claim is payable separately to Tenant. All Rents shall be apportioned as of the date of termination of this Lease pursuant to the provisions of this Article 24. If any part of the Premises shall be taken, and this Lease shall not be so terminated, all Rents shall be proportionately abated.

24.4.4 Waiver of CCP § 1265.130. Each party waives the provisions of the California Code of Civil Procedure Section 1265.130 allowing either party to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

ARTICLE 25. ORDINANCE MANDATED PROVISIONS

25.1 Child Support Assignment Orders. This Lease is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders. Pursuant to this Section, Landlord (and any of its subcontractor(s) providing services under this Lease) shall (1) fully comply with all State and Federal employment reporting requirements for Landlord's or its subcontractor's employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of Landlord and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, et seq.; and (4) maintain such compliance throughout the Term of this Lease. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of Landlord or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Landlord or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Landlord by Tenant (in lieu of any time for cure provided in Article 21).

25.2 Service Contract Worker Retention Ordinance. This Lease is subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq., of the Los Angeles Administrative Code). The SCWRO requires that, unless specific exemptions apply, all employers (as defined in the SCWRO) under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, Tenant has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if Tenant determines that the subject contractor violated the provisions of the SCWRO.

25.3 Intentionally Omitted.

25.4 Non-Discrimination.

25.4.1 Non-Discrimination in Use of Premises. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises or any part of the Premises or any operations or activities conducted on the Premises or any part of the Premises, nor shall Landlord or any person claiming under or through Landlord establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, subtenants, or vendees of the Premises. Any sublease or assignment which may be permitted under this Lease shall also be subject to the non-discrimination clauses contained in this Section 25.4.

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

25.4.3 Equal Employment Practices. This Lease is a contract with or on behalf of the City of Los Angeles for which the consideration is \$1000.00 or more. Accordingly, during the performance of this Lease, Landlord further agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"). By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Landlord to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to Landlord. Upon a finding duly made that Landlord has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

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

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

to Landlord. Upon a finding duly made that Landlord has failed to comply with the Equal Benefits Provisions of this Lease, this Lease may be forthwith terminated.

25.5 Contractor Responsibility Ordinance.

25.5.1 General Provisions; Contractor Responsibility Policy. This Lease is subject to the Contractor Responsibility Ordinance ("CRO") (Section 10.40, et seq., of the Los Angeles Administrative Code "LAAC") and the rules and regulations promulgated pursuant thereto as they may be updated. The CRO requires that, unless specific exemptions apply as specified in LAAC 10.40.4, Landlord or lessees or licensees of Landlord who render services on the leased or licensed premises are covered by the CRO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by Tenant or its employees if the awarding authority had the requisite financial and staffing resources, or (3) designated administrative agency of the Tenant has determined in writing that coverage would further the proprietary interests of Tenant. Landlord or lessees or licensees of Landlord who are not exempt pursuant to LAAC 10.40.4, unless subject to the CRO solely due to an amendment to an existing lease or license, are required to have completed a questionnaire ("Questionnaire") signed under penalty of perjury designed to assist Tenant in determination that the lessee or licensee is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. All lessees or licensees of Landlord property who are covered by the CRO, including those subject to the CRO due to an amendment, are required to complete the following Pledge of Compliance ("POC"):

(1) comply with all applicable federal state, and local laws and regulations in the performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the lessee or licensee did not comply with Subsection (1) above in the performance of the lease or license;

(3) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the lessee or licensee has violated Subsection (1) above in the performance of the lease or license;

(4) ensure within thirty (30) days (or such shorter time as may be required by the awarding authority) that subcontractors working on the lease or license submit a POC to the awarding authority signed under penalty of perjury; and

(5) ensure that subcontractors working on the lease or license abide by the requirements of the POC and the requirement to notify the awarding authority within thirty (30) calendar days that any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Subsection (1) above in the performance of the lease or license.

Landlord shall ensure that their subcontractors meet the criteria for responsibility set forth in the CRO and any rules and regulations promulgated thereto. Landlord may not use any subcontractor that has been determined or found to be a non-responsible contractor by Tenant. Subject to approval by the awarding authority, Landlord may substitute a non-responsible subcontractor with another

subcontractor with no change in the consideration for this Lease. Landlord shall submit to Tenant a Pledge of Compliance for each subcontractor listed by the Landlord in its Questionnaire, as performing work on this Lease within thirty (30) calendar days of execution of this Lease, unless the Tenant requires in its discretion the submission of a Pledge of Compliance within a shorter time period. The signature of Landlord on this Lease shall constitute a declaration under penalty of perjury that Landlord shall comply with the POC.

25.5.2 Update of Information. Landlord shall:

(1) notify the awarding authority within thirty (30) calendar days after receiving notification that any governmental agency has initiated an investigation that may result in a finding that Landlord did not comply with any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty (30) calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that Landlord violated any applicable federal, state, or local law in the performance of this Lease including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(3) notify the awarding authority within thirty (30) calendar days of becoming aware of any information regarding its subcontractors and investigations or findings regarding the subcontractor's violations of any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

Updates of information contained in Landlord's responses to the Questionnaire must be submitted to the awarding authority within thirty (30) days of any changes to the responses if the change would affect Landlord's fitness and ability to continue performing this Lease. Notwithstanding the above, Landlord shall not be required to provide updates to the Questionnaire if Landlord became subject to the CRO solely because of an amendment to the original lease or license. Landlord shall cooperate in any investigation pursuant to CRO by providing such information as shall be requested by Tenant. Landlord agrees that Tenant may keep the identity of any complainant confidential. Landlord shall ensure that subcontractors who perform work on this Lease abide by these same updating requirements including the requirement to:

(1) notify the awarding authority within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the subcontractor did not comply with any applicable federal, state, or local law in the performance of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(2) notify the awarding authority within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the subcontractor violated any applicable federal, state, or local law in the performance

of this Lease, including but not limited to laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees. The requirement that Landlord provide Questionnaires and updates to Questionnaire responses does not apply to subcontractors.

25.5.3 Compliance; Termination Provisions and Other Remedies. If Landlord is not exempt from the CRO, Landlord shall comply with all of the provisions of the CRO and this Lease. Failure to comply with the provisions of the CRO, including without limitation the requirements that all responses to the Questionnaire are complete and accurate, to provide updates as provided therein and to correct any deficiencies within ten (10) days of notice by Tenant, or failure to comply with the provisions of this Lease shall constitute a material breach of this Lease and Tenant shall be entitled to terminate this Lease and otherwise pursue any legal remedies that may be available, including those set forth in the CRO. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the CRO.

25.6 Tax Registration Certificates and Tax Payments. This Section is applicable where Landlord is engaged in business within the City of Los Angeles and Landlord is required to obtain a Tax Registration Certificate ("TRC") pursuant to one or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [Section 21.00, et seq.], Article 1.3 (Commercial Tenant's Occupancy Tax) [Section 21.3.1, et seq.], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, et seq.], Article 1.11 (Payroll Expense Tax) [Section 21.11.1, et seq.], or Article 1.15 (Parking Occupancy Tax) [Section 21.15.1, et seq.]. Prior to the execution of this Lease, or the effective date of any extension of the Term or renewal of this Lease, Landlord shall provide to the Tenant proof satisfactory to the General Manager of the Tenant that Landlord has the required TRCs and that Landlord is not then currently delinquent in any tax payment required under the Tax Ordinances. Tenant may terminate this Lease upon thirty (30) days' prior written notice to Landlord if Tenant determines that Landlord failed to have the required TRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this Lease. Tenant may also terminate this Lease upon ninety (90) days prior written notice to Landlord at any time during the Term of this Lease if Landlord fails to maintain required TRCs or becomes delinquent in tax payments required under the Tax Ordinances and Landlord fails to cure such deficiencies within the ninety (90) day period (in lieu of any time for cure provided in Article 21).

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

25.8 Restrictions on Campaign Contributions in City Elections. Landlord, subcontractors, and their principals (if any) are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the lease is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Landlord is required to provide and

update certain information to the City as specified by law. Any lease subject to Charter Section 470(c)(12), shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of Landlord under this Lease:

"Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions:

As provided in Charter Section 470(c)(12) and related ordinances, you are a subcontractor on that certain Office Lease between Golden Hills Properties, LLC and City of Los Angeles, acting by and through its Department of Water and Power. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the Lease is signed. Subcontractor is required to provide to Landlord names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to Landlord within five business days. Failure to comply may result in termination of this Lease or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org> or by calling (213) 978-1960."

Landlord, subcontractors, and their principals shall comply with these requirements and limitations. Violation of this provision shall entitle the Tenant to terminate this Lease and pursue any and all legal remedies that may be available.

ARTICLE 26. SUBORDINATION

This Lease is subject and subordinate to all ground or underlying leases, mortgages and deeds of trust which affect the property or the Project, including 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 Landlord that they desire or require this Lease to be prior and superior thereto, upon written request of Landlord to Tenant, Tenant agrees to promptly execute, acknowledge and deliver any and all documents or instruments which Landlord or such Lessor, holder or holders deem necessary or desirable for purposes thereof. Landlord shall have the right to cause this Lease to be and become and remain subject and subordinate to any and all ground or underlying leases, mortgages, loans or deeds of trust which may hereafter be executed covering the Premises, the Project or the property or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made there under 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 Landlord obtains from the lender or other party in question a written undertaking in favor of Tenant to the effect that such lender or other party will not disturb Tenant's right of possession under this Lease if Tenant is not then or thereafter in breach of any covenant or provision of this Lease. Landlord agrees to use its commercially reasonable efforts to obtain, within 30 days following the mutual execution of this Lease, a non-disturbance agreement from the holder of any current mortgage or deed of trust which encumbers the Premises. Tenant agrees, within thirty (30) days after Landlord's written request therefore, to execute, acknowledge and deliver upon request any and all documents or instruments requested by Landlord or necessary or proper to assure the subordination of this Lease to any such mortgages, deed of trust, or leasehold estates. Tenant

agrees that in the event any proceedings are brought for the foreclosure of any mortgage or deed of trust or any deed in lieu thereof, to attorn to the purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof as so requested to do so by such purchaser and to recognize such purchaser as the Lessor under this Lease; Tenant shall, within thirty (30) days after request execute such further instruments or assurances as such purchaser may reasonably deem necessary to evidence or confirm such attornment. Tenant agrees to provide copies of any notices of Landlord's default under this Lease to any mortgagee or deed of trust beneficiary whose address has been provided to Tenant and Tenant shall provide such mortgagee or deed of trust beneficiary a commercially reasonable time after receipt of such notice within which to cure any such default. Notwithstanding the foregoing, the subordination of this Lease to future mortgages or deeds of trust shall be subject to Tenant's receipt of a Subordination, Non-Disturbance and Attornment Agreement reasonably acceptable to Tenant which (i) provides in substance that so long as Tenant is not in default under this Lease past applicable cure periods, its use and occupancy of the Premises pursuant to the terms of this Lease shall not be disturbed notwithstanding any default of Landlord under such mortgage or deed of trust, and (ii) contains such other commercially reasonable provisions as the holder of the future mortgage or deed of trust shall reasonably request. Tenant agrees to execute and deliver to Landlord any commercially reasonable Subordination, Non-Disturbance and Attornment Agreement presented by any entity holding a mortgage or deed of trust to which this Lease is to be subordinated.

ARTICLE 27. TRANSFER OF LANDLORD'S INTEREST

In the event of any transfer or termination of Landlord's interest in the Premises or the Project by voluntary sale, assignment, transfer, Landlord shall be automatically relieved of any and all obligations and liabilities on the part of Landlord that arise after the later of (i) the date of such transfer or termination and (ii) the date such transferee assumes Landlord's obligations and liabilities hereunder, including furthermore without limitation, the obligation of Landlord under Article 6.3 and California Civil Code 1950.7 above to return the Security Deposit, provided said Security Deposit is transferred to said transferee. Tenant agrees to attorn to the transferee upon any such transfer and assumption, and to recognize such transferee as the "Landlord" under this Lease, and Tenant shall, within thirty (30) days after request, execute such further instruments or assurances reasonably necessary to evidence or confirm such attornment.

In the event of any transfer or termination of Landlord's interest in the Premises or the Project by involuntary foreclosure or deed-in-lieu of foreclosure, Tenant agrees to attorn to the transferee upon any such transfer and to recognize such transferee as the "Landlord" under this Lease and Tenant shall, within thirty (30) days after request, execute such further instruments or assurances reasonably necessary to evidence or confirm such attornment.

ARTICLE 28. WAIVER

No waiver by one party of any provision of this Lease shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by the other party of the same or any other provision. No provision of this Lease may be waived by either party, except by an instrument in writing executed by Landlord and Tenant. One party's consent to or approval of any act by the other requiring the first party's consent or approval shall not be deemed to render unnecessary the obtaining of the first party's consent to or approval of any subsequent act of the other party, whether or not similar to the act so consented to or approved. No act or thing done by Landlord or Landlord's agents during the Term of this Lease 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 Landlord. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Any payment by one party or receipt by such party 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, Landlord may accept any such amount and negotiate any such check without prejudice to Landlord's right to recover all balances due and owing and to pursue its other rights against Tenant under this Lease, regardless of whether Landlord makes any notation on such instrument of payment or otherwise notifies Tenant that such acceptance or negotiation is without prejudice to Landlord's rights.

ARTICLE 29. LIABILITY OF LANDLORD

Notwithstanding anything in this Lease to the contrary, any remedy of Tenant for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder or any claim, cause of action, obligation, contractual statutory or otherwise by Tenant against Landlord or the Landlord Parties concerning, arising out of or relating to any matter relating to this Lease and all of the covenants and conditions or any obligations, contractual, statutory, or otherwise set forth herein, shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in and to the Project (including Landlord's interest in and to any proceeds received therefrom, accounts, funds, or insurance proceeds). No other property or assets of Landlord, or any member, officer, director, shareholder, partner, trustee, agent, servant or employee of Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to this Lease, Landlord's obligations to Tenant, whether contractual, statutory or otherwise, the relationship of Landlord and Tenant hereunder, or Tenant's use or occupancy of the Premises, provided that upon any transfer of the Property the new owner shall assume any existing liability, which shall also be subject to this provision. Nothing in this Article 29 shall be deemed to affect Tenant's right to indemnification for liability or liabilities arising prior to the transfer or termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease.

ARTICLE 30. MISCELLANEOUS PROVISIONS

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

30.2 Binding Effect. The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

30.3 Brokers' Commissions. Tenant hereby agrees to indemnify and hold harmless Landlord for any claims for brokers' commissions asserted by making a claim based on its representation and/or alleged representation of Tenant. Landlord hereby agrees to indemnify and hold harmless Tenant for any claims for brokers' commissions asserted by making a claim based on its representation and/or alleged representation of Landlord.

30.4 Captions, Table of Contents. The titles or captions of all Articles, Sections, or Subsections, as well as the Table of Contents, contained herein, are for convenience and reference only, are not intended to define or limit the scope of any provisions of this Lease, and shall have no effect on the interpretation of any provision of this Lease.

30.5 Conflict of Laws and Venue. This Lease shall be governed by and construed pursuant to the laws of the State of California and any litigation concerning this Lease between the parties hereto shall be initiated in Los Angeles County.

30.6 Corporate Resolution. If Landlord is a corporation and the signators for Landlord are not two officers of the corporation as specified in California Corporations Code Section 313, then prior to or contemporaneous with the execution of this Lease, Landlord shall provide to Tenant a certified copy of its corporate resolution depicting the names, titles and legal signatures of the officer or officers of the corporation authorized to execute legal documents, including this Lease, on behalf of Landlord.

30.7 Covenants and Agreements. Each provision of this Lease performable by Landlord or Tenant shall be deemed both a covenant and a condition. The failure of Landlord or Tenant to insist in any instance on the strict keeping, observance or performance of any covenant or agreement contained in this Lease, or the exercise of any election contained in this Lease shall not be construed as a waiver or relinquishment for the future of such covenant or agreement, but the same shall continue and remain in full force and effect.

30.8 Days. Unless otherwise specified, all references in this Lease to less than ten (10) days shall mean business days and all references in this Lease to ten (10) or more days shall mean calendar days. All references to "notice" shall mean written notice given in compliance with Article 2. All references, if any, to "month" or "months" shall be deemed to include the actual number of days in such actual month or months.

30.9 Exhibits - Incorporation. All exhibits referred to are attached to this Lease and incorporated by reference.

30.10 Force Majeure. Except as otherwise provided in this Lease, whenever a day is established in this Lease on which, or a period of time, including a reasonable period of time, is designated within which, either party is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lockouts, embargoes, unavailability of services, labor or materials, disruption of service or brownouts from utilities not due to action or inaction of Landlord, wars, insurrections, rebellions, civil disorder or unrest, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control (financial inability excepted) ("Force Majeure"); provided, however, except as otherwise provided in this Lease, nothing contained in this Section 30.10 shall excuse Tenant from the prompt payment of any rental or other charge required of

Tenant hereunder. Neither party shall be liable for any such delays or failures or other inability to provide services or access under this Lease due to Force Majeure.

30.11 Interest on Past-due Obligations. Except as expressly herein provided, any amount due to Landlord not paid when due shall bear interest at the lower of the rate that is the Interest Rate or the maximum rate then allowable by law from the date due. Payment of such interest shall not excuse or cure any default by Tenant under this Lease; provided, however, that interest shall not be payable on late charges incurred by Tenant nor on any amounts upon which late charges are paid by Tenant.

30.12 Intentionally Omitted.

30.13 No Partnership. Nothing contained in this Lease shall be deemed or construed to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant. Neither the method of computation of Rents nor any other provision contained in this Lease, nor any acts of the parties hereto, shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

30.14 Partial Invalidity. If any provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

30.15 Prior Agreement/Amendments. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding, oral or written, express or implied, pertaining to any such matter shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The parties acknowledge that all prior agreements, representations and negotiations are deemed superseded by the execution of this Lease to the extent they are not incorporated herein.

30.16 Quiet Possession. Upon Tenant paying the Rents required hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Term hereof, subject to all the provisions of this Lease.

30.17 Signs. Tenant shall not place any sign upon the Premises or the Building without Landlord's prior written consent. Under no circumstances shall Tenant place a sign on any roof of the Building.

30.18 Sole Discretion. In those instances in this Lease where it is provided that a party may exercise such party's "sole discretion" or words of like import, Landlord and Tenant expressly agree that such party has the absolute unfettered ability to exercise such discretion, including, without limitation, to grant or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither the opposite party nor any other person, entity, or tribunal shall have any right or power to inquire into or review the exercise of such discretion, including, without limitation, the granting or withholding of approval, or the reasons or lack of reasons therefor.

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

30.20 Intentionally Omitted.

30.21 Unspecified Payment Date. Whenever a payment is required to be made by one party to the other under this Lease, but a specific date for payment or a specific number of days within which payment is to be made is not set forth in in this Lease, but the use of the words "immediately," "promptly" and/or "on demand," or their equivalent, are used to specify when such payment is due, then such payment shall be due thirty (30) days after the party which is entitled to such payment sends written notice to the other party demanding such payment.

30.22 Rents. All payments required to be made hereunder to Landlord shall be deemed to be Rents, whether or not described as such.

30.23 Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement.

30.24 Attorneys' and Expert Witness Fees. In any action to enforce the terms of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the prevailing party shall be entitled to recover the reasonable attorneys' and expert witness fees and costs actually incurred by such prevailing party, whether or not such action is prosecuted to judgment. To the extent that the prevailing party utilizes in-house legal counsel or other staff professionals (including legal assistants or other non-attorney personnel) in such action, the fees and charges for such in-house legal counsel and other staff professionals shall be deemed to be no less than that for comparable and reasonable "private sector" services.

30.25 Landlord's Reservation To Construct Offices For Landlord's Use On The Roof Of The Building. Landlord reserves the right, in its sole discretion, and at its sole cost and expense, to construct upon the roof of the Building at any time during the Term or the Option Term, additional square footage of office space to be used by Landlord for its and its related companies personal offices and to be used as the office of the Building ("Landlord's Offices"). Tenant acknowledges and agrees that Landlord shall have the right to perform all work to construct the Landlord's Offices and shall not be bound by any current or future rule or regulation at the Project that otherwise limit the hours during which Tenant's or other occupants or their contractors may perform construction work in or about the Project. Notwithstanding the foregoing, Landlord agrees that it shall perform the following work (collectively, the "Restricted Work") after Business Hours: (A) shooting of studs for mechanical fastenings; (B) installations of any vertical support (including, without limitation, via expansion shields in an MEP and Back Iron Application); (C) testing of fire alarm systems, except in the case of Emergency; (D) core drilling; (E) penetration of floors or ceilings; and (F) other similar work that can be heard within the Penthouse Floor of the Premises and unreasonably disturbs Tenant's employees and which causes Landlord to receive reasonable complaints from Tenant. Such construction shall be performed diligently, in a workmanlike manner, and in accordance with all applicable laws, ordinances, and regulations, and Landlord will not take any actions that will cause (i) any direct or indirect injury to or interference with Tenant's business arising from such construction of Landlord's Offices or (ii) damage to Tenant's personal property or improvements resulting from such construction or Landlord's actions in connection therewith, or any inconvenience or annoyance occasioned by such construction or Landlord's actions. Landlord shall use commercially reasonable efforts to perform any construction of the Landlord's Offices so as to cause the least inconvenience to Tenant and once Tenant commences

conducting business from the Premises, use commercially reasonable efforts to minimize the amount of adverse material impacts on or interference with Tenant's permitted use of the Premises caused by such construction. Should Landlord elect to construct Landlord's Offices, upon completion of the same, the Tenant's Percentage Share shall be adjusted in the manner set forth in this Lease, including, without limitation, Section 6.2.3.2.

IN WITNESS WHEREOF, The City of Los Angeles, acting by and through its Department of Water and Power, as Tenant herein, and Golden Hills Properties, LLC, as Landlord herein, have caused this Lease to be executed as of the date written below.

LANDLORD:

GOLDEN HILLS PROPERTIES, LLC

By: 

Name: Michael Delijani

Title: Manager

Date: November 18, 2019

[Signatures continued on next page]

TENANT:

Dated: _____

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS

APPROVED:

LINDA P. LE
Chief Administrative Officer

By _____
MARTIN L. ADAMS
General Manager and Chief Engineer

Date: _____

And: _____
Susan A. Rodriguez
Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

NOV 12 2019
BY John Bealum
JOHN BEALUM
DEPUTY CITY ATTORNEY

Exhibits

Exhibit A

Exhibit A1
General Location

Exhibit A 2
Floor Plan

Exhibit B
Work
Letter

Exhibit C
Construction
Schedule

1458596.3

Exhibit A

Exhibit A 1

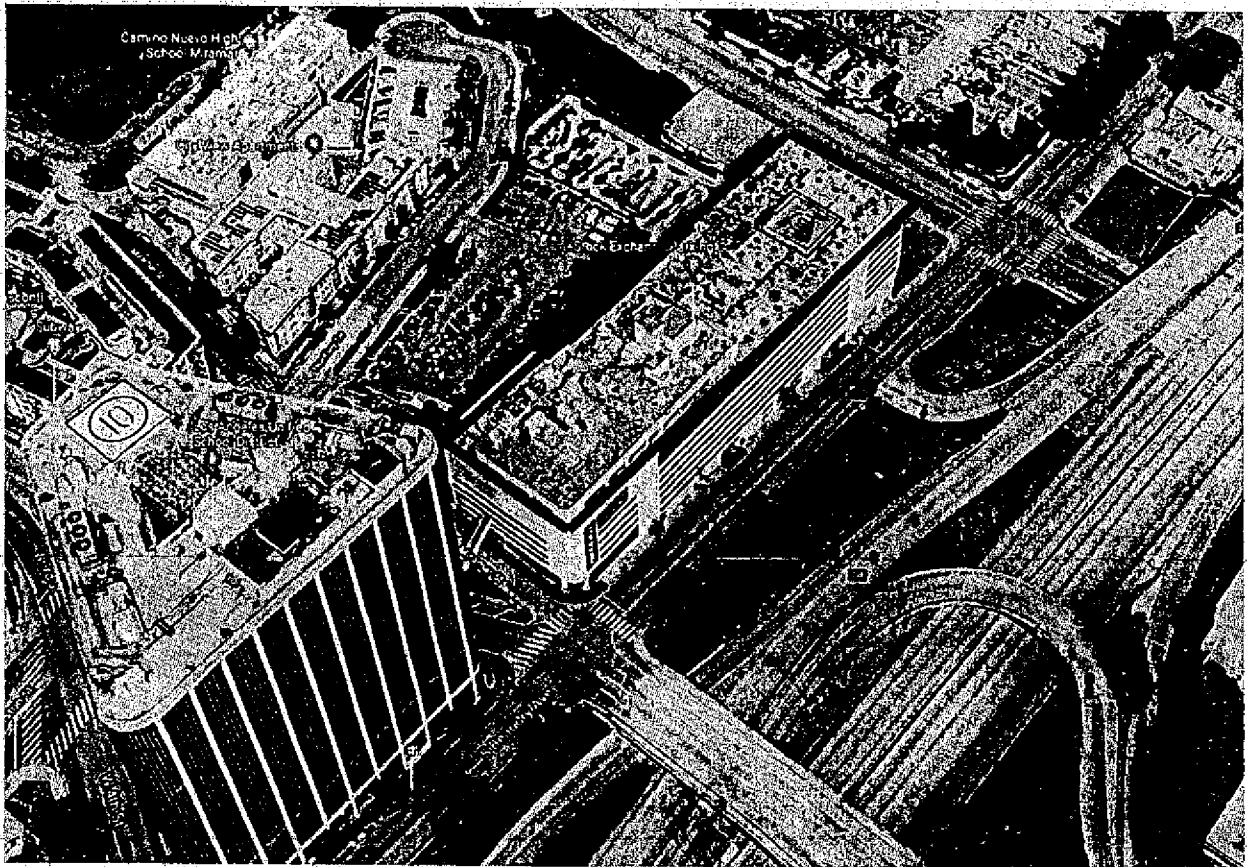
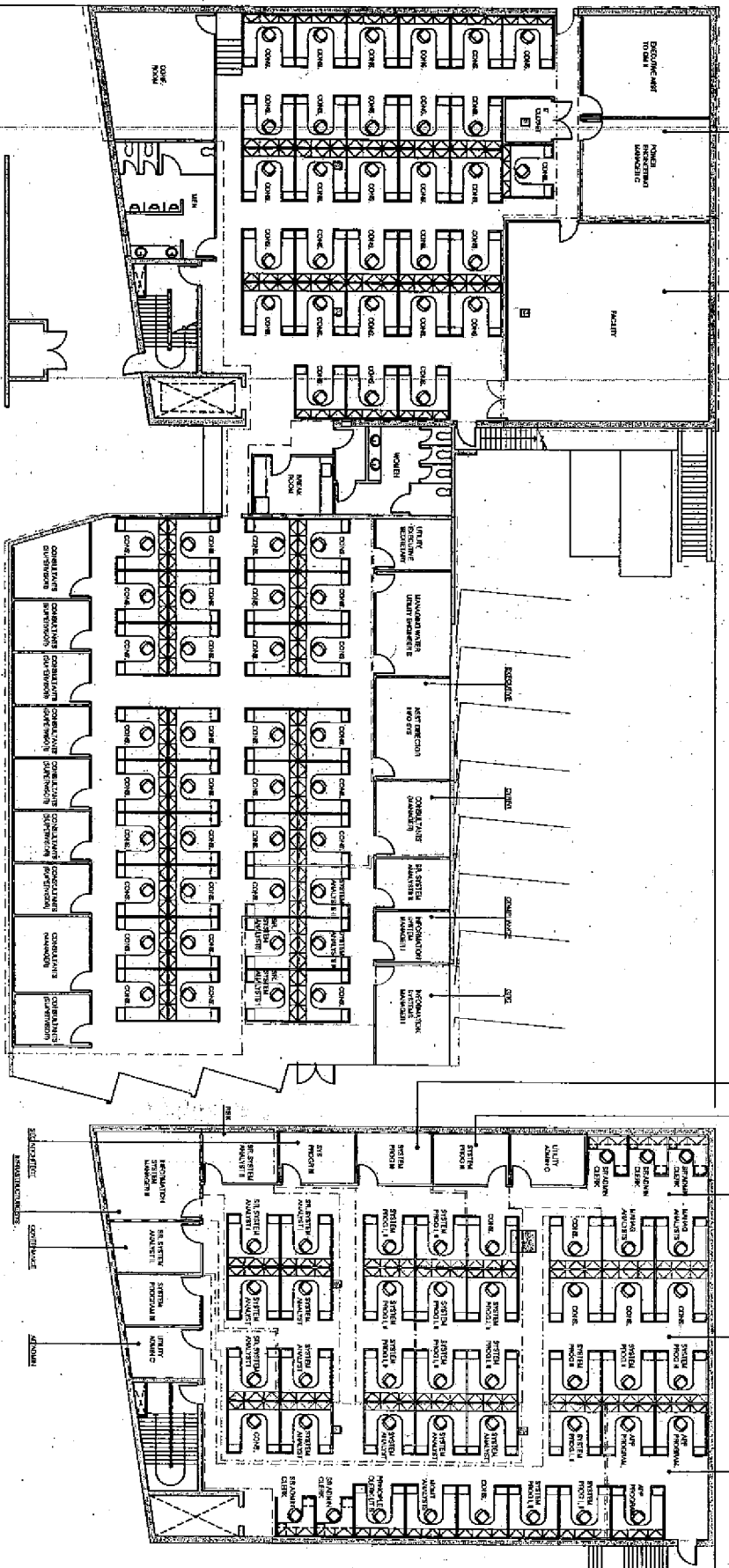


Exhibit A 2

② 2ND FLOOR

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DRAMA

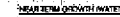
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PERCENTAGE

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0 5 10 20 40

ALL INDENTATIONS ARE APPROXIMATE



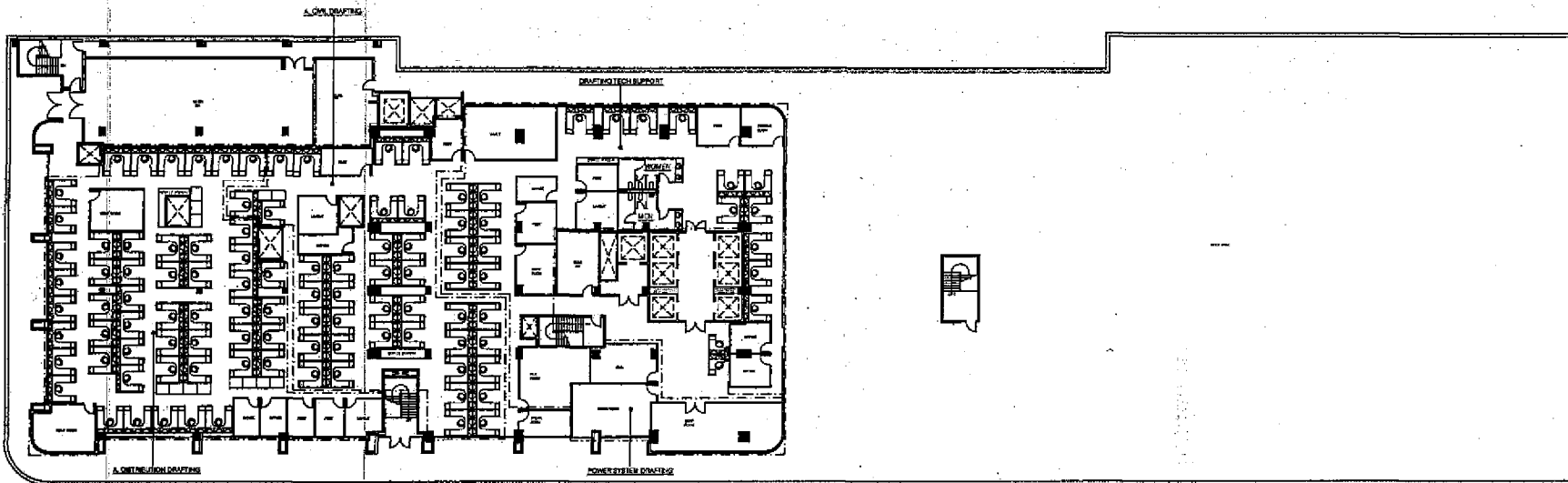
NEW

[illegible]

DRAFT

DRAFT





POWER

| Room | Size | SF | Staff | Total SF | Staff | Total SF |
|-------------------------------------|-------------|-----|-------|----------|-------|----------|
| Power System Drawing | 12.3 x 18.3 | 204 | 1 | 204 | 1 | 204 |
| Chief of Drafting Operations | 18.3 x 24.3 | 396 | 1 | 396 | 1 | 396 |
| Conf Rm | 18.3 x 24.3 | 396 | 1 | 396 | 1 | 396 |
| Break Rm | 18.3 x 24.3 | 396 | 1 | 396 | 1 | 396 |
| Drafting Tech Support | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Principal Engineering Drafting Tech | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Senior Drafting Tech | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Principal Clerk Library | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| By Admin Clerk | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Conf Rm | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| LEAD | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| File Rm | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Vault | 18.3 x 24.3 | 396 | 1 | 396 | 1 | 396 |
| Power Rm | 18.3 x 24.3 | 396 | 1 | 396 | 1 | 396 |
| Net Total | | 29 | 4,141 | | | 5,289 |

| Room | Size | SF | Staff | Total SF | Staff | Total SF |
|-------------------------------------|------------|-----|-------|----------|-------|----------|
| Chief of Drafting Operations | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Senior Drafting Tech | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Drafting Tech | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| LEAD | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Net Total | | 35 | 2,562 | | | 2,916 |
| Room | Size | SF | Staff | Total SF | Staff | Total SF |
| Principal Engineering Drafting Tech | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Senior Drafting Tech | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Drafting Tech | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| LEAD | 8.3 x 12.3 | 102 | 2 | 204 | 2 | 204 |
| Net Total | | 41 | 3,873 | | | 5,800 |

DRAFT



LA Architects

6404 Wilshire Blvd / Suite 1042
Los Angeles, CA 90048
O: 310.886.8071
www.la-architects.com

LA DWP
LOS ANGELES DEPARTMENT OF WATER & POWER

233 S SEABURY AVE
LOS ANGELES, CA 90012

| DATE | BY | REVISION |
|------|----|----------|
| | | |
| | | |
| | | |
| | | |

THIS DRAWING AND THE USE OF DOCUMENTS
HEREIN ARE THE PROPERTY OF LA ARCHITECTS
AND ARE NOT TO BE REPRODUCED OR
TRANSMITTED IN ANY FORM OR BY ANY
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INCLUDING PHOTOCOPYING, RECORDING,
OR BY ANY INFORMATION STORAGE AND
RETRIEVAL SYSTEM, WITHOUT THE
WRITTEN PERMISSION OF LA ARCHITECTS.

PENTHOUSE

SP-C

Exhibit B

EXHIBIT "B"
WORK LETTER

This Work Letter ("Work Letter") is entered into by and between Golden Hills Properties, LLC ("Landlord"), and CITY OF LOS ANGELES, acting by and through its Department of Water and Power ("Tenant"), in connection with the execution of an Office Lease between Landlord and Tenant herewith ("Lease"), dated _____, 2019, who hereby agree as follows:

ARTICLE 1 - GENERAL

- 1.1 **Purpose of Work Letter.** The purpose of this Work Letter is to set forth how the "Tenant Improvements" (defined in Section 1.6.2 below and in the Lease) and other work described below are to be completed, who will complete them, who will pay for their completion, and the time schedule for their completion.
- 1.2 **Meaning of Words and Phrases.** Except as defined in this Work Letter to the contrary, all words and phrases utilized herein shall have the same meaning given them in the Lease. For purposes of this Work Letter, when work, services, consents or approvals are to be provided by or on behalf of Landlord or Tenant, the term "Landlord" or "Tenant" shall include Landlord's or Tenant's respective authorized agents, contractors, employees and affiliates.
- 1.3 **Incorporation of Lease.** The provisions of the Lease, except where clearly inconsistent or inapplicable to this Work Letter, are incorporated into this Work Letter. In the event of an inconsistency between the Lease and this Work Letter, the provisions of this Work Letter shall control.
- 1.4 **Construction by Landlord with Expense Paid by Landlord or Tenant.** The construction by Landlord will include Tenant Improvements, separately metered electrical service, separately metered water service, Security Systems (defined in Section 1.4.4 below), and FF&E (defined in Section 1.4.5 below).
 - 1.4.1 The Tenant Improvements and the other work described herein shall be completed pursuant to the Lease and this Work Letter by Landlord. The cost and expense, including demolition costs, fees for professional services, and all soft and hard costs shall be allocated as seen below in Table 1 – Cost Division and Table 2 – Tenant Improvement Payments ("Tenant Improvement Costs"). Tenant acknowledges and agrees that Landlord will contract with a third party ("Construction Manager") who, acting as Landlord's agent, will carry out Landlord's obligation to complete the Tenant Improvements and the other work described herein. The Landlord and Tenant are obligated to pay for all costs associated for the Tenant Improvements and the other work described herein including, without limitation, fees charged by the Construction Manager for construction management and related services.

| Table 1 - Cost Division | | | |
|-------------------------|--|---------------|-------------|
| Item | Description – Cost Per Square Foot (psf) | Responsible | Cost* |
| 1 | Landlord will pay Tenant Improvement Costs from \$0.01 psf to 70.00 psf | Landlord Cost | \$9,272,130 |
| 2 | Tenant will pay Tenant Improvement Costs from \$70.01 psf to 140.00 psf | Tenant Cost | \$9,272,130 |
| 3 | Landlord and Tenant will equally divide Tenant Improvement Costs from \$140.01 psf to \$160.00 psf | Split Cost | \$2,649,180 |
| | | Landlord Cost | \$1,324,590 |
| | | Tenant Cost | \$1,324,590 |
| 4 | All Tenant Improvement Costs in excess of \$160.00 psf will be paid by Landlord | Landlord Cost | |

* These costs are estimated based on a delivered office area of 132,459 rentable square feet. If the delivered area changes, the allocated costs will be based on the actual rentable office area square feet delivered.

| Table 2 – Tenant Improvement Payments | | | |
|---------------------------------------|---|-------------|-------------|
| Item | Description – Cost Per Square Foot (psf) | Responsible | Cost** |
| 1 | Landlord will pay Tenant Improvement Costs from \$0.01 psf to 25.00 psf | Landlord | \$3,311,475 |
| 2 | Tenant will pay Tenant Improvement Costs from \$25.01 psf to 50.00 psf | Tenant | \$3,311,475 |
| 3 | Landlord will pay Tenant Improvement Costs from \$50.01 psf to 75.00 psf | Landlord | \$3,311,475 |
| 4 | Tenant will pay Tenant Improvement Costs from \$75.01 psf to 100.00 psf | Tenant | \$3,311,475 |
| 5 | Landlord will pay Tenant Improvement Costs from \$100.01 psf to 120.00 psf | Landlord | \$2,649,180 |
| 6 | Tenant will pay Tenant Improvement Costs from \$120.01 psf to 140.00 psf | Tenant | \$2,649,180 |
| 7 | Landlord will pay Tenant Improvement Costs from \$140.01 psf to 150.00 psf | Landlord | \$1,324,590 |
| 8 | Tenant will pay Tenant Improvement Costs from \$150.01 psf to 160.00 psf | Tenant | \$1,324,590 |
| 9 | All Tenant Improvement Costs in excess of \$160.00 psf will be paid by Landlord | Landlord | |

** These costs are estimated based on a delivered office area of 132,459 rentable square feet. If the delivered area changes, the allocated costs will be based on the actual rentable office area square feet delivered.

When the Tenant Improvements and other work described herein are completed (including all minor punch-list items), Landlord shall provide Tenant a final accounting of all actual costs incurred for the completion of the Tenant Improvements and other work described herein.

1.4.2 **Separate Electrical Meter - Landlord Sole Cost.** Landlord will provide a separate electric meter for the Premises, whereby Tenant can pay the electric bill directly to the electric provider. The electric meter will be provided at Landlord's sole cost, with the exception of electric meters for electric vehicle charging stations, which all such costs and expenses associated with meter installation shall be borne solely by Tenant, as more specifically described in Section 14.1 of the Lease.

1.4.3 **Separate Water Meter - Landlord Sole Cost.** Landlord will provide a separate water meter for the Premises, whereby Tenant can pay the water bill directly to the water provider. The water meter will be provided at Landlord's sole cost.

1.4.4 **Security Systems - Tenant Sole Cost.** In accordance with Section 13.8 of the Lease, Tenant assumes all responsibility for the protection of the Premises, Tenant, Tenant's agents, employees, and invitees and their property from the acts of third parties. Subject to Landlord's reasonable approval, Tenant shall be entitled, at its sole cost and expense, to (i) install its own security systems ("Security Systems") for the Premises, which shall be located within the Premises and which shall not interfere with the Building Systems, and (ii) provide its own on-site security guard service for the Premises, the cost of which will be billed to and paid for by Tenant directly.

1.4.5 **Furniture - Tenant Sole Cost.** The Landlord will acquire and install all furniture, equipment, business and trade fixtures ("FF&E") required for the Premises by Tenant in accordance with the Furniture Plan. Tenant will fully reimburse Landlord for the cost of the FF&E. Payment will be made within 30 calendar days after invoicing by Landlord.

1.4.6 **Invoices.** The invoices for the Tenant Improvements, FF&E and other work will be provided in the following format:

1.4.6.1 **Monthly Payments.**

A. On or about the first day of the month, or other date mutually agreed upon by Landlord and Tenant, Landlord shall provide Tenant with an itemized invoice and supporting documents setting forth in reasonable detail the bases for the charges of the Tenant Improvements, FF&E and other work described herein installed and completed to date by its architect, engineers, contractor and project management, in accordance with this Work Letter and as shown in the Approved Plans (defined in

Section 1.6.1 below) and Cost Proposal (defined in Section 2.2 below).

B. No invoice shall request payment for work, material, or equipment that has not been installed, completed or delivered to the Premises or as a deposit required by the fabricator for a specialized product (e.g., bullet resistant glass). Payment for said invoice (a "Progress Payment") will be made by Tenant to Landlord within thirty (30) calendar days of receipt by Tenant of said invoice.

C. Landlord agrees to pay its contractor constructing the Tenant Improvements, installing the FF&E and completing other work described herein, and require the same of its contractor, not later than seven (7) calendar days after receipt of each Progress Payment, the respective amounts allowed the contractor on account of the work performed by the subcontractors, to the extent of each subcontractor's interest therein pursuant to California Business and Professions Code Section 7108.5.

1.4.6.2 Final Payment.

A. Within thirty (30) calendar days after the Tenant Improvements, installation of the FF&E and other work described herein are completed (including all minor punch-list items) and Tenant's final acceptance of the Tenant Improvements and other work described herein, any remaining payment, which may be lawfully deducted or retained pursuant to the Lease or the law, will be transmitted to Landlord (the "Final Payment"). Acceptance of the Final Payment by Landlord shall constitute a complete release of all Landlord claims against the City of Los Angeles, Tenant's Board of Water and Power Commissioners, the Los Angeles City Council, Tenant, and all officers, agents, and employees thereof with respect to the obligations of Tenant, except for amounts so deducted or retained, or for any written claims with respect to this Section previously submitted by Landlord. Neither payments by Tenant nor acceptance or approval of the Tenant Improvements and the other work described herein shall waive Tenant claims with regard to other rights under this Lease.

B. Within seven (7) business days from the time that all or any portion of the Final Payment is received by Landlord, the Landlord shall pay its contractor, and require the same of its contractor, pursuant to 1.4.6.1.C above.

1.5 **Parties' Representatives.** Landlord hereby appoints Steve Searock as its representatives (each, a "Landlord's Representative") to act for it in all matters covered by this Work Letter. Tenant hereby appoints Massoud Saboury or designee as its representative ("Tenant's Representative") to act for it in all matters covered by this Work Letter. All inquiries, requests, instructions, authorizations and other communications with respect to matters covered by this Work Letter will be made to Landlord's Representative or Tenant's Representative. The parties will not make inquiries of or requests to, and not give instructions or authorizations to, any other employee or agent of either Landlord (including Landlord's architect, engineers, and contractors or any of their agents or employees) or Tenant with respect to matters covered by this Work Letter. Either Landlord or Tenant may change its representative at any time by written notice to the other.

1.6 **Definitions.**

1.6.1 **Plans.** The term "Final Space Plans" shall mean the final space plans for the Premises, which are to be prepared by Landlord based on draft space plans and standards provided to Landlord's Architect by the Tenant. Tenant and Landlord shall diligently work together to prepare the Final Space Plans, which are to be approved in writing by Tenant. Following Tenant's approval of the Final Space Plans, Landlord shall complete the architectural and engineering drawings for the Premises, and the final architectural working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Approved Plans") and shall submit the Approved Plans to Tenant for Tenant's written approval, which approval shall not be unreasonably withheld, except to the extent the Approved Plans are inconsistent with, or not a logical extension of, the Final Space Plans approved by Tenant. Landlord may prepare the Approved Plans on a floor-by-floor basis. Tenant shall, within ten (10) business days after Tenant's receipt of the Approved Plans, either (i) approve the Approved Plans, (ii) approve the Approved Plans subject to specified conditions which must be stated in a reasonably clear and complete manner to be satisfied by Landlord prior to obtaining permits, or (iii) disapprove and return the Approved Plans to Landlord with requested revisions. If Tenant disapproves the Approved Plans, Landlord shall resubmit the Approved Plans to Tenant, and Tenant shall approve or disapprove the resubmitted Approved Plans, based upon the criteria set forth in this Section 1.6.1, within five (5) business days after Tenant receives such resubmitted Approved Plans. Such procedure shall be repeated until the Approved Plans are approved by Tenant. Landlord shall provide copies of all final constructed drawings/plans (As-Built Plans) for the Premises to Tenant. In addition to the Final Space Plans and Approved Plans, all plans associated with the Tenant Improvements and the other work described herein (including, without limitation, the Furniture Plan) shall be prepared by Landlord, at Landlord's cost.

- 1.6.2 **Tenant Improvements.** The term "Tenant Improvements" shall mean all demolition, modifications, and improvements to any of the floors to be completed by Landlord prior to initial occupancy of such floor(s), in accordance with the Lease and this Work Letter and as shown in the Approved Plans and Cost Proposal.

ARTICLE 2 - CONSTRUCTION OF TENANT IMPROVEMENTS

- 2.1 **Work Schedule.** Landlord shall commence construction of the Tenant Improvements promptly following: (i) full execution of the Lease and any necessary contract with the Construction Manager, and (ii) receipt of permits for said Tenant Improvements. Landlord hereby agrees to diligently pursue execution of any necessary contract with the Construction Manager. Landlord and Tenant shall work, and shall cause their respective agents and contractors to work, diligently together to obtain all necessary permits for the Tenant Improvements and related construction.
- 2.2 **Cost Proposal.** Prior to commencing construction of any portion of the Tenant Improvements and the other work described herein, Landlord shall provide Tenant with an itemized statement of estimated costs, as set forth in the proposed construction contract with Landlord's contractor, in accordance with the then applicable construction drawings/plans approved by Tenant, which itemized statement of estimated costs shall include, as nearly as possible, all then-anticipated costs to be incurred by Tenant in connection with the design and construction of such Tenant Improvements and other work described herein (the "Cost Proposal", which may be prepared on a floor-by-floor basis). Tenant shall approve in writing and deliver the Cost Proposal to Landlord, or disapprove and deliver to Landlord a writing specifying the disapproved items, in either case within five (5) business days of the receipt of the same. Upon receipt of Tenant's approval, Landlord shall be released by Tenant to purchase the items set forth in the Cost Proposal that Tenant has approved and to commence the construction relating to such items. If Tenant disapproves any item, then Landlord and Tenant shall promptly meet and confer to discuss Tenant's disapproval and shall work to address the reasons for Tenant's disapproval. The Parties acknowledge that estimated costs contained in the Cost Proposal may be higher or lower than their respective actual costs, and the Parties agree to pay for all actual costs as described in Section 1.4 above. If, during construction of the Tenant Improvements and other work described herein, Landlord anticipates that the costs to construct the Tenant Improvements and other work described herein will be in excess of the estimated costs shown on the Cost Proposal (or that there will be new costs not shown on the Cost Proposal), Landlord shall obtain Tenant's written approval of the amount of said anticipated increased cost (or said new cost) prior to incurring any such increased (or new) costs.
- 2.3 **Change Orders.** In the event that Tenant requests changes to the Furniture Plan or the Approved Plans or any other plans for the Tenant Improvements or other work described herein, Landlord shall grant its consent or withhold its consent within five (5) business days after receipt of such request, and such consent shall not be unreasonably withheld, conditioned or delayed, unless the changes (1) adversely affect the Building Systems, (2) adversely affect the structural aspects of the Project, (3) fail to comply with Applicable

Laws, or (4) affect the Building's appearance. If changes requested by Tenant (and approved by Landlord) are anticipated to increase the cost of constructing the Tenant Improvements or other work described herein shown on the Cost Proposal, Landlord shall obtain Tenant's written approval of the amount of said anticipated increased cost prior to commencing work on such changes.

- 2.4 **Operational Costs.** During construction or Tenant's move-in, Tenant shall not be charged for use of elevators, access to loading docks, utilities, or temporary HVAC.

ARTICLE 3 - COMPLETION OF TENANT IMPROVEMENTS

- 3.1 **Diligent Completion.** Landlord and Tenant shall work together in good faith and shall use commercially reasonable efforts to cause the Tenant Improvements and the other work described herein to be completed, in accordance with industry custom and practice, as soon as reasonably possible in accordance with the Lease and this Work Letter.
- 3.2 **Completion.** The Tenant Improvements and other work described herein shall be deemed "Substantially Complete" when Landlord has completed all Tenant Improvements and other work described herein in accordance with the Lease and this Work Letter, subject to only "minor" punch-list items (e.g., items that do not negatively impact daily operation). Landlord shall complete all minor punch-list items within a reasonable time frame based on the scope of work of such minor punch-list items.

ARTICLE 4 - EARLY ACCESS TO PREMISES

- 4.1 **Early Access.** Provided that Tenant and its agents do not interfere with Landlord's work in the Building and the Premises, Landlord shall allow Tenant access to the Building and the Premises prior to the Lease Commencement Date(s) for such floors solely for the purpose of Tenant constructing or installing certain equipment, furniture, and fixtures (including Tenant's data and telephone equipment), the Security Systems, or other Tenant work described herein. During any such entry by Tenant, Tenant shall obtain approval from the Landlord in advance. Approval shall not be unreasonably withheld.

ARTICLE 5 - MISCELLANEOUS PROVISIONS

- 5.1 **Clean-Up.** Prior to Tenant's initial occupancy of each floor, Landlord shall clean such floor to a broom-clean condition. This cleaning shall include removal of all rubbish and debris in a manner consistent with commencement of business from comparable premises in comparable buildings in the vicinity of Building, such that Tenant may commence its operations from Premises immediately after Landlord completes the clean-up. Clean-up costs shall be paid by Landlord.
- 5.2 **Contractor's Warranties and Guaranties.** To the fullest extent possible, Landlord hereby assigns to Tenant all warranties and guaranties by the contractor relating to the Tenant Improvements and other work described herein, and Tenant hereby waives all claims against Landlord relating to, or arising out of the construction of, the Tenant Improvements and other work described herein. Upon Tenant's request, Landlord shall cause Tenant to be expressly named as a third party beneficiary under the general

contractor agreement between Landlord and the general contractor, or cause separate assignment agreements to be executed if necessary to effectuate the assignment or transfer of rights to Tenant.