

**SHOPPING CENTER LEASE**

**By and Between**

**SOUTHEAST PARTNERSHIP,  
a California general partnership**

**as Landlord**

**and**

**City of Los Angeles,  
a municipal corporation,  
acting by and through its Department of Water and Power**

**as Tenant**

**Dated as of \_\_\_\_\_, 2020**

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#### EXHIBITS

A	LAND DESCRIPTION
B	SITE PLAN
C	MEMORANDUM OF TERM COMMENCEMENT
D	LEFT BLANK INTENTIONAL
E	TENANT IMPROVEMENTS
E-1	FINAL PLANS AND FINAL BUDGET
F	LANDLORD'S SIGN CRITERIA
G	TENANT'S ESTOPPEL CERTIFICATE
H	RULES AND REGULATIONS

## SHOPPING CENTER LEASE

**THIS SHOPPING CENTER LEASE** ("Lease") is entered into as of the date set forth in Article I by and between Landlord and Tenant and shall be effective and binding upon the parties hereto as of the date of execution hereof.

In consideration of the Premises and the rent reserved herein, and of the terms, covenants, conditions, and agreements set forth below, the sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

### **ARTICLE I** **BASIC LEASE PROVISIONS**

- 1.1 DATE OF LEASE:** \_\_\_\_\_, 2020
- 1.2 LANDLORD:** Southeast Partnership, a California general partnership
- 1.3 TENANT:** City of Los Angeles, a municipal corporation, acting by and through its Department of Water and Power
- 1.4 TENANT'S TRADE NAME:** None.
- 1.5 CENTER:** Martin Luther King, Jr. Shopping Center in the City of Los Angeles, State of California. Landlord and Tenant agree that the Center consists of a total of approximately 112,284 square feet of gross leasable area, subject to adjustment pursuant to Section 2.1 below. (§2.1)
- 1.6 PREMISES:** Address: 1647 E. 103rd Street, Los Angeles, California, 90002. Landlord and Tenant agree that the Premises consists of a total of approximately four thousand (4,000) square feet of gross leasable area in the Center, subject to adjustment pursuant to Section 2.2 below. (§2.2)
- 1.7 TERM:** Ten (10) years, subject to extension pursuant to Section 3.2 below. (Art. III)
- 1.8 LANDLORD'S TIME TO COMPLETE TENANT'S WORK:** Section 5.1 and Exhibit E and E-1. (§5.1)
- 1.9 FIXED MINIMUM RENT:**
- | <u>Year</u> | <u>Monthly Rent</u> | <u>Annual Rent</u> |        |
|-------------|---------------------|--------------------|--------|
| 1           | \$9,200.00          | \$110,400.00       | (§6.2) |
| 2           | \$9,476.00          | \$113,712.00       |        |
| 3           | \$9,760.28          | \$117,123.36       |        |
| 4           | \$10,053.09         | \$120,637.06       |        |
| 5           | \$10,354.68         | \$124,256.17       |        |
| 6           | \$10,665.32         | \$127,983.85       |        |
| 7           | \$10,985.28         | \$131,823.36       |        |
| 8           | \$11,314.84         | \$135,778.06       |        |
| 9           | \$11,654.28         | \$139,851.40       |        |
| 10          | \$12,003.91         | \$144,046.95       |        |

1.10	EXTENSION OPTION/RENT:	Two (2) five (5) year options; 3% increase per year (\$3.2)																																	
		<table><tr><td>Year</td><td>Monthly Rent</td><td>Annual Rent</td></tr><tr><td>11</td><td>12,364.03</td><td>\$148,368.32</td></tr><tr><td>12</td><td>\$12,734.95</td><td>\$152,819.40</td></tr><tr><td>13</td><td>\$13,117.00</td><td>\$157,404.00</td></tr><tr><td>14</td><td>\$13,510.51</td><td>\$162,126.12</td></tr><tr><td>15</td><td>\$13,915.83</td><td>\$166,989.90</td></tr><tr><td>16</td><td>\$14,333.30</td><td>\$171,999.64</td></tr><tr><td>17</td><td>\$14,763.30</td><td>\$177,159.58</td></tr><tr><td>18</td><td>\$15,206.20</td><td>\$182,474.37</td></tr><tr><td>19</td><td>\$15,662.39</td><td>\$187,948.62</td></tr><tr><td>20</td><td>\$16,132.26</td><td>\$193,587.13</td></tr></table>	Year	Monthly Rent	Annual Rent	11	12,364.03	\$148,368.32	12	\$12,734.95	\$152,819.40	13	\$13,117.00	\$157,404.00	14	\$13,510.51	\$162,126.12	15	\$13,915.83	\$166,989.90	16	\$14,333.30	\$171,999.64	17	\$14,763.30	\$177,159.58	18	\$15,206.20	\$182,474.37	19	\$15,662.39	\$187,948.62	20	\$16,132.26	\$193,587.13
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11	12,364.03	\$148,368.32																																	
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19	\$15,662.39	\$187,948.62																																	
20	\$16,132.26	\$193,587.13																																	
1.11	PERCENTAGE RENT:	None.																																	
1.12	USE OF PREMISES:	The Premises shall be continuously used only for General Retail Office purposes, including the operation of a customer service center for the City of Los Angeles Department of Water and Power as the principle user (the "Permitted Use") and for no other use or purpose. (Art. XIII)																																	
1.13	GUARANTORS:	None.																																	
1.14	TENANT'S FIXED MONTHLY CONTRIBUTION:	Two Hundred Dollars (\$200.00) per month during the initial Term; Two Hundred Twenty-Four Dollars (\$224.00) per month during the Extension Term. (Art. XII)																																	
1.15	SECURITY DEPOSIT:	Ten Thousand Three Hundred Fifty-Four and 68/100 Dollars (\$10,354.68), plus first month's pro rata share of estimated Operating Expenses, in the amount of Four Thousand Four Hundred Dollars (\$4,400.00). (Art. VII)																																	
1.16	RESTRICTED RADIUS AND DURATION:	None.																																	
1.17	BROKER(S):	NAI Capital, for Landlord only in this transaction, and no other broker. Tenant is representing itself in this transaction and has no broker. (\$34.5)																																	
1.18	ADDRESSES FOR NOTICES AND REPORTS:																																		
	<u>Landlord:</u>	<u>Tenant:</u>																																	
	Southeast Partnership c/o Haagen Company, LLC 12302 Exposition Boulevard Los Angeles, California 90064 Attn: Alexander Haagen III	Los Angeles Department of Water and Power 221 N. Figueroa Street, Suite 1600 Los Angeles, California 90012 Attn: Adriana Rubalcava																																	
1.19	LANDLORD'S ADDRESS FOR RENT PAYMENTS:	Southeast Partnership c/o Haagen Company, LLC 12302 Exposition Boulevard Los Angeles, California 90064 Attn: Property Management																																	
1.20	INITIAL PAYMENTS DUE ON LEASE EXECUTION:	First Month's Fixed Minimum Rent: \$9,200.00 Security Deposit: \$10,354.68 + \$4,400.00 First Month's pro rata share of estimated Operating Expenses: \$4,400.00 First Month's Tenant's Fixed Monthly Contribution: \$200.00																																	



This Article I is intended to supplement and/or summarize the provisions set forth in the balance of this Lease. If there is any conflict between any provisions contained in this Article I and the balance of this Lease, the balance of this Lease shall control.

## **ARTICLE II** **PREMISES**

### **2.1     Center.**

The "Center" consists of the Land ("Land") described in Exhibit "A" attached hereto and those buildings and improvements described in the site plan ("Site Plan") attached as Exhibit "B" and constructed on the Land, which Land is situated in the County of Los Angeles, State of California. The Site Plan sets forth the general layout of the Center, but is for informational purposes only and does not constitute a warranty, representation, or agreement on the part of Landlord that the layout or tenant mix is or will remain as indicated on the Site Plan. Landlord reserves the right, without incurring any liability to Tenant and without altering in any way Tenant's obligations under this Lease, (i) to change the post office address of the Premises or the Center and the tenant mix of the Center without prior notice (provided that if Tenant is already in occupancy of the Premises, then Landlord shall reimburse Tenant for reasonable quantities of new stationery upon submission to Landlord of receipts for such expenditures incurred by Tenant), and (ii) to increase, reduce, or change the size, height, or layout of the Center or any part thereof, including without limitation the right not to construct any proposed improvements or portion of the Center which may or may not be shown on the Site Plan and the right to change the parking plan, tenant mix and/or parking ratios or to construct new buildings and structures in the Common Area (as defined in Section 2.4) and to remove and replace existing buildings, tenants and structures in the Center.

### **2.2     Premises.**

Landlord leases to Tenant and Tenant hires from Landlord the Premises described in Section 1.6 for the Term (as defined in Section 3.1) and pursuant to all of the terms, covenants and conditions contained herein. Landlord reserves the right to use the exterior walls (other than the storefront), floor, and roof in, above and below the Premises, and retains the right to install, maintain, use, repair, and replace structural elements and utility equipment, including, but not limited to, pipes, ducts, conduits, wires, and appurtenant fixtures in, under, over, and through the Premises, in locations that will not materially interfere with Tenant's use of the Premises. Without limiting the generality of the foregoing, Landlord may install electronic and/or telecommunication transmission equipment on, in or above the roof of the building of which the Premises are a part. Landlord and Tenant agree that the gross leasable square footage of the Premises is subject to verification by Landlord's architect or space planner. The amount of the gross leasable square footage of the Premises shall be determined by measuring the Premises from the outside wall to the outside wall and the inside wall to the inside wall of the Premises, in accordance with the standard method of measuring floor area in retail space established by Landlord for the Center. Tenant may consult with Landlord's architect or space planner concerning the determination, but the determination of Landlord's architect or space planner shall be conclusive and binding on the parties. Upon completion of the buildout of the Premises by Landlord in accordance with Exhibit "E" attached hereto (the "Tenant Improvements"), if the amount of gross leasable square footage of the Premises shall differ from the approximate amount set forth in Section 1.6 of this Lease, then the Fixed Minimum Rent, Security Deposit, Tenant's Pro Rata Share, and any other amounts and percentages appearing in this Lease which are based upon the gross leasable square footage of the Premises shall be proportionately adjusted. At Landlord's election, upon determination of the gross leasable square footage of the Premises, Landlord and Tenant shall confirm the same in a written amendment to this Lease (which may be subject to the authorization of Tenant's Board of Water and Power Commissioners and the Los Angeles City Council).

### **2.3     Intentionally Omitted.**

### **2.4     Common Area.**

The term "Common Area" means (i) the entire area within the Center, excluding the Premises and other space leased to other tenants for their exclusive use and (ii) other areas which service the Center (such as off-site parking owned by Landlord or a third party) designated by Landlord for the common use or benefit of Landlord, Tenant, other tenants, and their customers, invitees, officers, agents, and employees. The Common Area shall include, but not be limited to, exterior

walls, basements, landscaping, service areas, utility service for the Common Area, lighting, elevators, stairways, roofs, roads (including access roads), walkways, curbs, hallways, ramps, restrooms, drinking fountains, trash receptacles, all areas used for utility systems, including heating, ventilating and air conditioning, and any parking area and/or parking structure that Landlord may provide from time to time.

## **2.5 Easements.**

Landlord reserves to itself the right, from time to time, to grant such easements, rights and dedications affecting all or any part of the Center as Landlord deems necessary or desirable, and to cause the recordation of parcel and subdivision maps and restrictions affecting all or any part of the Center, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with Tenant's use of the Premises. Tenant shall sign any of the aforementioned documents upon Landlord's request and Tenant's failure to do so or breach of this Section shall constitute a material default under this Lease. Tenant shall cooperate with and not oppose or object to Landlord's construction, development, subdivision and parcelization of all or any part of the Center and any property adjacent to the Center, so long as such construction, development, subdivision and parcelization do not unreasonably interfere with Tenant's use of the Premises.

## **2.6 Mineral Rights.**

Notwithstanding anything to the contrary contained herein, Landlord reserves to itself and its successors and assigns at all times all right, title and interest in and to minerals, oil, gas, tars, hydrocarbons, and metalliferous substances of every kind, and to water, aquifers, reservoirs, and wells of every kind, together with the right to drill, pump or mine for same, without, however, the right to drill or mine through the surface or the upper five hundred feet (500') of the subsurface of the property upon which the Center is located, and also excepting and reserving to Landlord and its successors and assigns all rights to subsurface waters, including, but not limited to, the right to take, use and develop for use any and all water that may now exist or may hereafter exist upon or under said land, without, however, the right to drill, explore and operate through the surface or the upper fifty feet (50') of the property upon which the Center is located.

# **ARTICLE III TERM**

## **3.1 Term.**

The Term of the Lease ("Term") shall commence upon the date Landlord delivers to Tenant and Tenant accepts possession of the Premises pursuant to the terms and conditions of this Lease including, without limitation, Sections 4.2 and 4.3 below ("Term Commencement Date") and shall expire, unless sooner terminated in accordance with this Lease, upon the later of (i) ten (10) years after the Term Commencement Date, or (ii) if the Term Commencement Date is not the first day of a calendar month, then ten (10) years after the first day of the calendar month immediately succeeding the Term Commencement Date. After the Term Commencement Date, upon Landlord's request, Tenant shall promptly execute a "Memorandum of Term Commencement" in the form attached hereto as Exhibit "C", which shall specify the Rent Commencement Date (as defined in Section 6.1 below), the Term Commencement Date and the Term's expiration date ("Expiration Date"). If Tenant fails to execute a Memorandum of Term Commencement, such failure shall not affect Tenant's obligation to commence paying rent upon the occurrence of the Rent Commencement Date. If the Rent Commencement Date occurs on a day other than the first day of a calendar month, the monthly installment of Fixed Minimum Rent for the first fractional month shall be equal to one-thirtieth of the monthly installment of Fixed Minimum Rent for each day from the Rent Commencement Date to the end of the partial month, and the Expiration Date of this Lease shall be adjusted to extend the Term by the number of days necessary as if the Rent Commencement Date had occurred on the first day of the month next succeeding the partial month during which the Rent Commencement Date occurred. Notwithstanding anything to the contrary contained in this Lease, all obligations of Tenant contained in this Lease (other than the obligations to pay Fixed Minimum Rent and Additional Rent [as defined in Section 6.5 below]) commence upon the execution and delivery of this Lease by Landlord and Tenant. Tenant agrees to be bound by this Lease and to perform such obligations notwithstanding that the Term has not commenced.

### **3.2 Extension Option.**

Landlord hereby grants to Tenant two (2) options to extend the Term for a period of five (5) years each (each, "an Extension Term" and collectively, the "Extension Terms"), commencing upon the expiration of the Term, or the applicable Extension Term. Provided that (i) Tenant has paid its rent, (ii) Tenant is not then in material default under this Lease and no event has occurred which, with notice or the passage of time or both, would constitute a material default by Tenant under this Lease, and (iii) at the time of Tenant's exercise of the applicable option to extend, there has been no material adverse change in Tenant's financial condition, Tenant may exercise the foregoing option by written notice to Landlord at least nine (9) months prior to the expiration of the Term, or the first Extension Term, if applicable.

If the Term is extended by reason of the foregoing, the Term and all of the terms and conditions of this Lease shall continue in full force and effect to the end of the applicable Extension Term, except that (a) the rent shall be adjusted as provided in Sections 1.10 and 6.7 of this Lease, (b) any rental concessions, tenant improvement allowance, Landlord construction obligations or similar inducements granted by Landlord to Tenant at or prior to the commencement of the initial Term do not apply to the Extension Terms, and (c) Tenant has no further right of renewal of or extension to this Lease except as set forth above.

### **3.3 Holding Over.**

In the absence of a written agreement to the contrary, any holding over after the end of the Term or the applicable Extension Term, with the consent of Landlord, shall be construed to be a tenancy from month-to-month, shall not be considered a renewal of this Lease or an extension of the Term or the applicable Extension Term and shall be terminable upon thirty (30) days written notice given by either Landlord or Tenant. The rent for any such month-to-month tenancy shall be in an amount equal to the greater of (i) One Hundred Fifty percent (150%) of the Fixed Minimum Rent for the last month of the Term or last month of any extension thereof, or (ii) the fair market rental for the Premises as of the commencement of any such holding over, plus all other charges payable hereunder, including but not limited to the Additional Rent required to be paid under this Lease. All other terms of this Lease shall apply to any such month-to-month tenancy, including additional increases in Fixed Minimum Rent. In addition to paying Landlord the increased Fixed Minimum Rent, Tenant shall defend, indemnify, protect and hold Landlord harmless from and against all claims, liability, damages, costs and expenses, including reasonable attorneys' fees and costs of defending the same, incurred by Landlord and arising directly or indirectly from Tenant's holding over in the Premises, including (a) any rent payable by or any loss, cost or damages, including lost profits and loss of good will claimed by any prospective tenant of the Premises, and (b) Landlord's damages as a result of such prospective tenant's rescinding or refusing to enter into the prospective lease of the Premises as a direct or indirect result of Tenant's holding over.

## **ARTICLE IV POSSESSION**

### **4.1 Intentionally Omitted.**

### **4.2 Delivery of Possession.**

Tenant shall accept the Premises in accordance with this Section 4.2 upon Landlord's Substantial Completion of Tenant Improvements (as generally described in Exhibit "E"); in accordance with the final architectural plans and drawings (the "Final Plans") for the Tenant Improvements and the final costs for such work (the "Final Budget") described on Exhibit "E-1"; provided that any changes to the Final Plans or Final Budget required after execution of the Lease shall be set forth in a written amendment to this Lease (an "Amendment") to be executed by Landlord and Tenant when the Tenant Improvements are completed (which Amendment may be subject to the authorization of Tenant's Board of Water and Power Commissioners and the Los Angeles City Council). The Tenant Improvements shall be performed by Landlord's contractor and architect. Any request made by Tenant for a change to Tenant Improvements after the execution of this Lease shall be in writing and subject to Landlord's approval, not to be unreasonably withheld or delayed. A change to Tenant Improvements after the execution of this Lease, requested by Tenant and approved by Landlord, shall be known as a "Tenant Change Order." Additional costs associated with any Tenant Change Order shall be added as a cost of the Tenant Improvements, and included

in the Final Budget, and paid for by Tenant per Section 6.4 herein. The term "Substantial Completion of Tenant Improvements" shall mean the date Landlord notifies Tenant in writing of the completion of the Tenant Improvements as reasonably determined by Landlord ("Delivery Date"). Within ten (10) days after the Delivery Date, Tenant may prepare a "punchlist" of any deficiencies or incomplete work regarding Tenant Improvements and accept possession of the Premises "subject to" such listed deficiencies. Landlord agrees to correct such deficiencies within a reasonable time, following which Landlord is under no further obligation to alter, change, decorate or improve the Premises, whether to adapt them for the use for which they are leased or for any other purpose, and whether with respect to the Tenant Improvements or otherwise. The existence of any such deficiencies does not affect Tenant's obligation to accept possession of the Premises as otherwise required hereunder. The failure of Tenant to deliver to Landlord a punchlist of deficiencies within said 10-day period may constitute a waiver by Tenant of its right to prepare a punchlist of any deficiencies or incomplete work.

Landlord shall not be obligated to deliver possession of the Premises to Tenant until Landlord has received from Tenant all of the following: (i) the Security Deposit, the first monthly installment of Tenant's estimated share of Operating Expenses (See 1.15), the first monthly installment of Tenant's Fixed Monthly Contribution and the first monthly installment of Fixed Minimum Rent (as each is defined in this Lease); (ii) executed copies of policies of insurance or certificates or binders thereof as required under Article XI; and (iii) if necessary, the Amendment including the Final Plans and Final Budget, executed by Tenant. Tenant shall pay to Landlord, upon its execution of this Lease, the sums specified in sub-paragraph (i) above. If Landlord chooses not to deliver possession of the Premises to Tenant because one (1) or more of the above items are not received by Landlord, the Rent Commencement Date shall not be affected or delayed thereby and Landlord retains all rights and remedies for Tenant's failure to open and operate as required by this Lease.

#### **4.3 Compliance with Americans with Disabilities Act.**

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

**A. Landlord's Responsibilities.** It is Landlord's responsibility to provide the Premises and the "Tenant Critical Access Areas" of the Center, as depicted on the Site Plan attached as Exhibit "B" hereto, in such condition that they are accessible to and usable by individuals with disabilities and otherwise in compliance with the ADA. Accordingly, except as provided in Section 4.3B, below, Landlord shall be responsible, at its own cost (except as otherwise noted), to make such modifications, additions, or changes as are required for compliance with the ADA for the following:

- (1) The Tenant Improvements made by Landlord within the Premises (but subject to Tenant's reimbursement obligations as set forth in Section 6.4);
- (2) The removal of architectural barriers in the Tenant Critical Access Areas;
- (3) Provide a path of travel accessible to and useable by individuals with disabilities within the Tenant Critical Access Areas of the Center (including the parking) to the entry of the Premises;
- (4) Assure that any Premises alarm systems include flashing alarm lights as well as auditory alarm mechanisms, which shall be maintained in working order during the Term or the applicable Extension Term as an Operating Expense, subject to Tenant's contribution obligations pursuant to Section 8.7;
- (5) As part of the Tenant Improvements (subject to Tenant's reimbursement obligations as set forth in Section 6.4), provide within 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;



(6) Provide signage at all inaccessible entrances to the Center or Common Area, 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

(7) As part of the Tenant Improvements (subject to Tenant's reimbursement obligations as set forth in Section 6.4), 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.

**B. 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) Any improvements and any other alterations made by Tenant within the Premises;

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

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

**C. Limitations on Section.** Nothing in this Section 4.3 shall be construed to:

(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;

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

(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.

**D. Certified Access Specialist.** As of the date of this Lease, the Center 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 Center and the Premises and determine whether they comply with all of the applicable construction-related accessibility standards under state law. 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. If requested by Tenant, the parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, which inspection shall be paid for by Tenant. The parties shall mutually agree upon who shall bear the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises. Nothing in this Section 4.3.D shall be construed to modify Landlord's or Tenant's responsibilities contained in Section 4.3 of this Lease.

## **ARTICLE V**

### **CONSTRUCTION AND OPENING DATE**

#### **5.1 Construction.**

Landlord, at Tenant's sole cost and expense per Section 6.4 hereof, shall commence construction of the "Tenant Improvements", as generally described in Exhibit "E" and in accordance with the Final Plans described on Exhibit "E-1", and shall diligently prosecute the same to completion. Excluding additional costs associated with a Tenant Change Order in accordance with Section 4.2 above, any costs incurred by Landlord caused by Tenant delay in the completion of the Tenant

Improvements shall be paid by Tenant within ten (10) days after written demand therefor from Landlord.

**5.2 Opening Date.**

Tenant shall open for business to the public in the Premises within thirty (30) days after the Term Commencement Date (the "Opening Date") and shall continuously operate Tenant's business thereafter in accordance with the terms and conditions of this Lease.

**5.3 Certificates.**

Within ten (10) days after Tenant initially opens for business to the public in the Premises, to the extent Landlord has performed the Tenant Improvements, Landlord shall obtain a Certificate of Occupancy for the Premises issued by the appropriate governmental agency.

**ARTICLE VI  
RENT**

**6.1 General Provisions.**

As used herein, "rent" shall mean "Fixed Minimum Rent" and "Additional Rent", all as hereinafter defined. Unless provided herein to the contrary, Tenant shall pay all rent to Landlord in advance on or before the first day of each month of the Term at the address provided in Section 1.19 hereof, commencing upon the Term Commencement Date (the "Rent Commencement Date"). All rent shall be paid to Landlord in lawful money of the United States of America without demand therefor, and without deduction, offset or abatement of any kind, except as may be expressly provided for hereafter. Rent for any partial month, including any month adjusted pursuant to Section 3.1 hereof, shall be prorated on the basis of a thirty (30) day month.

**6.2 Fixed Minimum Rent.**

Tenant shall pay the sum specified in Section 1.9 as "Fixed Minimum Rent" to Landlord in advance on the first day of each month as the net, guaranteed minimum rent ("Fixed Minimum Rent") as such Fixed Minimum Rent may be increased pursuant to Section 6.3, from the Rent Commencement Date until the Expiration Date pursuant to the terms of this Lease.

**6.3 Increases to Fixed Minimum Rent.**

On each anniversary of the Rent Commencement Date, the Fixed Minimum Rent shall be increased by three percent (3%), in accordance with Section 1.9 above.

**6.4 Cost of Tenant Improvements.**

Tenant shall reimburse Landlord for the cost of the Tenant Improvements in accordance with the following schedule:

**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, including a share of the ten percent (10%) management fee, completed to date by its architect, engineers, contractor and project management, in accordance with and as shown in the Final Plans and Final Budget.
- B. No invoice shall request payment for work, material, or equipment that has not been performed or delivered to the Premises or as a deposit required by the fabricator for a specialized product (i.e. bullet resistant glass).
- C. 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, except that ten percent (10%) of the general contractor's costs thereof will be retained until Tenant's

final acceptance of the Tenant Improvements. This ten percent (10%) retention shall not apply to the architect, engineers and project management costs.

- D. Landlord agrees to pay its contractor constructing the Tenant Improvements, 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.

#### **FINAL PAYMENT**

A. Within thirty (30) calendar days after Tenant's final acceptance of the Tenant Improvements, the retained percentage less all sums which may be lawfully deducted or retained pursuant to this Lease or the law will be transmitted to Landlord (the "Final Payment"). Acceptance of the Final Payment by Landlord or by anyone claiming through Landlord shall constitute a complete release of all Landlord claims against the City of Los Angeles, Tenant's Board of Water and Power Commissioners and Los Angeles City Council, Tenant, and all officers, agents, and employees thereof with respect to the obligations of Tenant under this Section 6.4, except for amounts so deducted or retained, or for any written claims with respect to this Section 6.4 previously submitted by Landlord. Neither payments by Tenant nor acceptance or approval of the Tenant Improvements shall waive Tenant claims with regard to other rights under this Lease.

B. Within seven (7) calendar days from the time that all or any portion of the retention proceeds are received by Landlord, the Landlord shall pay its contractor from whom retention has been withheld, the contractor's share of the retention received, and require the same of its contractor, pursuant to the terms of California Public Code 7107.

Any additional costs associated with a Tenant Change Order shall be the sole responsibility of Tenant, to be included as part of the cost of Tenant Improvements, to be paid in accordance with the provisions of this Section 6.4.

#### **6.5 Additional Rent.**

Except for Fixed Minimum Rent, all amounts which Tenant is required to pay to Landlord under this Lease shall be treated as "Additional Rent", and shall be paid when due as provided herein.

#### **6.6 Intentionally Omitted.**

#### **6.7 Extension Term Rent.**

Provided Tenant exercises an extension option in accordance with Article III of this Lease, commencing on the first day of the Extension Term, and on each anniversary of the Rent Commencement Date thereafter, the Fixed Minimum Rent shall be increased by three percent (3%), in accordance with Section 1.10 above.

#### **6.8 Late Charges.**

Landlord and Tenant agree that the fixing of actual damages for Tenant's breach of any of the provisions of this Lease, including but not limited to the late payment by Tenant to Landlord of rent and other amounts due hereunder, would cause Landlord to incur costs not contemplated by this Lease, the exact amount of which would be extremely difficult or impracticable to ascertain. Such costs include but are not limited to accounting, processing, administrative, legal and clerical charges and late charges which may be imposed upon Landlord by the terms of any Deed of Trust covering the Premises. Accordingly, if any installment of rent or any other sum due from Tenant hereunder has not been received by Landlord or Landlord's agent within five (5) days after such amount was due, Tenant shall pay to Landlord a late charge equal to six percent (6%) of any such delinquent installment of rent or any other delinquent sum due from Tenant, which charge shall be imposed once for each delinquent amount. Tenant hereby agrees that said late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall not constitute a waiver of Tenant's default with

respect to such overdue amount nor prevent Landlord from exercising any other rights and remedies provided for in this Lease, at law or in equity.

## **ARTICLE VII**

### **SECURITY DEPOSIT**

#### **7.1     Security Deposit.**

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the Security Deposit ("Security Deposit") specified in Section 1.15. Landlord shall hold the Security Deposit as security for Tenant's faithful performance of all the terms, covenants, and conditions of this Lease. Landlord shall not be required to keep the Security Deposit separate from Landlord's general funds. Landlord shall have the right to commingle the Security Deposit with Landlord's general funds and to retain any and all interest and earnings on the Security Deposit. Tenant shall not be entitled to any interest on the Security Deposit. Subject to Landlord's right hereunder to apply the Security Deposit in accordance with this Section, the parties acknowledge that the Security Deposit does not cover any rent or Operating Expenses hereunder.

#### **7.2     Use of Security Deposit.**

If Tenant breaches or fails to perform any of Tenant's obligations under this Lease, Landlord shall have the right, but not the obligation, to use or retain all or any part of the Security Deposit to cure the breach or failure of performance, and to compensate Landlord for any damages sustained by Landlord, including but not limited to payment of: (i) delinquent rent; (ii) interest on delinquent rent; (iii) late charges on delinquent rent; (iv) the cost of performing any of Tenant's obligations under this Lease; (v) the cost of repairing damages to the Premises or Center; (vi) the cost of cleaning, maintaining, repairing, restoring or reletting the Premises; (vii) attorneys' and accountants' fees and disbursements and court costs; (viii) brokerage commissions and finders' fees; and, (ix) interest on any and all of the above at the maximum lawful rate ("Remedy Rate") from the date due until paid if allowed under this Lease; provided, however, that retention of all or any part of the Security Deposit shall not affect Tenant's obligations under this Lease or Landlord's other rights and remedies provided at law, in equity, or under this Lease; and provided, further, that in the event that Landlord elects to apply the Security Deposit or any portion thereof as herein provided, such application and the amounts applied to particular items of cure and/or compensation shall be determined by Landlord in Landlord's sole and absolute discretion. If any portion of the Security Deposit is used as provided for in this Section, then within thirty (30) days after written demand by Landlord, Tenant shall deposit with Landlord sufficient cash to restore the Security Deposit to its original amount. Tenant's failure to make this deposit shall be a default under this Lease.

#### **7.3     Refund and Transfer.**

If Tenant shall have fully and faithfully performed all of Tenant's obligations under this Lease (or upon the earlier termination without Tenant's fault) and after Landlord has inspected the Premises, has cleaned and repaired any damage, and has received invoices for such repair or cleaning costs, if any, then Landlord shall return the Security Deposit or any balance thereof to Tenant. Landlord may transfer the Security Deposit, or that portion remaining after any deduction, to Landlord's successor-in-interest and shall upon such transfer be discharged from any further liability with respect to such Security Deposit. Tenant expressly waives the provisions of Section 1950.7 of the California Civil Code, as amended or recodified from time to time, 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 or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 7 above, and all of Landlord's damages under this Lease and California law including, but not limited to, any damages accruing upon termination of this Lease under Section 1951.2 of the California Civil Code and/or those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the acts or omissions of Tenant or any officer, employee, agent, contractor or invitee of Tenant.



**ARTICLE VIII**  
**USE AND MAINTENANCE OF THE COMMON AREA**

Landlord hereby grants to Tenant, for the Term, unless condemnation or other taking occurs, a non-exclusive right to use the Common Area. Such right of use is limited solely for the intended purposes set forth in Section 2.4, including the ingress and egress of customers, invitees, employees and licensees of Tenant, in common with other occupants and tenants of the Center, to and from the Premises and the public streets adjacent to the Center, for both vehicular and pedestrian traffic and for the parking of vehicles, subject to Landlord's right to designate exclusive and restrictive parking areas. The Common Area shall be used and maintained pursuant to the following regulations:

**8.1 Maintenance of Common Area.**

Landlord, at all times, will maintain, or cause to be maintained, the Common Area in good condition and repair.

**8.2 Landlord's Control Over Common Area.**

Landlord shall have the right from time to time to: (i) make reasonable additions to or changes in, and deletions from the Common Area; (ii) enter into, modify, and terminate easements, licenses, and other agreements pertaining to the use and maintenance of the Common Area; and (iii) perform any other acts in and to the Common Area that Landlord reasonably deems appropriate.

**8.3 Compliance With Landlord's Rules and Regulations.**

Landlord may, from time to time, establish reasonable rules and regulations ("Rules and Regulations") for the management, safety, care and cleanliness of the Center and for the convenience of all occupants and tenants of the Center. Tenant, together with all other persons entering or occupying the Premises at Tenant's request or with Tenant's permission, including but not limited to Tenant's invitees and customers, shall comply with the Rules and Regulations and any violation thereof shall be a default under this Lease by Tenant. Landlord reserves the right with prior notice to Tenant to reasonably amend the Rules and Regulations at any time and from time to time so long as the change does not materially and adversely interfere with Tenant's Permitted Use at the Premises. Landlord also reserves the right to designate portions of the Common Area as the exclusive parking area of Tenant or of other tenants and occupants of the Center. The current Rules and Regulations of the Center are attached hereto as Exhibit "H".

**8.4 Employee Parking.**

Landlord shall provide Tenant with nine (9) reserved parking spaces which will be for the use of Tenant's employees, which location is depicted on Exhibit "B" attached hereto. The automobiles and other motor vehicles of Tenant, its employees, agents, contractors and subcontractors shall be parked only in areas designated by Landlord for "employee parking", and will not park within 75 feet of the Premises or any of the buildings in the Center, and Landlord shall have the right to remove the vehicles of Tenant or any of its employees, agents, contractors or subcontractors found in an area not designated for employee parking, without liability of any kind for such act on the part of Landlord, its employees or agents. Upon request of Landlord, Tenant shall supply Landlord with a list of license numbers for vehicles used by its employees, agents, contractors and subcontractors. Tenant's customers may park in the non-reserved parking spaces in front of the Premises.

**8.5 No Obstruction.**

Tenant shall not obstruct any portion of the Common Area by placing or allowing any item on it, including without limitation, signs, banners, displays, patio equipment, newspaper racks, bicycle stands, merchandise, grocery carts, weighing machines, rides, vending, video or gaming machines, refuse or other materials, except as expressly permitted by this Lease, the Rules and Regulations or Landlord in writing.

**8.6 Operating Expenses.**

The term "Operating Expenses" shall include all costs and expenses incurred by Landlord, its property manager and their respective designees and agents for managing the Center and in

operating and maintaining the Common Area, including but not limited to all costs and expenses of: (i) Real Estate Taxes which means, without limitation, all taxes (except for franchise, gift, estate, inheritance or net income taxes [unless and then only to the extent that net income taxes are a substitute for real estate taxes as determined by the Los Angeles County Office of the Assessor]), assessments and reassessments (whether resulting from any new construction, renovation or replacement of existing improvements or a transfer of all or any portion of the Center or otherwise), whether special or general, (provided however, Tenant will not be responsible for an increase in Real Estate Taxes due to a reassessment following a sale of all or any portion of the Center or construction of improvements for the Center more than two (2) times during the initial Term or once every five (5) years thereafter), bonds, permit fees, license fees, license taxes, levies and penalties imposed, assessed or levied against the Center or any portion thereof by any authority having the direct or indirect power to impose, assess or levy the same, including, without limitation, any city, county, state or federal government or agency thereof, or any school, hospital, agricultural, lighting, drainage, fire, street, sanitary, community facilities or other improvement district thereof; all taxes, fees and/or charges on the operation and use of the Center or Common Area imposed by any federal, state or local governmental entity; all impositions (whether or not such impositions constitute tax receipts to governmental agencies) in substitution, partially or totally, of any impositions now or previously included within the definition of real estate taxes, including, without limitation, those imposed or required by governmental agencies to increase tax increments to governmental agencies and for such services as fire protection, street, sidewalk and road maintenance, refuse removal and/or for other governmental services formerly provided without charge to property owners or occupants (it being the intention of Landlord and Tenant that all such new and/or increased impositions and all similar impositions be included within the definition of Real Estate Taxes for purposes of this Lease); and the costs of professional consultants and/or counsel to analyze tax bills and prosecute any protests, refunds and appeals; interest on the foregoing to the extent any of the same are paid in installments; (ii) the total costs and expenses paid or incurred in cleaning, planting, replanting and maintaining the landscaping of the Common Area; (iii) the costs (including consulting fees) incurred in connection with the procurement of issuance and reasonable reserves for deductibles and any self-insured retention; (iv) all maintenance and repairs; (v) repainting; (vi) rental and maintenance of signs and equipment; (vii) purchase and display of seasonal decorations; (viii) any public utility or governmental charges, surcharges or costs levied, assessed or imposed upon Landlord or costs incurred by Landlord pursuant to, or in order to comply with, any governmental laws, ordinances, rules or regulations; (ix) lighting; (x) sanitary control; (xi) removal of snow and ice, trash and other refuse; (xii) maintenance, repair and replacement of light fixtures (including replacement of tubes, ballasts and lamps); (xiii) maintenance and repair of the Center including maintenance, repair and replacement of mechanical equipment, fire/life safety systems and security alarm systems; (xiv) maintenance, repair, replacement, and cleaning of structures, including floors, ceilings, roofs (including the depreciation of the above-mentioned improvements), and windows; (xv) repair, maintenance, replacement and depreciation of the parking areas, including repaving and restriping of the paved areas; (xvi) omitted ; (xvii) repair and/or replacement of on-site water lines, electrical lines, gas lines, sanitary sewer lines and storm water lines; (xviii) all electrical, water, sewer and other utility plants serving the Center and all pipes leading to and from the same); (xix) the cost of personnel to implement such services, including the directing of parking; (xx) all costs and expenses (including wages, salaries, employee benefits, unemployment insurance and social security payments) relating to the employment of all on-site personnel.; (xxi) operating costs and maintenance costs for the property management offices in the Center; (xxii) the costs incurred in complying with governmental regulations (exclusive of any occupant's premises), whether done voluntarily or by mandate of governmental authorities; (xxiii) the costs incurred in complying with the Americans With Disabilities Act of 1990, as amended from time-to-time, with respect to the Common Area; (xxiv) personal property taxes, sales and use taxes on material, equipment, supplies and services; (xxv) fees for required licenses and permits; (xxvi) fire, security and police protection; (xxvii) public address system(s); public toilets; (xxviii) reasonable straight-line depreciation of, and all rental charges for, machinery and equipment used on the operation, maintenance and repair of the Common Area; (xxix) the costs incurred by Landlord to maintain any public parking decks; (xxx) the costs incurred for supplies, tools, materials and labor used in connection with the operation, maintenance and repair of the Common Area; (xxxi) any other expenses of any kind whatsoever which would reasonably or customarily be included in managing, operating, maintaining, or owning similar shopping centers in the County of Los Angeles, State of California; (xxxii) an administrative charge calculated on the total of all such costs for Landlord's additional administrative costs incurred by Landlord for providing work, materials and services and (xxxiii) all payments, fees, charges, expenses, cost, or amounts described in Section 8.4 above.

Landlord shall have the right, but not the obligation, from time to time, to equitably allocate some or all of the Operating Expenses among different tenants of the Center (the "Cost Pools"). Landlord shall be paid an administrative fee as part of the Operating Expenses equal to fifteen percent (15%) of the Operating Expenses for administration of the Center. In lieu of this administrative fee, Landlord may employ a management organization, in which event Operating Expenses shall include its fee, which may exceed such limitation. Notwithstanding the foregoing, Landlord shall not incur any liability to Tenant, its employees, agents, customers or invitees as a result of any failure of any security system installed at the Center or any security procedure instituted at the Center, unless such failure is the result of the willful misconduct of Landlord or any of its employees. Landlord makes no representations or warranties concerning the ability of Landlord or its employees, agents, contractors or subcontractors to maintain the Center, the Common Area or the Premises in a secure fashion.

#### **8.7 Payment of Operating Expenses.**

**A. Monthly Estimate and Payment.** Landlord shall give Tenant written notice of Landlord's estimate of Tenant's "Pro Rata Share" (as defined below) of the estimated Operating Expenses within sixty (60) days of the Term Commencement Date and for any following calendar year by not later than forty-five (45) days after the commencement of the calendar year. Tenant shall pay Landlord one-twelfth (1/12) of the amount stated therein as Tenant's Pro Rata Share of the Estimated Operating Expenses on the first day of each month concurrently with the payment of each month's Fixed Minimum Rent. The estimated monthly charge may be adjusted periodically by Landlord on the basis of Landlord's reasonably anticipated costs.

**B. Pro Rata Share.** Tenant's "Pro Rata Share" shall be a fraction, the numerator of which is the gross leasable area of the Premises as specified in Section 1.6, and the denominator of which is the gross leasable area in the Center which is occupied and open for business (but in no event less than ninety percent (90%) total gross leasable area in the Center) as of the end of the calendar year for which such Operating Expenses are billed to Tenant; provided, however, if Landlord, in its reasonable discretion, determines that such method is inequitable, Landlord may allocate certain components of Operating Expenses on the basis of actual usage or other equitable considerations, including allocation solely to the tenants and occupants of the Center that receive the benefit of the applicable component of Operating Expenses, such as, for example, the maintenance and repair of a building, trash removal and shared utilities. If Tenant or the Premises directly benefit therefrom, Tenant's Pro Rata Share of such amounts will be determined by multiplying such amounts by a fraction, the numerator of which is the gross leasable area of the Premises and the denominator of which is the Gross leasable area of the spaces of all tenants and occupants that receive the benefit of the applicable component of the particular Operating Expenses. Any change in the gross leasable area which is occupied and open for business shall be deemed in effect on the first day of the month following such change. "Occupant" means any entity, inclusive of Tenant and exclusive of Landlord (except to the extent Landlord operates any retail business open to the public in the Center), entitled by any form of instrument to occupy floor area in the Center. Any change in the gross leasable area which is occupied and open for business shall be deemed in effect on the first day of the month following such change. "Occupant" means any entity, inclusive of Tenant and exclusive of Landlord (except to the extent Landlord operates any retail business open to the public in the Center), entitled by any form of instrument to occupy floor area in the Center. Landlord's current estimate of Tenant's Pro Rata Share of Operating Expenses is one dollar and 10/100 cents (\$1.10) per gross leasable square foot per month, provided that this amount is only an estimate.

**C. Annual Adjustment.** Within sixty (60) days after each calendar year, Landlord shall furnish Tenant with a statement ("Landlord's Operating Statement") showing in reasonable detail: (i) the actual Operating Expenses for the previous calendar year; (ii) Tenant's Pro Rata Share of the actual Operating Expenses for the previous calendar year; and, (iii) the total sum of Tenant's Pro Rata Share payments of the Estimated Operating Expenses for the previous calendar year. If Tenant's Pro Rata Share of the actual Operating Expenses for a calendar year exceeds the amount of Tenant's Pro Rata Share of the Estimated Operating Expenses actually paid by Tenant for that calendar year, then Tenant shall pay the deficiency within thirty (30) days after receipt of the Landlord's Operating Statement. If Tenant's Pro Rata Share of the Estimated Operating Expenses for a calendar year exceeds Tenant's Pro Rata Share of the actual Operating Expenses for that calendar year, then the excess shall be credited against Tenant's Pro Rata Share of future Operating Expenses. In no event shall Tenant be relieved of its obligation to pay Tenant's

Pro Rata Share of Operating Expenses if Landlord fails to send or is late in sending Landlord's Operating Statement or Estimated Operating Expense Notice to Tenant.

**D. Contest.** Tenant shall have the right to contest the amount of Tenant's Pro Rata Share of actual Operating Expenses; provided, however, that Tenant shall have paid Tenant's Pro Rata share of actual Operating Expenses, as specified in Landlord's Operating Statement, to Landlord within thirty (30) days after Tenant's receipt of Landlord's Operating Statement. In the event of such contest, the Operating Expenses for the Center shall be audited by a certified public accountant, professional auditor or independent professional real property manager selected by Tenant, and reasonably approved by Landlord. No audit shall, under any circumstances, be conducted by any auditor on a contingency fee basis. Tenant shall pay for all costs of the audit. If Tenant's Pro Rata Share of actual Operating Expenses, as determined by the audit, is ninety-five percent (95%) or more of the amount specified in Landlord's Operating Statement, then Tenant shall reimburse Landlord for all costs and expenses Landlord incurred as a result of, or related directly or indirectly to, the contest or conducting the audit. If Tenant's Pro Rata Share of actual Operating Expenses, as determined by the audit, is less than ninety-five percent (95%) of the amount specified in Landlord's Operating Statement, then Tenant shall receive a credit for the amount of Operating Costs that Tenant has overpaid, as well as for the costs incurred by Tenant in conducting the audit, against Tenant's Pro Rata Share of future Operating Expenses. Notwithstanding anything contained herein to the contrary, Tenant shall be deemed to have accepted and approved the accuracy of Landlord's Operating Statement if Tenant does not furnish Landlord with a written statement contesting the amount of Tenant's Pro Rata Share of actual Operating Expenses within ninety (90) days after Tenant's receipt of Landlord's Operating Statement.

## **ARTICLE IX**

### **TAXES**

#### **9.1 Real Estate Taxes.**

"Real Estate Taxes" shall include, in addition the items describing in Section 8.6(i), all real estate taxes, assessments (whether general, special, ordinary or extraordinary), possessory interest, improvement bonds, license fees, commercial rental taxes, sewer and water rents and other levies, fees and charges of every kind imposed by any authority having the direct or indirect power to so tax, levy or assess (including without limitation any city, state or federal government, or any school, hospital, water, agricultural, art, sanitary, fire, library, street, park, open space, air quality, water quality, housing, traffic mitigation, bridge and thoroughfare fees, Mello-Roos, integrated financing, drainage or public, offsite or other improvement or special assessment district or other financing, fee, exaction or charge) which: (i) relate in any way to the Center, or to the Premises and Common Area if separately assessed, to Landlord's operation or leasing of the Center or the Premises, to the services provided Tenant, to Landlord's gross receipts or revenues from the Center or Premises, or to Landlord's legal or equitable interest in the Center or the Premises; (ii) are imposed for a service, use or right not charged prior to June 1, 1978, or if previously charged, has been increased since such date; (iii) are imposed by reassessment, are added to a tax or charge or otherwise as a result of (1) construction of improvements, (2) a transfer, either partial or total, of Landlord's interest in the Center or the Premises or any interest in Landlord or any Partners of Landlord or (3) this transaction or any modifications or transfer of this Lease (provided however that Tenant will not be responsible for an increase in Real Estate Taxes due to a reassessment following a sale of all or any portion of the Center or construction of improvements for the Center more than two (2) times during the initial Term or once every five (5) years thereafter); (iv) is interest on installment payments of Real Estate Taxes; or, (v) is any cost and/or fee (including without limit attorneys' and appraisers' fees and court costs) incurred by Landlord in calculating, contesting or negotiating Real Estate Taxes. Tenant hereby waives any right to negotiate or contest any such Real Estate Taxes. Tenant shall pay Tenant's Pro Rata Share of Real Estate Taxes on a monthly basis in accordance with Section 8.7, or at Landlord's option, within thirty (30) days after delivery of Landlord's written demand therefor. Throughout the Term, Real Estate Taxes shall also include any tax, fee, levy, assessment or charge that is in addition to or in substitution for (whether partially or totally) any tax, fee, levy, assessment or charge that is included within the definition of "Real Estate Taxes" as set forth above.



### **9.2 Personal Property Taxes.**

Tenant shall pay directly prior to delinquency any and all taxes and assessments levied or assessed during the Term upon or against (i) Tenant's Property (as defined in Section 16.1), furniture, equipment, and any other personal property installed or located in the Premises and (ii) all above-standard alterations, additions, betterments, or improvements of whatever kind or nature made by Tenant to the Premises that are separately assessed or cause the assessment for the Premises or Center to be greater than it would have been with standard tenant improvements. Whenever possible, Tenant shall cause Tenant's Property and all such other property to be assessed and billed separately from the real property of Landlord. If Tenant's Property and such other property is assessed and taxed with Landlord's real property, Tenant shall pay one hundred percent (100%) of such taxes within thirty (30) days after receiving a statement delineating the amount of such taxes owed by Tenant. If any governmental authority requires a tax to be paid by Tenant, but collected by Landlord for and on behalf of such governmental authority, then Tenant shall pay one-twelfth (1/12) of the annual amount of such tax to Landlord monthly in advance with the Fixed Minimum Rent payment.

### **9.3 Contests.**

Landlord shall have the right to contest the validity, applicability, and/or amount of any Real Estate Taxes by appropriate proceedings and the cost of such contest, net of recoveries, shall be included within Real Estate Taxes

## **ARTICLE X** **UTILITIES**

Tenant shall pay, before delinquency, for all water, gas, electricity, fire protection, telephone service, wi-fi, internet, heating, air conditioning, sewer service, waste removal and other utilities and services, and any and all utility hook-up fees, connection fees, including sewer connection fees, and service and other charges for the availability of any such utilities and services, supplied to or consumed in or upon the Premises from and after the Delivery Date of the Premises and continuously thereafter until the Expiration Date, whether such payment is made directly to the supplier of such utilities and services or to Landlord as part of Tenant's Additional Rent. Landlord shall have no liability whatsoever for Tenant's inability to obtain any sewer or utility hook-ups and connections necessary or convenient to service the Premises. If utilities (except for gas) are not available to serve the Premises, then Tenant shall have the right to terminate this Lease without penalty. To the extent any utilities service the tenants of the Center, such utilities shall be included in Operating Expenses; provided, that Landlord reserves the right to separately meter the Premises with respect to any such utilities. Landlord may, with notice to Tenant, or without notice in the case of an emergency, shut off and discontinue water, gas, electricity, waste removal, heating, air conditioning and any or all other utilities and services whenever such discontinuance is necessary to make repairs or alterations. In no event shall Landlord be liable for the quality, quantity, failure or interruption of any such utilities or services to the Premises. In addition, any such failure, interruption or impairment shall not be construed as an eviction of Tenant or a disturbance of Tenant's possession, and Tenant shall not be entitled to any abatement of rent, except as expressly permitted under this Lease.

From and after the date Tenant receives possession of the Premises, within five (5) business days after written request from Landlord, Tenant shall reasonably cooperate with Landlord to enable Landlord to comply with any energy use reporting requirements mandated by California law including, without limitation, disclosure of information concerning Tenant's energy usage to certain third parties, prospective purchasers, lenders and tenants of the Center.

## **ARTICLE XI** **INSURANCE**

### **11.1 General.**

Tenant shall, at its expense, maintain in effect from and after the Delivery Date and continuously thereafter until the Expiration Date, the policies of insurance required under this Article. All policies that Tenant is required to obtain under this Article shall be issued by companies licensed to do business in California with a general policyholder's rating of not less than "A" and a financing rating of not less than Class "X", as rated by the most current available "Bests" Insurance

Reports and shall be in a form (without any additions or deletions unless approved in writing by Landlord) and underwritten by companies acceptable to Landlord. On or before the Delivery Date, Tenant shall furnish Landlord with evidence acceptable to Landlord that the policies (or a binder thereof) required pursuant to this Article are in effect. Tenant shall notify Landlord in writing within 48 hours after Tenant is notified by the carrier in writing of any intended cancellation, failure to renew by either the Tenant or their insurance company or nonrenewal of such insurance by the tenant's insurance company. The insurance policies required under this Article shall be deemed to be primary on behalf of Landlord and shall not require any other insurance policies that name Landlord as an insured or any insurance or self-insurance Landlord may have, whether primary or excess, to contribute with the insurance obtained by Tenant nor affect the duties and obligations of Tenant's insurance policies to Landlord. If Tenant carries any of the insurance required hereunder in the form of a blanket policy, any Evidence or Certificate required hereunder shall make specific reference to the Premises. Upon the reasonable requests of Landlord from time to time, Tenant shall increase the limits of the policies that Tenant is required to obtain under this Article and shall purchase and keep in force policies of such other types of insurance as required by law. The limits of the insurance coverage required by Landlord or the unavailability of certain types of coverage shall not limit or release Tenant from any of its obligations under this Lease and the existence of such insurance in no way changes Tenant's obligations to Landlord. Should Tenant obtain insurance that is broader than the insurance as described in this Article, that broader coverage shall be deemed the minimum required coverage of insurance required by this Lease or any extension thereof.

#### **11.2 Commercial General Liability Insurance.**

From and after the Delivery Date until the end of the Term and any extension thereof, Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect a policy or policies of Commercial General Liability insurance using standard ISO form CG 00 01 covering the Premises and Tenant's business (or that of any subtenant, licensee, or concessionaire, if permitted under Article XXIII), including contractual liability, Damage to Premises limit of \$500,000, liability coverage in amounts not less than \$1,000,000 per occurrence and \$2,000,000 General Aggregate and \$2,000,000 Products/Completed Operations Aggregate for bodily injury, personal and advertising injury, and property damage liability. The policy shall include Contractual Liability. The Commercial General Liability policy shall include the following endorsements:

- (a) Aggregate Limit Per Location endorsement;
- (b) The Landlord, its directors, officers, members, agents and employees shall be included as Additional Insureds either by specific endorsement naming these parties or a blanket additional insured endorsement applicable "when required by written contract or agreement";
- (c) A Waiver of Subrogation endorsement in favor of the Landlord, its directors, officers, members, agents and employees or a blanket waiver of subrogation endorsement applicable "when required by written contract or agreement";
- (d) A Primary, Non-contributory endorsement in favor of the Landlord, its directors, officers, members, agents and employees or a blanket primary, non-contributory endorsement applicable "when required by written contract or agreement".

Landlord shall obtain and keep in force a policy of commercial general liability insurance covering the Common Area in adequate amounts as reasonably determined by Landlord. The cost of any such insurance on the Common Area shall be an Operating Expense.

#### **11.3 Property Insurance.**

From and after the Delivery Date until the end of the Term and any extension thereof, Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect keep in force a Commercial Property policy with special form causes of loss and including equipment breakdown causes of loss with a limit of insurance sufficient to cover one hundred percent (100%) of the replacement cost of all Tenant's Property with an inflation guard endorsement and Business Income and Extra Expense coverage for covering a minimum of twelve (12) months' loss of income. During the Term, Landlord shall have the right to carry and maintain for its own account "special form", property insurance on Landlord's interest in the Premises, Common Area and Center and the fixtures and equipment located therein, and owned or leased by Landlord, against special form

causes of loss including, at Landlord's option, earthquake, flood, and Terrorism coverage, in an amount equal to up to one hundred percent (100%) of the full replacement cost thereof, including foundations and excavations, with an inflation guard endorsement and business income (including loss of rental income) insurance, at Landlord's option, in an amount equal to up to twelve (12) months' rent. Tenant shall, within thirty (30) days after Tenant receives Landlord's written demand therefor, reimburse Landlord in full for the total cost of such insurance, as an Operating Expense, as calculated by Landlord, without regard to any deductible amount in the event of loss, whether or not Landlord shall choose to maintain a deductible amount for its own account; provided, that Landlord may elect to collect such premiums on a monthly basis in accordance with Section 8.7, above.

#### **11.4 Workers' Compensation Insurance.**

From and after the Delivery Date until the end of the Term and any extension thereof, Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect a Workers' Compensation policy including statutory coverage and Employer's Liability coverage with limits not less than \$1,000,000 each accident, \$1,000,000 bodily injury by disease each employee and \$1,000,000 aggregate for disease. The Workers' Compensation policy shall include the following endorsements:

(a) Waiver of Subrogation endorsement in favor of the Landlord, its directors, officers, members, agents and employees or a blanket waiver of subrogation endorsement applicable "when required by written contract or agreement".

#### **11.5 Automobile Liability Insurance.**

From and after the Delivery Date until the end of the Lease Term and any extension thereof, Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect a Business Automobile Liability policy using a standard ISO Business Auto CA 00 01 form with a limit not less than \$1,000,000.00 per accident for bodily injury and property damage for all owned, hired and non-owned automobiles. The policy shall include Contractual Liability. The Business Auto coverage shall include the following endorsements:

(a) The Landlord, its directors, officers, members, agents and employees shall be included as Designated Insureds or a blanket additional insured endorsement applicable "when required by written contract or agreement";

(b) A Waiver of Subrogation endorsement in favor of the Landlord, its directors, officers, members, agents and employees or a blanket waiver of subrogation endorsement applicable "when required by written contract or agreement"

(c) A Primary, Non-contributory endorsement in favor of the Landlord, its directors, officers, members, agents and employees or a blanket primary, non-contributory endorsement applicable "when required by written contract or agreement".

#### **11.6 Umbrella or Excess Liability Insurance.**

Umbrella or Excess Liability coverage with limits not less than \$1,000,000.00 excess over the Commercial General Liability, Automobile Liability and Employer's Liability insurance policies. The Umbrella or Excess Liability coverage shall include the following endorsements or policy provisions:

All endorsements required under paragraphs 11.2, 11.3, 11.4. above.

#### **11.7 Insurance by Landlord.**

Throughout the Term of this Lease, Landlord shall, as an Operating Expense, maintain in full force and effect, such types and amounts of insurance coverage as Landlord deems appropriate. Tenant shall, as an Operating Expense, reimburse Landlord in full for the total cost of such insurance, as calculated by Landlord, within thirty (30) days after Tenant receives Landlord's written demand therefor or on a monthly basis, as determined by Landlord.

### **11.8 Waiver of Subrogation.**

Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby waive any rights each may have against the other on account of any loss or damage occasioned to Landlord or Tenant, their respective property, the Premises or its contents, or to other portions of the Center, arising from any risk to the extent covered by the insurance required hereunder. The parties each, on behalf of their respective insurance companies insuring the property of either Landlord or Tenant against any such loss, waive any right of subrogation that it may have against Landlord or Tenant, as the case may be.

Tenant also hereby waives any rights they may have against Landlord, its directors, officers, members, agents and employees and Landlord's property manager or management company for any loss, injury or property damage to Tenant's business, loss of income, loss of profits or to any third person or organization.

Landlord's and Tenant's insurance policies will contain appropriate provisions or endorsements containing waivers of subrogation between Tenant and Landlord.

### **11.9 Certificates and Evidences of Insurance.**

From and after the Delivery Date until the end of the Lease Term and any extension thereof, Tenant shall provide Certificates and Evidence of Insurance coverages as required in this Article. The Certificates and Evidences must have all required endorsements attached or the Certificates or Evidences will be rejected as non-compliant. Certificates and Evidences for each successive year during the insurance requirement period shall be filed in the same manner. The failure to furnish such evidence may be considered default by Tenant at the discretion of Landlord. Landlord reserves the right to require complete, certified copies of all required insurance policies, at any time. It is understood and agreed that Tenant, as a municipal public entity, utilizes a fully self-insured program of insurance which may be accepted to satisfy the insurance provisions of this Article XI. In lieu of the Certificates and Evidence of Insurance coverages, Tenant shall provide a written letter to Landlord describing the terms of self-insurance satisfying all of the Tenant's insurance obligations set forth in this Lease, in form and content reasonably satisfactory to Landlord.

## **ARTICLE XII TENANT'S FIXED MONTHLY CONTRIBUTION**

Tenant shall, from and after the Term Commencement Date and continuously until the Expiration Date, pay to Landlord in advance the amount per month specified in Section 1.14 as Tenant's Fixed Monthly Contribution ("Tenant's Fixed Monthly Contribution") on the first day of each month, as adjusted pursuant to Section 1.14.

## **ARTICLE XIII USE OF PREMISES**

### **13.1 Permitted Use and Continuous Operation.**

Tenant shall open for business to the public in the Premises within thirty (30) days after the Term Commencement Date, and shall use, operate, and actually occupy the Premises solely for the purpose specified in Section 1.12 hereof, from the Term Commencement Date until the Expiration Date. No other use shall be permitted without the prior express written consent of Landlord. Notwithstanding the foregoing, if Tenant fails to use, operate and actually occupy the Premises for more than sixty (60) consecutive days, excluding time not in operation due to Force Majeure events or for remodeling of the Premises (not to exceed 60 days unless otherwise agreed to by Landlord, not be unreasonably withheld or delayed), Landlord may elect to terminate the Lease and recapture the Premises, upon thirty (30) days written notice to Tenant of its election.

### **13.2 Conduct of Business.**

Tenant shall conduct its business at all times in a first-class, professional and businesslike manner consistent with reputable business standards and practices, and such that a high reputation of the Center is developed and enhanced.



### **13.3 Prohibited Uses.**

The Premises shall not be used for any use inconsistent with Tenant's Permitted Use set forth in Section 1.12 hereof or the customary character of a first-class retail shopping center. Tenant agrees not to permit any unlawful or immoral practice to be carried on at or committed in the Premises or the Center. Tenant shall not: (i) use any external flags, banners, balloons, signs, or other display advertising outside of the Premises of any kind, except as expressly permitted by this Lease or otherwise approved in writing by Landlord, which approval may be given or withheld in Landlord's sole discretion; (ii) use strobe or flashing or rotating lights in or on the Premises or in any signs therefor; (iii) use, sell or distribute any leaflets, handbills, bumper stickers, decals, or other such articles in the Common Area of the Center; (iv) operate any loudspeaker, television set, phonograph, radio, karaoke machine, I-pod or MP3 player, CD player or other musical or electronic or other type of sound producing equipment or device that can be heard outside the Premises; (v) operate any electrical or other device which interferes with or impairs radio, television, microwave, internet, Wi-Fi or other broadcasting or reception from or in the Center or elsewhere; (vi) bring or permit any bicycle (excluding employee's bicycles stored in the bicycle racks at the Center) razor, skateboard, hoverboard or other self-propelled vehicle in the Center or the Premises, (vii) bring or permit any pet or dog (except service dogs) or other animal, fish, bird or other creature in the Center or the Premises; (viii) use or permit the sale or use of any cigarette, tobacco, vaping or cigar products; (ix) make or permit noise, vibration or odor to emanate from the Premises or any equipment serving the same; (x) do or permit anything in or about the Premises that is unlawful, immoral, or which creates or continues a legal nuisance; (xi) use or permit upon the Premises anything that violates the certificates of occupancy issued for the Premises or the Center; (xii) except for Tenant's Permitted Use, use the Premises for any purpose, or permit upon the Premises anything that may be dangerous to parties or property (including but not limited to flammable oils, fluids, paints, chemicals, firearms, or any other explosive articles or materials); (xiii) do or permit anything to be done upon the Premises in any way tending to disturb, bother, or annoy any other tenant in the Center or the occupants of neighboring property; (xiv) offer within all or any part of the Premises any goods or services that Landlord determines, in its sole discretion, to be inconsistent with the image of a first-class, family-oriented retail development; (xv) use or permit the Premises to be used for a "99 Cent" or "Dollar Store" type discount establishment or any store that contains numbers in its name; (xvi) use or permit the Premises to be used for any type of "adult entertainment" including without limitation: allowing topless, bottomless, or bikini-clad individuals, waitresses, or performers, or any type of staged or theatrical dancing, burlesque, modeling, or contests in the Premise; (xvii) use or allow the Premises to be used as a "medical marijuana", "recreational marijuana", "sex", "head", or "pawn" shop, or (xviii) conduct or permit in the Premises any fire, bankruptcy, auction, "closeout", "going out of business" or similar sale. The Premises shall be kept in a clean condition, and all health and safety regulations shall, in all respects and at all times, be fully complied with by Tenant.

### **13.4 Business Hours.**

Tenant shall continuously use, operate and actually occupy Tenant's business in the Premises and keep the Premises open for business during each and every business day for the Center's customary Business Hours each day, except to the extent prevented by strikes, acts of God, fire, casualty, war, riot or public emergency. The term "Business Hours" shall mean the hours of 7:00 A.M. to 6:00 P.M., Monday through Friday (local, federal and state holidays excepted). Holidays include the following: New Years' Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, and to the extent of utilities or services provided by union members engaged at the Building, such other holidays observed by such unions. Whether or not open for business, Tenant shall keep its show windows and signs illuminated during such hours as Landlord shall designate in the Rules and Regulations. The current business hours that the location will be open to the public will be 9:00 A.M. to 5:00 P.M. At a later date at the Tenant's sole discretion, business hours may be expanded to be open for activities as late as 9:00 P.M. and some or all Saturdays. The expanded hours will be at the sole discretion of Tenant.

### **13.5 Compliance With Laws; Nuisance.**

Tenant shall, at its sole expense and at all times, comply fully with (i) all federal, state and municipal laws, including without limitation all zoning and land use laws and ordinances, conditional use permit rules and orders, now in force or which may hereafter apply to the Premises or which impose any duty on Landlord or Tenant relating to the use or occupancy of the Premises, the Center or Common Area, including but not limited to the obligation to obtain a conditional use

permit, alter, maintain, repair or restore the Premises in compliance and conformity with all such laws, rules and orders, (ii) any declaration of covenants, conditions and restrictions and easements encumbering the Land, and which apply to the Premises or any part of the Center (iii) any and all requirements and recommendations of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering the Premises or the Center. Tenant shall neither store, use or sell any article in or about the Premises, nor permit any act, that would cause the premiums for insurance to increase or cause a cancellation of any policy upon the Premises or the Center. Tenant shall not occupy, suffer or permit the Premises or any part thereof to be used for any illegal, immoral or dangerous purpose, or in any other way contrary to the law or the rules or regulations of any public authority. Tenant shall not commit, or suffer to be committed, any waste upon the Premises, or any public or private nuisance, or any other act or thing which may disturb the quiet enjoyment of any other tenants or occupants in the Center or of neighbors of the Center. Tenant shall not conduct or permit to be conducted any sale by auction in, upon or on the Premises.

### **13.6 Environmental Compliance.**

Tenant represents, warrants and covenants to Landlord that Tenant shall at no time use, or permit the Premises to be used, in violation of any federal, state or local law, ordinance or regulation relating to the environmental conditions on, under or about the Premises, including, but not limited to, air quality, soil and surface and subsurface water conditions. To the extent caused by or introduced onto the Center or the Premises by Tenant or its employees, representatives, contractors, agents or invitees, Tenant shall assume sole and full responsibility and cost to remedy any such violations that may affect the Premises or Center so long as the violations are not directly caused by Landlord and/or its successors and assigns. Tenant further represents, warrants and covenants to Landlord that Tenant shall at no time, generate, store or dispose of or allow or permit any third party to use, generate, store or dispose of on, under or about the Premises or Center, or transport to or from the Premises or Center any hazardous wastes, toxic substances or related materials ("Hazardous Materials"). For the purposes of this Section 13.6, Hazardous Materials shall include, but not be limited to, asbestos, asbestos containing material, the group of organic compounds known as polychlorinated biphenyls, as well as substances defined as "hazardous substances" or "toxic substances" under State, local or federal laws or regulations, as they be enacted or promulgated from time to time. Tenant represents, warrants and covenants that it shall provide Landlord with written notification immediately upon the discovery or notice by Tenant, its successors, assigns, licensees, invitees, employees, agents, or partners that any representation, warranty, or covenant of Tenant under this Section is inaccurate, incomplete, or untrue in any way.

### **13.7 Landlord's Right of Entry.**

Landlord, at reasonable times, may go into the Premises without any liability whatsoever for the purposes of: (i) inspecting the Premises; (ii) inspecting the performance by Tenant of the terms and conditions hereof; (iii) showing the Premises to prospective tenants, purchasers, partners, or mortgagees; (iv) inspecting, repairing or maintaining the Common Area and the Center, if it is reasonably necessary for the Landlord to enter the Premises to do so; and, (v) posting notices for the protection of Landlord on the Premises. Except in the case of an emergency, Landlord shall give Tenant reasonable prior notice of at least 24 hours of any and all intended entries or inspections pursuant to this Section.

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.

### **13.8 Asbestos Disclosure.**

Tenant shall provide written notice to Landlord and Tenant's employees within ten (10) days of Tenant's discovery or receipt of information regarding the existence or location of asbestos within the Premises or Center. Tenant shall not use, install or transport any asbestos within the Premises or Center without obtaining Landlord's prior written consent which may be withheld in Landlord's sole discretion.

If Tenant is aware of any (i) survey or (ii) bulk sample analysis or other monitoring data conducted for, by, or within Tenant's control (hereinafter collectively referred to as the "Asbestos Analysis") to determine the existence or location of asbestos within the Premises, Tenant's notice shall include the existence of, conclusions from, and description or list of contents from, the Asbestos Analysis.

Tenant shall permit such Asbestos Analysis to be reviewed and photocopied by Landlord, any employee of Tenant or Landlord and any representative of any such employees. If Tenant does not have any special knowledge as to the potential exposure health risks or impact, or general handling procedure, Tenant's notice shall specifically provide that Tenant lacks knowledge regarding handling instructions necessary to prevent and minimize release of, and exposure to, Asbestos and the potential health impacts resulting from exposure to Asbestos in the Premises, and shall encourage employees to contact local or state public health agencies.

### **13.9 Intentionally Omitted.**

## **ARTICLE XIV** **MAINTENANCE AND REPAIR OF PREMISES**

### **14.1 Tenant's Inspection.**

Landlord makes no representations or warranties with respect to this Lease, the Premises or other property in the Premises or with respect to any matter related thereto, other than as expressly set forth herein. Tenant expressly waives all implied warranties including implied warranties of merchantability and fitness, if any, other than as expressly set forth herein. Except as expressly permitted by this Lease, Tenant hereby waives all rights under Sections 1941 and 1942 of the California Civil Code, as amended or recodified from time to time, or any similar provision, permitting Tenant to make repairs at the expense of Landlord. Tenant represents and warrants that, to the extent Tenant deems it necessary, Tenant has inspected and conducted tests and studies of the Premises, and that it is familiar with the general condition of the Premises. Tenant understands and acknowledges that the Premises may be subject to earthquake, fire, floods, erosion, high water table, dangerous underground soil and water conditions and similar occurrences that may alter its condition or affect its suitability for any proposed use. Landlord shall have no responsibility or liability with respect to any such occurrence. Tenant represents and warrants that it is acting, and will act only, upon information obtained by it directly from its own inspection of the Premises. Notwithstanding anything to the contrary contained in this Lease, the suitability or lack of suitability of the Premises for any proposed or intended use, and/or the availability of lack of availability of permits or approvals of governmental or regulatory authorities with respect to any such proposed or intended use of the Premises shall not affect the rights or obligations of the parties hereunder.

The terms and conditions set forth herein are the result of arm's-length bargaining between entities familiar with transactions of this kind, and said terms, and conditions reflect the fact, except for Landlord's express obligations set forth in this Lease, Tenant shall have the benefit of, and is relying upon, no statements, representations, or warranties whatsoever made by or enforceable directly or indirectly against Landlord relating to the condition, operations, dimensions, descriptions, soil condition, suitability, compliance or lack of compliance with any state, federal, county or local law, ordinance, order, permit or regulation, or any other attribute or matter of or relating to the Premises. Tenant represents, warrants, and covenants to Landlord that Tenant is relying solely upon its own investigation of the Premises. If Landlord obtains or has obtained the services, opinions, or work product of surveyors, architects, engineers, any title insurer, governmental authorities, or any other person or entity with respect to the Premises, Tenant and Landlord agree that Landlord shall do so only for the convenience of both parties, and the reliance by Tenant upon any such services, opinions, or work product shall not create or give rise to any liability of or against Landlord.

### **14.2 Tenant's Obligations.**

From and after the Term Commencement Date, and continuously thereafter until the Expiration Date, Tenant, at Tenant's sole expense, shall maintain the Premises in a good order, neat, clean and sanitary condition and repair, including but not limited to the following: (i) cleaning the inside

and outside of the Premises, including all glass in the doors and windows of the Premises and all exterior storefront surfaces of the Premises; (ii) promptly replacing any broken or scratched doors or scratched mullions and any scratched, cracked or broken glass in the Premises with replacements of like kind and quality; (iii) painting, redecorating, and renovating the interior of the Premises and Tenant's Property and replacing floor or window coverings which are discolored or stained; (iv) maintain all Tenant Improvements and equipment in a first class condition; (v) removing any trash on a regular basis to such location as Landlord may designate and contracting for trash removal services; (vi) keeping all mechanical and electronic equipment, systems and apparatus free of vibration and noise which may be transmitted beyond the Premises; (vii) maintaining all utility connections, sewers, drains, plumbing (including repairing all drains and drainage systems located within the Premises' interior or exterior), electrical, heating, air conditioning and other mechanical equipment and systems, in first-class order, condition and repair and in quality and class at least equal to the original work by Tenant or Landlord; (viii) maintaining Tenant's signs in first-class order, condition and repair, as required by Landlord's Rules and Regulations, and Landlord's sign criteria. Notwithstanding anything in the foregoing to the contrary, Landlord shall have the right, but not the obligation, to repair all drains and drainage systems located on the Premises' exterior. If Landlord so elects, Tenant shall pay to Landlord, within thirty (30) days after Tenant's receipt of Landlord's written demand therefor, all costs incurred by Landlord for the repair of the drains and drainage system caused by Tenant's use of the Premises. Tenant, shall reimburse Landlord as set forth in Section 14.4, for the cost of replacing the roof membrane of the Building in which the Premises is located and for the cost of a preventive maintenance agreement with a qualified mechanical contractor covering any heating, ventilating, and air conditioning equipment provided by Landlord for the Premises. If Tenant or its agents, employees, contractors or subcontractors cause any damage to any area of the Center beyond the Premises including, but not limited to, damage to or blockage of the water, water drainage, sewer, or electrical systems or other Common Area, then Tenant shall promptly repair any such damage, or, upon Landlord's election, reimburse Landlord for the cost of such repair plus an administrative fee equal to ten percent (10%) of the cost of such repair; provided, however, the foregoing shall not apply to any damage caused during the construction of the Tenant Improvements, unless caused by Tenant or by any of its employees, contractors, agents or representatives who enter the Premises during the construction of the Tenant Improvements.

#### **14.3 Antennae/Fences.**

No television, radio, or other electronic towers, aerials, antennae, satellite dishes or devices of broadcast or reception or other means of communication shall be erected, constructed, placed or permitted to remain at any time on the Premises. Tenant shall not erect, construct, place, or permit to remain any fence on the Premises.

#### **14.4 Landlord's Obligations.**

Landlord shall maintain, repair and replace, the structural components of the Premises, including, without limitation, the structural portions of the roof, plumbing, electrical, foundation, load bearing walls, the exterior walls and foundations of the Premises (except the storefront surface of the storefront wall). Landlord shall maintain, repair and if necessary, replace the roof membrane of the Premises during the Term or the applicable Extension Term, provided the cost of such maintenance, repair and replacement shall be reimbursed by Tenant within thirty (30) days of receipt of an invoice from Landlord. Landlord shall procure and maintain in effect at all times from the Delivery Date and continuously thereafter until the Expiration Date, a preventive maintenance agreement with a qualified mechanical contractor covering any heating, ventilating, and air conditioning equipment provided by Landlord for the Premises, provided that the cost of any maintenance agreement or maintenance to the HVAC system shall be billed to Tenant monthly and shall be paid within thirty (30) days of receipt of an invoice from Landlord. If the HVAC unit serving the Premises must be replaced during the initial Term, it shall be replaced by Landlord, at its sole cost and expense, provided however, if the HVAC unit serving the Premises must be replaced during the Extension Term, it shall be at Tenant's cost. Landlord shall have no obligation to maintain, repair or replace any portion of the Premises or to provide any services whatsoever to Tenant or the Premises, except as expressly provided herein. In no event shall Tenant assert a claim of constructive eviction or a breach of the covenant of quiet enjoyment, or be entitled to an abatement of rent, because of such activities.



#### **14.5 Landlord's Cure.**

If Tenant fails to commence any of the Tenant's obligations listed in Section 14.2 hereof within ten (10) days after receipt of Landlord's written demand to perform such obligations, or fails to adequately complete the performance of such obligations within a reasonable time after commencement, then Landlord may, but is not obligated to, perform such obligations without liability to Tenant for any loss to Tenant's stock or business that might arise by reason thereof. Tenant shall reimburse Landlord on demand in an amount equal to the cost incurred by Landlord in the performance of such obligations plus an administrative fee equal to ten percent (10%) of the cost incurred by Landlord.

### **ARTICLE XV ALTERATIONS AND ADDITIONS**

#### **15.1 Additional Tenant Improvements.**

(a) Tenant shall not make or cause to be made (i) any alterations, improvements, additions, or utility installations, including without limit, carpeting, floor or window coverings, locks, air lines, power panels, electrical distribution systems, lighting fixtures, space heaters, air conditioning and plumbing in, on, or about the Premises or (ii) any change or alteration to the exterior of the Premises (collectively "Additional Tenant Improvements") without Landlord's prior written consent. If Tenant makes any Additional Tenant Improvements without the prior written approval of Landlord, Landlord shall have the right to require that Tenant remove any or all of such Additional Tenant Improvements and repair and any restore damage to the Premises caused by such removal at Tenant's sole expense and shall also have the right to declare Tenant in default and to terminate this Lease. Any Additional Tenant Improvements shall at all times comply fully with all applicable federal, state and municipal laws, ordinances, regulations, codes and other governmental requirements now or hereafter in force and Tenant shall, at Tenant's sole cost and expense, take all actions now or hereafter necessary to ensure such compliance, including without limitation, the making, at Tenant's sole cost and expense, of any alteration or improvement to the Common Area or Center that is required by any such governmental requirement as a result of any Additional Tenant Improvements.

(b) Notwithstanding the foregoing, Tenant may make interior non-structural alterations to the Premises not in excess of Ten Thousand Dollars (\$10,000) in any calendar year without Landlord's consent, provided that such alterations do not affect the heating, ventilating, air conditioning, plumbing, electrical, fire and other building systems serving the Premises or the Building or affect any warranties in favor of Landlord with respect to portions of the Premises Landlord is obligated to maintain and repair. If Tenant will be performing alterations that do not require Landlord's consent, Tenant shall notify Landlord of same in writing at least ten (10) days prior to the commencement of such alterations and shall, concurrent with such notice, provide Landlord with a written description of such alterations and copies of any plans and specifications that were prepared with respect to such alterations.

(c) All work described in subparagraph (b) above must be performed (1) at the sole expense of Tenant; (2) by licensed and competent contractors and workmen reasonably acceptable to Landlord; (3) in a good and workmanlike manner, and using materials properly fit for the purpose; (4) in accordance with drawings, plans and specifications approved in writing by Landlord, and applicable law; (5) subject to such rules, conditions and restrictions as may be reasonably imposed by Landlord; and (6) in such manner as does not void any contractor's, manufacturer's or supplier's warranties existing in favor of Landlord. Upon completion, Tenant agrees to record a Notice of Completion in the County where the Premises are located, as required or permitted by law, and to provide Landlord with CAD and hard print "as-built" plans, and proof of payment for all labor and materials.

(d) Any repair, replacement, alteration, addition, decoration, improvement or work made or done by Tenant without the prior written consent of Landlord, or that is not made in accordance with the drawings, plans and specifications approved by Landlord, if any, must, if requested by Landlord, be removed promptly by Tenant at Tenant's own expense and the Premises restored to their previous condition.

(e) Landlord's approval of any plans, specifications and working drawings for any Additional Tenant Improvements shall create no responsibility or liability on the part of

Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Landlord shall not be liable for any damage, loss, or prejudice suffered or claimed by Tenant, its agents or any other person or entity on account of: (a) the approval or disapproval of any plans, contracts, bonds, contractors, sureties or matters; (b) the construction or performance of any work whether or not pursuant to approved plans; (c) the improvement of any portion of the Premises or alteration or modification to any portion of the Premises; or, (d) the enforcement or failure to enforce any of the covenants, conditions and restrictions contained in this Lease. Under no circumstances shall Tenant make any roof penetrations without the prior written consent of Landlord. Any consent of Landlord shall be conditioned upon Landlord's review and approval of plans satisfactory to Landlord for the repair of the roof. Any roof penetrations shall be inspected by Landlord's roofing contractor, and Tenant shall reimburse Landlord for the cost of such inspection and any necessary repair work within ten (10) days after Tenant's receipt of an invoice therefor.

#### **15.2 Tenant's Insurance.**

Prior to and during any period of construction, reconstruction, renovation or alteration of the Premises (other than the initial Tenant Improvements), the following additional insurance shall be required of Tenant: Builder's Risk Insurance coverage in any amount equal to 120% of the completed value of all improvements to be constructed at the Property, including all future change orders, written for risks of direct physical loss, including Special Form causes of loss, equipment breakdown, both on and off premises. Coverage shall include, testing and start up, debris removal, permission for occupancy, and ordinance or law coverage which shall include (a) coverage for loss of value to the undamaged portion of the improvements, (b) demolition of the undamaged portion of the improvements, and (c) increased cost of construction coverage including increased cost of materials. The loss valuation clause of the policy shall be replacement cost value. Any exclusion for loss or damage to existing structures shall be removed from the policy. Any occupancy exclusion or limitation shall be removed from the policy. The policy shall contain a deductible for all Special Form perils not to exceed \$10,000. Any deductible in excess of such amounts shall be subject to Landlord's approval. The policy shall include Landlord as its interest may appear and shall contain a waiver of subrogation agreement in favor of Landlord, its owners, officers, managers and employees.

#### **Contractor's Insurance.**

For the Tenant Improvements to be constructed by Landlord, Landlord shall require the following insurance coverage to be provided by the General Contractor and all Subcontractors of any tier, which insurance shall be at Tenant's cost and expense, to be included in the Final Budget and as a cost of Tenant Improvements, to be paid pursuant to Section 6.4 above. For the construction of any Additional Tenant Improvements, Tenant shall obtain and maintain all of the required coverage below. Such insurance shall be in effect prior to any access to or construction operations at the Premises:

(a) Commercial general liability insurance written on a standard ISO CG 00 01 "occurrence" policy form covering liability for death or bodily injury, personal and advertising injury, and property damage in any one occurrence, mishap or casualty. The policy must contain limits of liability in amounts not less than a combined limit of \$1,000,000 per occurrence and \$2,000,000 General Aggregate and \$2,000,000 Products/Completed Operations Aggregate.

The policy shall include Landlord, its directors, officers, members, agents and employees as an Additional Insured on an endorsement as may be reasonably approved by Landlord. The policy shall contain an endorsement that the policy is primary on behalf of Landlord, its directors, officers, members, agents and employees and shall not contribute with and shall be unaffected by any insurance or self-insurance Landlord may have regardless of whether any other insurance names Landlord as an insured or whether such insurance stands primary or secondary. The policy shall include a waiver of subrogation endorsement in favor of Landlord, its directors, officers, members, agents and employees;

(b) Automobile liability insurance providing third party liability insurance with combined limits of not less than \$1,000,000.00 per accident for bodily injury or property damage covering all owned, non-owned and hired vehicles; The policy shall include Landlord, its owners, officers, managers and employees as an Additional Insured using ISO endorsement CA 20 48 or such other equivalent form as may be reasonably approved by Landlord. The policy shall contain

and endorsement that the policy is primary on behalf of Landlord, its directors, officers, members, agents and employees and shall not contribute with and shall be unaffected by any insurance or self-insurance Landlord may have regardless of whether any other insurance names Landlord as an insured or whether such insurance stands primary or secondary. The policy shall include a waiver of subrogation endorsement in favor of Landlord, its directors, officers, members, agents and employees;

(c) Workers' compensation insurance in amounts required by applicable governmental authority and a policy of employer's liability insurance with limits of liability not less than One Million Dollars (\$1,000,000.00), each accident, disease and aggregate. The policy shall include a waiver of subrogation endorsement in favor of Landlord, its directors, officers, members, agents and employees.

In addition to the above insurance requirements the General Contractor shall also provide the following insurance: Umbrella or Excess liability insurance written on an occurrence policy form covering liability as required in paragraphs (a) through (c) above for bodily injury, personal and advertising injury, and property damage in any one occurrence, accident, mishap or casualty. The policy must contain limits of liability in amounts not less than a combined limit of \$4,000,000 per occurrence and \$4,000,000 Aggregate or such higher limits as Landlord, acting reasonably, or any Mortgagee, requires from time to time. The policy may have a self-insured retention up to Ten Thousand Dollars (\$10,000.00). Such self-insured retention must be paid on behalf of Landlord by the Contractor or Tenant. This policy shall include all the required endorsements as shown in (a) through (c) above.

### **15.3 Construction of Tenant Improvements.**

Tenant acknowledges and agrees that Tenant shall be responsible for all costs and expenses relating to the Tenant Improvements, as set forth in Section 6.4, as described in Exhibit E and E-1.

### **15.4 Shopping Center Identification.**

Tenant agrees to use the name of the Shopping Center and such other words and symbols as Landlord may from time to time reasonably require in advertising Tenant's business conducted in and from the Premises.

### **15.5 Signs.**

Landlord shall fabricate and install, per Tenant's drawings, which shall comply with Landlord's sign criteria more particularly described in Exhibit "F" attached hereto, an exterior sign, the cost of which shall be a part of the cost of Tenant Improvements, to be paid per Section 6.4. The exterior sign shall be installed by Landlord not later than thirty (30) days prior to the Delivery Date. In accordance with the sign criteria described in Exhibit "F", Tenant shall maintain said sign in good condition and repair during the entire term of this Lease. Except as hereinabove mentioned, Tenant shall not place, erect or maintain or cause to be placed, erected or maintained on or to the roof or any exterior door, wall, window or the roof of the Premises, or on more than twenty five percent (25%) of the glass of any window or door of the Premises, or on or to any sidewalk or other location outside the Premises, or within any display window space in the Premises, or within one (1) foot of the front of the exterior boundary of the Premises, whether or not there is display window space in the Premises, or within any entrance to the Premises, any sign, marquee (flashing, moving, hanging, handwritten, or otherwise), decal, banner, street pole banner, blade sign, blade banners or bowed banners, teardrop banners, vertical lawn banners, flags, balloons, placard, awning, decoration, flashing, moving or hanging lights, lettering, or any other advertising matter of any kind or description. If Tenant places or causes to be placed or maintained any of the foregoing, Landlord or Landlord's representative may remove the same at Tenant's sole cost and expense and without notice or liability and without such removal constituting a breach of this Lease or entitling Tenant to claim damages on account thereof. No symbol, design, name, mark, or insignia adopted by Landlord for the Center shall be used without the prior written consent of Landlord. No illuminated sign located in the interior of the Premises and which is visible from the outside thereof shall be permitted without the prior written approval of Landlord. All signs located in the interior of the Premises shall be in good taste so as not to detract from the general appearance of the Center. Tenant shall repair, at its sole cost and expense, any damage to the Center and Premises caused by the erection, maintenance or removal of any sign, marquee, banner, awning, decoration or other attachment.

**ARTICLE XVI**  
**TENANT'S PROPERTY**

**16.1 Tenant's Property.**

All trade fixtures, goods, inventory, merchandise, stock, supplies, decorative light fixtures, and movable equipment owned by Tenant and installed in the Premises at Tenant's sole cost and which may be removed without material damage to the Center ("Tenant's Property") shall remain the property of Tenant during the Term. Tenant's Property shall be removable from time to time and at the expiration of the Term or earlier termination thereof, provided that: (i) Tenant shall repair to the satisfaction of Landlord, any damage to the Premises caused by the removal of Tenant's Property; and, (ii) the Premises shall at all times be suitable for conducting business in accordance with the Permitted Use and Articles VIII and XIII hereof until the Expiration Date.

**16.2 Intentionally Omitted.**

**16.3 Surrender of Premises.**

On the Expiration Date or on the sooner termination hereof, Tenant shall peaceably surrender the Premises in accordance with the terms of this Section and in good order, condition and repair, broom clean, excepting only reasonable wear and tear and fire and other unavoidable casualty which Landlord is required to repair hereunder. The provisions of this Section shall survive termination of this Lease. Notwithstanding any other provision hereof, Tenant shall not remove all or any part of Tenant Improvements, and such items shall remain upon and be surrendered with the Premises as a part thereof, without disturbance, molestation or injury, and without charge, at the expiration or termination of this Lease and shall then become the property of Landlord. Tenant shall promptly surrender all keys for the Premises to Landlord at the place then fixed for notice to Landlord and shall inform Landlord of the combinations on any locks and safes on the Premises.

**ARTICLE XVII**  
**DAMAGE AND DESTRUCTION**

**17.1 Landlord's Duty of Repair.**

Except as expressly provided herein, Landlord shall not be required to repair the Premises in the event of any total or partial damage or destruction thereof. If the Premises are totally or partially damaged or destroyed by any cause insured against by Landlord under the policy of insurance described in Section 11.3 hereof (fire and extended coverage policy) then unless the Lease is terminated pursuant to Section 17.3 hereof, Landlord shall repair such damage to the extent the available insurance proceeds received by Landlord cover the costs of such repair. If the insurance proceeds are insufficient to restore such damage or destruction, Landlord or Tenant shall have the right to terminate this Lease upon sixty (60) days written notice to the other party.

**17.2 Repairs by Landlord.**

If Landlord is required to repair the Premises under Section 17.1 above or if Landlord need not repair but nevertheless elects to make such repairs, Landlord shall give written notice to Tenant of Landlord's decision to repair within ninety (90) days after discovery of the damage or destruction. While repairs are being made, the rent shall be abated from the date of damage or destruction in the same proportion that the rentable area of the portion of the Premises which is unusable by Tenant bears to the total rentable area of the Premises. If such repairs cannot, in Landlord's opinion, be made within three hundred sixty (360) days after the occurrence of such damage or destruction in the reasonable judgment of Landlord (based upon the time necessary to obtain all governmental approvals and all labor, materials and supplies to make such repairs), then either Landlord or Tenant shall have the right, by written notice given to the other, to terminate this Lease as of the date of discovery of the damage or destruction. Notwithstanding anything to the contrary contained herein, there shall be no rent abatement if the Premises are unusable due to the fault or negligence of Tenant, or its employees, agents, contractors or subcontractors.



### **17.3 Termination of Lease.**

Landlord or Tenant may elect to terminate this Lease by providing the other party with written notice of such election after the occurrence of any one of the following conditions: (i) if within ninety (90) days after discovery of the damage or destruction, Landlord does not deliver written notice to Tenant of Landlord's election to restore any damage or destruction to the Premises that cannot be repaired within three hundred sixty (360) days after the occurrence of such damage in the reasonable judgment of Landlord (based upon the time necessary to obtain all governmental approvals and all labor, materials and supplies to make such repairs); (ii) any or all of the buildings in the Center or Common Area are damaged from any cause to the extent of at least twenty percent (20%) of the replacement cost of such damaged or destroyed building or area, whether or not the Premises is damaged; (iii) the building in which the Premises is located is totally destroyed; (iv) at the time of any damage or destruction from any cause to the Premises, the amount of Fixed Minimum Rent remaining due hereunder for the balance of the Term is less than Landlord's reasonable estimate of the cost of repairing such damage; or, (v) the damage or destruction occurs within the last two (2) years of the initial Term, or last year of an Extension Term, if applicable. The Lease shall be deemed automatically terminated effective upon the expiration of thirty (30) days after the delivery of the written notice of a party's election to terminate this Lease. If the Lease is so terminated, neither party shall have any further obligation to the other, except for Tenant's obligation to pay rent and other charges which are accrued and unpaid as of the termination date and other provisions that survive the termination of this Lease. To the extent inconsistent with the provisions of Article 17 of this Lease, Tenant hereby waives California Civil Code Sections 1932 and 1933, as amended or recodified from time to time.

## **ARTICLE XVIII EMINENT DOMAIN**

### **18.1 Total or Substantial Taking.**

If all of the Premises are taken under the power of eminent domain or such a substantial portion thereof or of the Center are so taken that reasonable restoration will not result in the Premises being reasonably suitable for the conduct of Tenant's business or the Center not being reasonably suitable for Landlord's continued operation of the Center with adequate parking and access, this Lease shall terminate on the date that Tenant is required to yield possession to the condemning authority, or on the date that the possession of the Premises or part thereof or part of the Center is taken, whichever is later. The term "eminent domain" shall include the exercise of any governmental power of condemnation and any private sale or other transfer in lieu of or under threat of condemnation.

### **18.2 Partial Taking.**

If there is a partial taking of the Premises and Center, and after restoration of any building or other improvements, the Premises and Center would not be reasonably suitable for Tenant's continued occupancy and conduct of its business and Landlord's continued operation of the Center, Landlord or Tenant may elect to terminate this Lease or affirm the Lease by delivering written notice to the other party within fifteen (15) days after any such partial taking. If Landlord or Tenant fails to send any such written notice, this Lease shall terminate on the later of the dates that possession is so taken or that Tenant or Landlord is required to yield possession to the condemning authority. If Landlord or Tenant elects to affirm the Lease, then: (i) the Lease shall terminate as to the part taken as of the date of transfer of possession; (ii) the rental shall be reduced in the same proportion as the square footage of the portion of the Premises taken bears to the original square footage of the Premises; and, (iii) Landlord shall, at its own cost and expense, make all necessary repairs or alterations to the Premises required to restore the Premises to useful condition. During such repair or restoration, rental shall be abated proportionately as set forth above.

### **18.3 Award.**

Tenant hereby renounces any interest in, and assigns to Landlord, any award made in any condemnation proceeding for any such taking, provided that Landlord shall have no interest in or be assigned any award made to Tenant for the taking of Tenant's Property or for Tenant's relocation expenses. Tenant hereby specifically waives any right it may have to any compensation award representing the excess of the market value, immediately before the taking, of Tenant's

leasehold interest in the portion of the Premises taken over the rent attributable thereto under the terms of this Lease.

## **ARTICLE XIX**

### **INDEMNIFICATION**

Upon execution hereof, Tenant shall indemnify, protect, defend and hold Landlord and its agents, attorneys, employees, partners, members, officers, affiliates, subsidiaries, directors, unitholders and representatives ("Landlord's Indemnitees") harmless from and against any and all losses, damages (whether actual, punitive or otherwise), liabilities, actions, causes of action (whether legal, equitable or administrative), claims, judgments, costs, and expenses, including Landlord's Indemnitee's attorneys' fees and disbursements, and court costs which Landlord may suffer or incur as a direct or indirect consequence of: (i) Landlord's exercise of discretion to exercise or failure to exercise any of Landlord's rights, remedies or powers in connection with this Lease; (ii) Tenant's failure to perform any of Tenant's obligations as and when required by this Lease, including, without limit, any failure, at any time, of any representation or warranty of Tenant to be true and correct, and any failure by Tenant to satisfy any covenant or condition; (iii) any claim or cause of action of any kind by any person or entity to the effect that Landlord's Indemnitees are in any way responsible or liable for any act or omission by Tenant, its agents, employees, contractors or subcontractors, whether on account of any theory of derivative liability or otherwise; (iv) any act or omission by Tenant, any contractor, subcontractor or material supplier, engineer, architect or other person or entity, (except for the active or gross negligence or willful misconduct of Landlord or any of Landlord's affiliates, employees, agents or contractors), with respect to the Premises, the Center or Common Area; or, (v) any claim or cause of action of any kind by any person or entity which would have the effect of denying Landlord the full benefit or protection of any provision of this Lease. Landlord's rights of indemnity shall not be directly or indirectly limited, prejudiced, impaired or eliminated in any way by any finding or allegation that Landlord's Indemnitees' conduct is active, passive or subject to any other classification or that Landlord's Indemnitee are directly or indirectly responsible under any theory of any kind, character or nature for any act or omission by Tenant or any other person or entity, except Landlord. Provided that none of the following is prohibited by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273, Tenant shall employ counsel reasonably satisfactory to Landlord, or at Landlord's option, Landlord may retain its own counsel, at the expense of Tenant, to prosecute, negotiate and defend any such claim, action or cause of action. Landlord shall have the right to compromise or settle any such claim, action, or cause of action without admitting actual liability and without Tenant's consent. Tenant shall pay any indebtedness arising under said indemnity to Landlord immediately upon demand by Landlord together with interest thereon, at the Remedy Rate, from the date such indebtedness arises until paid. Tenant's duty to indemnify Landlord's Indemnitees in accordance with this Lease shall survive the termination or expiration of this Lease.

Subject to Section 11.8, Landlord shall indemnify and save Tenant and its agents, attorneys, employees, partners, members, officers, affiliates, subsidiaries, directors, unitholders and representatives (collectively, "Tenant's Indemnified Parties") harmless (except for loss or damage resulting from the negligence or willful misconduct of Tenant or any of Tenant's Indemnified Parties or contractors) from and against any and all claims, actions, demands, damages, liabilities and expenses, including reasonable attorneys' fees and litigation expenses, in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence, in or upon the Common Area. In the event any action or proceeding shall be brought against Tenant's Indemnified Parties by reason of any such claim, Landlord shall defend the same at Landlord's expense by counsel reasonably approved by Tenant.

## **ARTICLE XX**

### **DEFAULTS AND REMEDIES**

#### **20.1 Events of Default.**

The occurrence of any of the following events shall constitute an "Event of Default" and a material breach of this Lease on the part of Tenant:

**A. Vacation, Abandonment or Failure to Continuously Operate.** Tenant's vacation or abandonment of the Premises or failure to continuously operate Tenant's business in the Premises as required by this Lease.

**B. Failure to Make Payment.** Tenant's failure to pay any rent or other sums due hereunder on the date when such payment is due, where such failure continues for five (5) days after such payment is due, or Tenant's failure on three (3) occasions during any twelve (12) month period to timely pay rent on or before the due date as provided for herein (even though subsequently cured).

**C. Intentionally Omitted.**

**D. Failure in Environmental Compliance.** Tenant's breach of, or Tenant's failure to perform any covenant contained in Sections 13.5 or 13.6 hereof, where such breach or failure continues for thirty (30) days (or such additional time as is reasonably necessary to correct any such failure, provided that Tenant has commenced to cure within the initial thirty (30) days, unless prevented from commencing by Force Majeure, and continues with due diligence to completion of the cure) after service of written notice to Tenant to cure any such breach or failure, or the inaccuracy, incompleteness or untruth of any of Tenant's representations and warranties contained in Sections 13.5 or 13.6 hereof.

**E. Failure to Perform Other Covenants.** Tenant's breach or failure to perform any of Tenant's other covenants, agreements or obligations hereunder, where such breach or failure continues for thirty (30) days (or such additional time as is reasonably necessary to correct any such failure, provided that Tenant has commenced to cure within the initial thirty (30) days, unless prevented from commencing by Force Majeure, and continues with due diligence to completion of the cure) after service of written notice to Tenant to cure any such breach or failure except if a different notice or cure period or no notice or cure period is specified in another provision of this Lease, including but limited to the events of default specified in Subsections 20.1(A), 20.1(B), 20.1(D), 20.1(G) and hereof.

**F. Intentionally Omitted.**

**G. Bankruptcy Related.** The making of a general assignment for the benefit of creditors by Tenant, or the filing of a voluntary or involuntary petition by or against Tenant under the Bankruptcy Reform Act, as amended or recodified from time to time, or the appointment of a receiver to take possession of all or substantially all of Tenant's assets or the Premises, or the attachment, execution or other judicial seizure of substantially all of Tenant's assets or the Premises, or Tenant's failure to generally pay Tenant's debts as such debts become due, and the bankruptcy or receivership is not terminated within sixty (60) days.

**H. Intentionally Omitted.**

## **20.2 Remedies.**

Upon the occurrence of an Event of Default by Tenant as set forth in Section 20.1 above, Landlord shall have the following rights and remedies, in addition to any and all other rights and remedies available to Landlord at law or in equity, including without limit those provided under California Civil Code Sections 1951.2 and 1951.4, as amended or recodified from time to time:

**A. Terminate Lease.** Landlord shall have the right to terminate this Lease and all rights of Tenant hereunder by giving written notice to Tenant. If the Lease is so terminated, then Landlord may recover from Tenant: (i) the worth at the time of award of any unpaid rent that had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned from the time of such termination until the time of award exceeds the amount of such rental loss Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the actual and consequential damages proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable California law. As used in Subsections (A)(i) and (ii) above, the "worth at the time of award" is computed by allowing interest at the Remedy Rate. As used in Subsection (A)(iii) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). All

amounts owing under this Subsection which are not paid when due shall bear interest at the Remedy Rate from the date owing until paid and such interest shall be compounded monthly.

**B. Reenter Premises.** To the extent permitted by law, Landlord shall also have the right, with or without terminating this Lease, to reenter the Premises and to remove all persons and Tenant's Property from the Premises and store the Tenant's Property in a public warehouse or elsewhere at the cost of and for the account of Tenant.

**C. Maintain Lease; Relet Premises.** Unless Landlord elects to terminate this Lease as provided in Subsection 20.2(A) above, Landlord may from time to time, without terminating this Lease, either recover all rent as it becomes due or relet the Premises or any part thereof for such term or terms and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable, with the right to clean and to make alterations and repairs to the Premises at Tenant's sole expense.

If Landlord elects to relet as provided herein, then rent received by Landlord from such reletting shall be applied at Landlord's option: first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any cost of such reletting (including attorneys' fees, tenant improvements, court costs and brokerage commissions); third, to the payment of the cost of any cleaning, alterations and repairs to the Premises; fourth, to the payment of rent due and unpaid hereunder; and the balance, if any, shall be applied in payment of future rent as the same may become due and payable hereunder. If the portion of such rentals received from such reletting during any month which is applied to the payment of rent under the reletting lease is less than the rent payable during that month by Tenant hereunder, then Tenant shall pay any such deficiency to Landlord immediately upon demand by Landlord. Such deficiency shall be calculated monthly and Tenant shall pay such deficiency monthly. Tenant shall also pay to Landlord, upon Landlord's demand, the costs and expenses incurred by Landlord in such reletting, including attorneys' fees, court costs, tenant improvements and brokerage commissions and in making any alterations and repairs to the Premises.

No reentry, acts of maintenance or preservation, efforts to relet, or taking possession of the Premises by Landlord or the appointment of a receiver upon initiative of the Landlord to protect the Landlord's interest under the Lease shall be construed as an election to terminate this Lease unless an express written notice of such intention is delivered to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any reletting of the Premises without termination of this Lease by Landlord, Landlord may at any time after such reletting elect to terminate this Lease, in which case, Landlord shall have all the rights and remedies provided by law or equity or this Lease upon termination.

**D. Performance by Landlord.** If Tenant breaches or fails to perform any of Tenant's obligations under this Lease and the breach or failure continues after Landlord gives Tenant written notice of the breach or failure (and after expiration of the applicable cure period), Landlord, without thereby waiving or curing such may, but shall not be obligated to, perform any such obligation for the account and at the expense of Tenant. Landlord may also so perform any such obligation without notice in case of an emergency.

### **20.3 Administrative Costs for Late or Dishonored Payments.**

In the event Tenant tenders any check to Landlord which is not honored due to insufficient funds, Tenant shall pay to Landlord a fee in the amount of \$50 per dishonored check ("Check Fee").

In the event Tenant is in monetary default under this Lease and Landlord causes a notice to be prepared regarding such monetary default, Tenant agrees that it shall pay a fee in the amount of \$125 (the "Notice Fee") for each such notice prepared by Landlord as a result of Tenant's default.

### **20.4 Interest on Past Due Obligations.**

Any and all amounts not paid to Landlord when due, including but not limited to rent, late charges, Check Fees, Notice Fees and interest shall bear interest, compounded monthly from the date due until paid at the Remedy Rate (as defined in Section 7.2). Payment of such interest shall not excuse or cure any default by Tenant under this Lease and shall not affect any rights and remedies provided to Landlord in this Lease or at law or in equity, all of which shall be cumulative.



#### **20.5 Waiver of Redemption.**

Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease or otherwise. The rights given to Landlord herein are in addition to any rights that may be given to Landlord by any statute or otherwise.

**20.6 Inducement Recapture.** Any agreement by Landlord to provide Tenant with free or abated rent or other charges applicable to the Premises, or to give or pay any cash or other bonus inducement or consideration for Tenant's entering into this Lease (including without limitation, moving allowance, tenant improvement allowance, amortization of the cost of Tenant Improvements, Landlord's work to improve the Premises, etc.), all of which concessions are individually and collectively referred to herein as "Inducements", are deemed conditioned upon Tenant's full and faithful performance of this Lease throughout the Term. Upon the occurrence of a default by Tenant continuing uncured after notice and expiration of the applicable cure period, all provisions of this Lease setting forth Inducements are automatically deemed deleted from this Lease and of no further force or effect, and those unamortized portions of any Inducements previously received by Tenant (determined by multiplying said Inducements by a fraction the numerator of which is the number of days then remaining in the Term and the denominator of which is the total number of days in the Term, excluding in each case any unexercised Extension Term, upon Landlord's election to terminate this Lease, shall be due and payable by Tenant to Landlord and recoverable by Landlord as Additional Rent hereunder.

#### **20.7 Landlord's Default.**

Landlord shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Landlord shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably necessary to correct any such failure, provided that Landlord has commenced to cure within the initial thirty (30) days, unless prevented from commencing by Force Majeure, and continues with due diligence to completion of the cure) after receipt of written notice by Landlord from Tenant properly specifying which obligations Landlord has failed to perform. If prior to giving such notice, Tenant has been notified in writing of the address of any mortgagee or lender that has furnished financing secured by a mortgage or deed of trust on the Premises or the Center ("Lender"), then, concurrently with giving notice to Landlord, Tenant must, by certified or registered mail, return receipt requested, also give a copy of such notice to said Lender. Said Lender shall have the same time period granted to Landlord to cure the default claimed, or such additional time as is reasonably necessary to correct such failure, including such additional time necessary to commence and prosecute to completion, proceedings to foreclose or otherwise exercise its rights under the deed of trust or other security instrument, necessary to gain possession or otherwise effect such cure. If Landlord's default is not cured within the specified time period by Landlord or Lender, Tenant may, at any time after expiration of such time period but prior to such cure, exercise any right or remedy available to it at law or in equity or under this Lease; provided, however, Tenant may not exercise any self-help remedy if such exercise would include work outside of Premises or interference with the use, ingress, egress and occupancy of the Center by Landlord or other tenants. If Tenant intends to exercise a permissible self-help remedy, Tenant shall first provide Landlord with an additional written notice of such intent and not less than fifteen (15) days additional cure period ("Self-Help Notice"), prior to incurring any reasonable expenses necessary to perform the defaulted obligations of Landlord specified in the Self-Help Notice. If Tenant exercises its self-help remedy and Landlord has not reimbursed Tenant within thirty (30) days after receipt of Tenant's invoice setting forth in reasonable detail the actual and reasonable costs incurred by Tenant to effect the cure, and provided Landlord is not contesting its default with Tenant, then Tenant may deduct all such costs from Fixed Minimum Rent next coming due, such deduction not to exceed a maximum of fifty percent (50%) of the Fixed Minimum Rent in any month.

Tenant expressly waives any right to recover special or consequential damages as a result of Landlord's default or any other act or omission of Landlord or any of Landlord's agents, representatives, employees, partners, members, or officers. It is expressly understood and agreed that any money judgment against Landlord resulting from any default or other claim arising under this Lease shall be satisfied only out of Landlord's ownership interest in the Center, including the rents, issues, profits, insurance proceeds, or other gross income ("income") actually received from the operation or sale of the Center. No other real, personal or mixed property of Landlord (the

term "Landlord", for purposes of this Section only, shall mean any and all partners, both general and limited, and partners of partners which comprise Landlord), wherever situated, shall be subject to levy on any such judgment obtained against Landlord. If Landlord's interest in the Center and such income is insufficient for the payment of such judgment, Tenant shall not institute any further action, suit, claim or demand, in law or in equity, against Landlord for or on the account of such deficiency. Tenant hereby waives, to the fullest extent waivable under law, any right to satisfy said money judgment against Landlord except from Landlord's interest in the Center and income received by Landlord from the Center during the Term or the applicable Extension Term hereof.

## **ARTICLE XXI**

### **SUBORDINATION AND ATTORNMENT**

#### **21.1 Subordination.**

This Lease is and shall be subordinate to any ground lease, mortgage, deed of trust and/or any other hypothecation or security document and advances and obligations thereunder now or hereafter placed upon the Land, Premises or the Center, and any renewals, modifications, consolidations, replacements, and extensions thereof (collectively "Deed of Trust"), provided Tenant's right to quiet possession under this Lease shall not be disturbed so long as Tenant is not in default, or with notice or passage of time or both would not be in default, under the terms, covenants, conditions and provisions of this Lease. Such subordination shall be effective upon notice from Landlord to Tenant without any further act of Tenant. Upon the request of Landlord, Tenant shall, from time to time, execute and deliver any documents or instruments that may be required by Landlord or the mortgagee, beneficiary, ground lessor or lender ("Landlord's Lender") under any such Deed of Trust, to effectuate any subordination, provided that any such Landlord's Lender agrees not to disturb Tenant's right to quiet possession under this Lease so long as Tenant is not in default, or with notice or passage of time or both would not be in default, under the terms, covenants, conditions and provisions of this Lease. If Tenant fails to execute and deliver any such documents or instruments within twenty (20) days after receipt of written request from Landlord, it shall be an Event of Default without further notice or cure period, unless Tenant is negotiating such documents or instruments in good faith with Landlord or Landlord's Lender. If Landlord's Lender elects to have this Lease prior to the lien of its Deed of Trust, and gives written notice to Tenant of such election, this Lease shall be deemed prior to such Deed of Trust regardless of the respective dates of execution, delivery and recordation of this Lease and any such Deed of Trust.

#### **21.2 Attornment.**

Upon the request of Landlord, Tenant shall attorn to and shall recognize the Landlord's Lender as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument that Landlord may reasonably require to evidence such attornment.

#### **21.3 Estoppel Certificate; Financial Statements.**

Upon the request of the Landlord, Tenant at any time and from time to time shall execute, acknowledge, and deliver to Landlord, no later than ten (10) business days after Landlord's request therefor, an estoppel certificate ("Estoppel Certificate") substantially in the form of Exhibit "G" attached hereto. Any such statement may be conclusively relied upon by a prospective lender, purchaser, or encumbrancer of Landlord's interest in the Premises. Failure to deliver the Estoppel Certificate within ten (10) business days of such request shall be conclusive upon Tenant that: (i) this Lease is in full force and effect; (ii) there are no uncured defaults in Landlord's or Tenant's performance; (iii) not more than one month's Fixed Minimum Rent and Additional Rent have been paid in advance; and, (iv) the Security Deposit is in an amount equal to that specified in Section 1.15 hereof. Tenant's failure to deliver the Estoppel Certificate within such ten (10) business day period shall be an Event of Default without further notice or cure period, unless Tenant is negotiating such documents or instruments in good faith with Landlord. The Estoppel Certificate will not modify the terms of this Lease but may be relied upon as accurate by parties to whom it has been addressed.

#### **21.4 Rights of Landlord's Lender and Landlord's Purchaser.**

If any Landlord's Lender or any purchaser of Landlord's interest in the Premises or the Center ("Landlord's Purchaser") reasonably requires a modification of this Lease at any time, Tenant shall request the necessary authorization of Tenant's Board of Water and Power Commissioners and

Los Angeles City Council to execute and deliver to Landlord instruments effecting the modifications that the Landlord's Lender or Landlord's Purchaser reasonably requires, provided that such modifications do not increase the rent, reduce the size of the Premises or otherwise adversely affect in any material respect any of Tenant's rights under this Lease. If Landlord's Lender or Landlord's Purchaser has given prior written notice to Tenant that it is the Landlord's Lender or Landlord's Purchaser and such notice includes the address at which notices to such Landlord's Lender or Landlord's Purchaser are to be sent, then Tenant shall give Landlord's Lender or Landlord's Purchaser, as the case may be, written notice simultaneously with any notice given to Landlord to correct any failure of Landlord to perform any of Landlord's obligations. Tenant understands that Landlord's Lender and Landlord's Purchaser may have the right after receipt of said written notice to correct or remedy such failure pursuant to the terms and conditions of this Lease.

#### **21.5 Limitation of Liability.**

The future covenants and obligations of Landlord under this Lease shall not be binding upon any person at any time after the transfer of that person's interest, as landlord, in the Premises. In the event of such a transfer, the future covenants and agreements of Landlord shall thereafter be binding upon the transferee of Landlord's interest.

### **ARTICLE XXII FORCE MAJEURE**

If either party hereto shall be delayed in or prevented from the performance of any act required hereunder (other than payment of Rent) by reason of acts of God, acts of terrorism, Severe Weather (as defined below), labor troubles, inability to procure materials, governmental laws or regulations, declaration of local, state or national emergency, war, epidemic or pandemic, or other causes without fault and beyond the control of the party obligated (financial inability excepted) (the foregoing, collectively, "Force Majeure"), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section shall delay the Term Commencement Date or excuse Tenant from the prompt payment of any rent or other charge required of Tenant hereunder, except as may be expressly provided elsewhere in this Lease. "Severe Weather" means weather that a reasonable person would find unusual and unanticipated at the time of the scheduling of the activity based on recent weather patterns for the period in question in the vicinity of the Premises, provided that the delayed party delivers to the other party, upon request, reasonable documentation from an unbiased weather authority substantiating such claim. Both parties shall use reasonable efforts to mitigate the effect of a Force Majeure event.

### **ARTICLE XXIII ASSIGNMENT AND SUBLETTING**

#### **23.1 Landlord's Consent.**

Tenant shall not voluntarily, involuntarily or by operation of law assign, transfer, mortgage, sublet, hypothecate or otherwise transfer or encumber (collectively "Transfer") all or any part of Tenant's interest in this Lease or in the Premises, without first obtaining Landlord's express written consent, not to be unreasonably withheld or delayed. No consent to any Transfer shall constitute a waiver of the provisions of this Section. If Tenant is a partnership or limited liability company, a withdrawal or change, voluntary, involuntary, or by operation of law, of any partner or member, or the dissolution of the partnership or limited liability company, shall be deemed a Transfer requiring Landlord's consent. If Tenant consists of more than one person or entity, a purported assignment, voluntary, involuntary, or by operation of law, from one person to the other shall be deemed a Transfer requiring Landlord's consent. If Tenant is a corporation, any dissolution, merger, consolidation, or other reorganization of Tenant, or the sale or other transfer of twenty-five percent (25%) or more of the capital stock of Tenant or the value of the assets of Tenant, shall be deemed a Transfer requiring Landlord's consent. Landlord and Tenant agree (by way of example and without limitation) that it shall be reasonable for Landlord to withhold its consent to a Transfer if any of the following situations exist or may exist: (i) the proposed Transferee's (as defined below) use of the Premises conflicts with or is different from the "Use of Premises" as set forth in Section 1.12 or the "Trade Name" as set forth in Section 1.4; (ii) the proposed Transferee or its business is subject to compliance with additional requirements of law beyond those requirements which are applicable to Tenant; (iii) in Landlord's reasonable business judgment, the

proposed Transferee lacks sufficient business reputation or experience to operate a successful business of the type and quality permitted under this Lease; (iv) Tenant is in default under this Lease; (v) in Landlord's reasonable business judgment, the present net worth of the proposed Transferee is less than the greater of Tenant's net worth as of the date of this Lease or Tenant's net worth at the date of Tenant's request for consent; and/or (vi) the Transfer would breach any covenant of Landlord respecting radius, location, use or exclusivity in any other lease, financing agreement or other agreement relating to the Center.

Any attempted or purported Transfer without Landlord's prior written consent shall be void and of no force or effect, and shall not confer any estate or benefit on anyone. A consent to one Transfer by Landlord shall not be deemed to be a consent to any subsequent Transfer to any other party.

### **23.2 Request For Transfer.**

Tenant shall give Landlord at least sixty (60) days' prior written notice of any requested Transfer and of the proposed terms of such Transfer ("Transfer Notice"), including but not limited to: (i) the name and legal composition of the proposed assignee, sublessee, encumbrancer or transferee ("Transferee"); (ii) a current financial statement of the proposed Transferee prepared in accordance with generally accepted accounting principles consistently applied; (iii) the portion of the Premises Tenant proposes to Transfer (including square footage and location); and, (iv) the nature of the proposed Transferee's business to be carried on in the Premises. The foregoing terms shall be in sufficient detail to enable Landlord to evaluate the proposed Transfer and the prospective Transferee. Within thirty (30) days after receipt of the Transfer Notice, Landlord shall either approve or disapprove of such Transfer; provided, however, that Landlord shall be deemed to have disapproved the Transfer Notice if Landlord has not sent Tenant written notice of Landlord's approval within such thirty (30) day period. Tenant shall immediately notify Landlord of any modification to the proposed terms of such Transfer. Tenant shall also provide to Landlord copies of the fully executed documents pertaining to the Transfer after the Transfer has become effective. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's review and processing fees, as well as any reasonable legal fees incurred by Landlord, within thirty (30) days after written request by Landlord.

### **23.3 Landlord's Rights.**

Upon receipt of the Transfer Notice pursuant to Section 23.2 hereof, Landlord shall have the right to: (i) withhold its consent to such Transfer, as permitted pursuant to Section 23.1 above; (ii) terminate the Lease as it relates to the Premises described in the Transfer Notice and recapture the Premises, effective automatically as of the date of dispatch of a notice of termination from Landlord to Tenant, which notice may be sent at any time within thirty (30) days following Landlord's refusal to consent to the Transfer; (iii) sublet or receive an assignment of the Premises from Tenant at the lower of the rental specified in this Lease or in Tenant's Notice; or, (iv) impose any of the following as conditions to Landlord's consent: (a) that the Fixed Minimum Rent be increased to the fair market rental as determined by Landlord; (b) that all rents paid by the Transferee to Tenant in excess of the Fixed Minimum Rent be paid to Landlord; or, (c) that either Tenant or the proposed Transferee cure, on or before the proposed effective date of such Transfer, any and all uncured defaults hereunder; provided, however, in no event shall Landlord's failure to condition its consent upon such cure be deemed to be a waiver of any such default or of Landlord's rights and remedies under this Lease or under law or in equity in regard thereto. If Landlord has elected to impose such a cure as a condition to its consent and such condition is not satisfied by the effective date of the Transfer, then the Transfer shall be voidable at Landlord's option. Landlord shall also have the right to condition Landlord's consent to any Transfer upon Tenant's and the Transferee's executing a written assumption agreement, in a form approved by Landlord. The assumption agreement shall require the Transferee to expressly assume all obligations of Tenant under this Lease and shall require Tenant and Transferee to be and remain jointly and severally liable for the performance of all conditions, covenants, and obligations under this Lease from the effective date of the Transfer of Tenant's interest in this Lease. Regardless of Landlord's consent to any Transfer, no Transfer shall release Tenant of Tenant's obligation or alter the primary liability of Tenant to pay rent and to perform all other obligations to be performed by Tenant hereunder. The acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. These rights are in addition to Landlord's right to withhold its consent to any Transfer, and may be exercised by Landlord in its sole discretion without limiting Landlord in the exercise of any other right or remedy at law or in equity which



Landlord may have by reason of such Transfer. In the event of default by any Transferee, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said Transferee. Tenant expressly agrees that the provisions of this Article XXIII are not unreasonable standards or conditions for purposes of Section 1951.4(b)(2) of the California Civil Code, as amended or recodified from time to time.

#### **23.4 Permitted Transfers.**

Notwithstanding anything to the contrary in this Lease, Tenant shall have the right, without requiring Landlord's prior consent, to sublease all or a portion of the Premises, or assign this Lease to another City of Los Angeles entity, provided that such entity and its intended use do not violate the prohibited uses of the Center, City of Los Angeles zoning and use laws, or the exclusive use rights of another tenant at the Center. The foregoing is hereinafter referred to as a "Permitted Transferee", and an assignment or sublease to or with a Permitted Transferee is hereinafter referred to as a "Permitted Transfer". Any Permitted Transferee must, in Landlord's reasonable judgment, have the professional qualifications necessary for such proposed Transferee to successfully operate the business at the Premises and otherwise comply with all material obligations, covenants and conditions of this Lease. Tenant's right to enter into a Permitted Transfer shall be subject to the following conditions:

- (a) Tenant shall provide Landlord with a fully-executed copy of the applicable sublease or assignment upon the closing of such transaction;
- (b) Tenant's Permitted Transferee shall (in the case of an assignment of this Lease) assume in writing for benefit of Landlord, in a form and substance reasonably acceptable to Landlord, all obligations imposed under this Lease upon Tenant, and any sublease to a Permitted Transferee shall be subordinate and subject to the terms, covenants and conditions of this Lease;
- (c) All past due sums owing under this Lease shall be paid to Landlord concurrent with the closing of any Permitted Transfer; and
- (d) Tenant shall promptly provide Landlord with such business and financial information on the Permitted Transferee as Landlord may reasonably request.

#### **ARTICLE XXIV NOTICES**

All notices, information, requests or replies ("Notice") required or permitted to be given hereunder shall be given in writing and shall be given or served either personally or by depositing the same by United States registered or certified mail postage prepaid, addressed to the addresses of Tenant and Landlord specified as "Addresses for Notices and Reports" in Sections 1.18 and 1.19, or at such other place as either Landlord or Tenant may, from time to time designate in a written notice by registered or certified mail given to the other. Notice shall be deemed sufficiently served upon the earlier of receipt or five (5) days after the date of the mailing thereof.

#### **ARTICLE XXV AUTHORITY**

If Tenant is a corporation, trust, general or limited partnership or limited liability company, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity. If Tenant is a corporation, trust, partnership, or limited liability company, Tenant shall, simultaneously with execution of this Lease, deliver to Landlord written evidence of such authority satisfactory to Landlord.

#### **ARTICLE XXVI QUIET ENJOYMENT**

Tenant, upon keeping, observing and performing all of the covenants and agreements of this Lease on its part to be kept, observed, and performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease.

**ARTICLE XXVII**  
**MOVIE RIGHTS RESERVED**

Landlord reserves exclusive rights to negotiate, license and lease the Center for the purposes of television programs, motion pictures, video programs, commercials and all other types of film or video documentaries or productions. All royalties, fees and compensations received from such licenses and leases shall belong exclusively to the Landlord and in no event will Tenant be entitled to any compensation for any such production.

**ARTICLE XXVIII**  
**ATTORNEYS' FEES**

Should either party commence an action or arbitration against the other to enforce any obligation hereunder, the prevailing party shall be entitled to recover the costs thereof and attorneys' fees actually incurred by such prevailing party (including the fees and charges of legal assistants or other non-attorney personnel performing services under the supervision of an attorney). Landlord and Tenant covenant and agree that Landlord and Tenant intend by this Article to compensate for attorneys' fees actually incurred by the prevailing party at such attorney's then normal hourly rates and that this Article shall constitute an instruction to the court that such rate or rates shall be deemed reasonable. Notwithstanding the foregoing, to the extent that the prevailing party utilizes in-house legal counsel or other staff professionals (including legal assistants or other non-attorney personnel performing services under the supervision of an attorney), the fees and charges for such personnel shall be deemed to be no less than that for comparable "private sector" services, but not more than amounts paid by Landlord to its outside counsel for similar litigation.

**ARTICLE XXIX**  
**WAIVER**

No waiver of any default or breach of any covenant by either party hereunder shall be implied from any omission by either party to take action on account of such default if such default persists or is repeated. Landlord's acceptance of any payment which is less than that required to be paid by Tenant shall be deemed to have been received only on account of the obligation for which it is paid and shall not be deemed an accord and satisfaction, notwithstanding any provisions to the contrary asserted by Tenant, written on any check or contained in any transmittal letter. 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 or covenant hereof, 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. An express waiver must be in writing and signed by a person with the power to contractually bind Tenant or Landlord. An express waiver shall affect only the default specified in the waiver, and only for the time and to the extent expressly stated. Waivers by either party of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

**ARTICLE XXX**  
**LIMITATION OF CLAIMS**

Any claim, demand, right or defense of any kind by Landlord or Tenant, which is based upon, arising in connection with or in any way related to this Lease or the negotiations prior to its execution, shall be barred unless such party commences an action thereon, or interposes in a legal proceeding a defense by reason thereof, within two (2) years after the date of the inaction or omission or the date of the occurrence of the event or of the action to which the claim, demand, right or defense relates, whichever applies.

**ARTICLE XXXI**  
**PREVAILING WAGES**

Landlord understands that the improvements, repairs, or any other work requested specifically by and for Tenant and done by or caused to be performed by the Landlord in connection with the Tenant Improvements, 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," that all workers employed on the Tenant Improvements shall be paid not less than the general prevailing rate of wages for work of a similar nature in the Los Angeles area. Tenant

agrees that prior to exercising any of its remedies regarding any alleged violation or breach of any requirement pursuant to Section 1720.2 et. seq. of the California Labor Code, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord the notice and cure rights set forth in Section 20.7 of this Lease.

## **ARTICLE XXXII**

### **CITY ORDINANCE MANDATED PROVISIONS**

32.1 **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 subcontractors providing services to the City of Los Angeles or Tenant hereunder) shall: (a) comply with all State and Federal employment reporting requirements for Landlord's or its subcontractor's employees applicable to Child Support Assignment Orders; (b) if required, upon written request, certify that Landlord and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (c) 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 (d) maintain such compliance throughout the Term and the applicable Extension Term. 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 it to termination where such failure continues for more than ninety (90) days after notice of such failure to Landlord by Tenant (in lieu of any time for cure provided in this Lease).

32.2 **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 defined 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. 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. Tenant agrees that prior to exercising any of its remedies regarding any alleged violation or breach of the SCWRO, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord the notice and cure rights set forth in Section 20.7 of this Lease.

32.3 **Living Wage Ordinance.** The Department of General Services has made an initial determination that this Lease is not covered by Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code) as this Lease is a "lease where the City of Los Angeles is the tenant". Determinations as to whether this Lease is covered by LWO are not final, but subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. Tenant shall notify Landlord in writing about any redetermination by the City of Los Angeles of coverage or exemption status. Notwithstanding any other provision herein to the contrary, in the event it is determined that this Lease is covered by LWO, Landlord shall be allowed to pass-through as Additional Rent any actual and necessary differential increase in costs related to wages and salaries paid as the result of compliance with LWO. In addition, if this Lease is covered by LWO, violation of this law shall constitute a material breach of this Lease and Tenant shall be entitled to terminate it and otherwise pursue legal remedies available. Tenant agrees that prior to exercising any of its remedies regarding any alleged violation or breach of the LWO, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord the notice and cure rights set forth in Section 20.7 of this Lease.

#### **32.4 Non-Discrimination in Employment.**

32.4.1 **General Provision.** Landlord agrees and obligates itself in performing its obligations to Tenant under this Lease not to discriminate against any employee or applicant for employment because of his/her race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition.

32.4.2 **Equal Employment Practices.** This Lease is a contract with or on behalf of the City for which the consideration is \$1,000.00 or more. Accordingly, in connection with Landlord's performance of its obligations to Tenant under this Lease, to the extent applicable, Landlord will comply with Section 10.8.3 of 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 said Code, Landlord's failure to comply with the Equal Employment Practices provisions of this Lease may be deemed a material breach of the 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 terminated. Notwithstanding the foregoing, Tenant agrees that prior to exercising any remedies regarding an alleged violation or breach of the Equal Employment Practices, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord notice and the cure rights set forth in Section 20.7 of this Lease.

32.4.3 **Affirmative Action Program.** This Lease is a non-construction contract with or on behalf of the City for which the consideration is \$100,000.00 or more. Accordingly, in connection with Landlord's performance of its obligations to Tenant with regard to the Premises and/or services paid for by Tenant under this Lease, to the extent applicable, Landlord will comply with Section 10.8.4 of 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 said Code, the failure of Landlord to comply with the Affirmative Action Program provisions of this Lease may be deemed 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, the Lease may be terminated. Notwithstanding the foregoing, Tenant agrees that prior to exercising any remedies regarding an alleged violation or breach of the Affirmative Action Program, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord notice and the cure rights set forth in Section 20.7 of this Lease.

32.4.4 **Equal Benefits Provisions.** In connection with Landlord's performance of its obligations to Tenant with regard to the Premises and/or services paid for by Tenant under this Lease, this Lease is also subject to Section 10.8.2.1, Article 1, Chapter 1, Division 10 of 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 said Code, Landlord's failure to comply with the Equal Benefits Provisions of this Lease may be deemed to be a material breach of the 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 terminated. Notwithstanding the foregoing, Tenant agrees that prior to exercising any remedies regarding an alleged violation or breach of the Equal Benefits Provisions, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord notice and the cure rights set forth in Section 20.7 of this Lease.

32.5 **Contractor Responsibility Ordinance.** Any improvements made to or work performed pursuant to this Lease are 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. To the extent applicable, Landlord shall comply with all of the provisions of the CRO and shall ensure that its subcontractors



meet the criteria for responsibility set forth in the CRO and any rules and regulations promulgated thereto. To the extent applicable, Landlord will not use any subcontractor that has been determined or found to be a non-responsible contractor by Tenant. Failure to comply with the provisions of the CRO shall constitute a material breach of this Lease and Tenant shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available, including those set forth in the CRO. Notwithstanding the foregoing, Tenant agrees that prior to exercising any remedies regarding an alleged violation or breach of the CRO, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord notice and the cure rights set forth in Section 20.7 of this Lease.

**32.6 Slavery Disclosure Ordinance.** This Lease is subject to applicable provisions of the Slavery Disclosure Ordinance. ("SDO") (Section 10.41, et seq., of Los Angeles Administrative Code). Unless otherwise exempt in accordance with the SDO, Landlord will certify that it has complied with the applicable provisions of the SDO. Under the provisions of Section 10.41.2(b) of said Code, Tenant has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available to Tenant if it determines that Landlord failed to fully and accurately complete the SDO affidavit or otherwise violated any provision of the SDO. 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. Notwithstanding the foregoing, Tenant agrees that prior to exercising any remedies regarding an alleged violation or breach of the SDO, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord notice and the cure rights set forth in Section 20.7 of this Lease.

**32.7 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 applicable contract for work 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 Shopping Center Lease between Southeast Partnership, as landlord, and City of Los Angeles, as tenant. 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."

To the extent applicable, Landlord, subcontractors, and their principals shall comply with these requirements and limitations. Violation of this provision shall entitle Tenant to terminate this Lease and pursue any and all legal remedies that may be available. 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. Notwithstanding the foregoing, Tenant agrees that prior to exercising any remedies regarding an alleged violation or breach of Charter Section 470(c)(12) and related ordinances, including but not limited to any right to termination, under this Lease, Tenant shall provide Landlord notice and the cure rights set forth in Section 20.7 of this Lease.

**32.8 Tax Registration Certificates and Tax Payments.** This Section is applicable where Landlord 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 Tenant proof satisfactory to the Real Estate Department that Landlord has the required TRC and that Landlord is not then currently delinquent in any tax payment required under the Tax Ordinances. Tenant may terminate this Lease if Tenant determines that Landlord failed to have the required TRC 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 have the right to terminate this Lease if Landlord fails to maintain required TRC or becomes delinquent in tax payments required under the Tax Ordinances and Landlord fails to cure such deficiencies within thirty (30) day after receipt of written notice of such failure.

For additional information regarding applicability of the City Business Tax Registration, contact the Office of Finance at (844) 663-4411.

### **ARTICLE XXXIII** **INTERPRETATION AND APPLICATION**

#### **33.1 Submission of Lease.**

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

#### **33.2 Governing Law.**

This Lease shall be construed in accordance with and governed by the statutes, decisions, and other laws of the State of California. Tenant hereby consents to the personal jurisdiction and venue of any State or federal court located in Los Angeles County and the service of process by any means authorized by any such State or federal court.

#### **33.3 Complete Agreement.**

This Lease contains all terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect.

#### **33.4 Amendment.**

This Lease may not be amended, altered or modified in any way except in writing signed by the parties hereto.

#### **33.5 No Partnership.**

It is agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be responsible in any way for the debts or obligations of Tenant or any other party.

#### **33.6 No Merger.**

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work as a merger, but shall, at the option of Landlord, either terminate all or any existing subleases or subtenancies, or operate as an assignment to Landlord of any or all such subleases or subtenancies.

#### **33.7 Severability.**

If any provision of this Lease or application thereof to any person or circumstances shall to any extent be invalid, the remainder of this Lease (including the application of such provision to

persons or circumstances other than those to which it is held invalid) shall not be affected thereby, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

**33.8 Captions.**

The captions of the Articles and Sections hereof are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

**33.9 Words.**

The words "Landlord" and "Tenant", as used herein, shall include the plural as well as the singular. Words used in the neuter gender include the masculine and feminine. If Tenant is comprised of more than one individual or entity, the obligations imposed upon Tenant hereunder shall be joint and several to all parties signing this Lease as Tenant.

**33.10 Exhibits.**

Exhibits A, B, C, , E, E-1 F, G and H and all other exhibits, if any, and any schedules or riders attached to this Lease are incorporated herein by this reference and made a part hereof, and any reference in the body of the Lease or in the exhibits, schedules, or riders to the "Lease" shall mean the Lease together with all exhibits, schedules and riders.

**ARTICLE XXXIV**  
**MISCELLANEOUS**

**34.1 Time.**

Time is of the essence hereof.

**34.2 Successors.**

Subject to the restrictions on Transfer contained in Article XXIII hereof, all the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

**34.3 Recordation.**

Tenant shall not record this Lease or any memorandum hereof and any such recordation in the absence of such consent, at the option of Landlord, constitutes a non-curable default of Tenant under this Lease. Landlord has the right in its absolute discretion to record this Lease or a memorandum hereof, and, upon Landlord's request, Tenant shall execute and have acknowledged the same for recordation, and shall pay all required documentary transfer taxes in connection therewith.

**34.4 No Recourse.**

The obligations of the Landlord under this Lease shall be without recourse to the assets of any partner, officer, shareholder, director, unitholder, member or employee of Landlord or any partner of any partner of Landlord. The sole recourse of Tenant for any obligation of the Landlord under this Lease shall be limited to Landlord's interest in the Center and income and profits from the Center during the Term or the applicable Extension Term hereof.

**34.5 Broker.**

Except for the broker specified in Section 1.17 of this Lease, if any, Landlord and Tenant represent and warrant to each other that it has not retained the services of any other broker or real estate licensee and owes no other person or entity any finder's or broker's fee, commission or payment of any kind whatsoever. Landlord and Tenant shall defend, indemnify and hold the other harmless from and against any and all claims, demands, costs, expenses or liabilities related to or connected with any broker's or finder's fee, commission or payment of any kind asserted by any person or entity, except for the broker specified in Section 1.17 of this Lease.

#### **34.6 Traffic Impact.**

Tenant acknowledges that traffic control and flow is a major concern of the governmental authorities with jurisdiction over the Center and Premises, including without limitation the County of Los Angeles, City of Los Angeles, and the regional air quality management district, and of Landlord and of each tenant in the Center and surrounding properties and improvement. Tenant shall cooperate with Landlord in reasonable efforts that may be undertaken by Landlord independently or in cooperation with any such governmental authority or other property owners to alleviate, mitigate or otherwise reduce the traffic impact of the Center and Premises on the local area streets, highways and air quality.

#### **34.7 Trade Names and Trademarks.**

Tenant shall not make any use, commercial or otherwise (except to the extent necessary to identify the Premises), of the names or marks MARTIN LUTHER KING, JR. SHOPPING CENTER and/or any other similar names or marks without the prior written consent of Landlord, nor shall Tenant otherwise engage in conduct inconsistent with Landlord's sole and exclusive rights to its trade names and trademarks, including but not limited to the foregoing marks.

#### **34.8 Net Lease.**

It is intended that this Lease is a net lease to Landlord, and that except as otherwise expressly provided in this Lease, Landlord is not responsible during the Term for any costs, charges, expenses or outlays arising from or relating to the Premises, the contents, use or occupancy thereof, or the business carried on at the Premises.

#### **34.9 No Discrimination.**

The Tenant herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this Lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall Tenant itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased.

#### **34.10 Employee Recruitment.**

Tenant acknowledges that the Center was developed as a part of a redevelopment plan for the Watts Redevelopment Project Area.

It is Landlord's desire to maximize employment opportunities created by the Center for qualified south Los Angeles residents with an overall goal of employing qualified residents in a minimum of 45% of the jobs created at the Center. In furtherance thereof, Tenant agrees to extend reasonable outreach measures for employment opportunities to such residents and to make good faith and reasonable efforts to develop an employment plan which specifically addresses Tenant's employment needs and identifies positions that will be targeted to attain the employment goals stated above. Tenant shall reasonably implement its recruitment programs for potential employees that meet employment criteria established by Tenant. In furtherance of the aforementioned goals, Tenant agrees to provide Landlord periodically, and in any event within twenty (20) days of Landlord's written request, with a written report identifying the number of employees that have been hired by Tenant at the Center and the percentage of such employees that are residents of South Los Angeles. Tenant further agrees to cooperate with the City of Los Angeles and to provide it with such information as may be requested by the City concerning Tenant's hiring of local residents.


#### **34.11 Security.**

While Landlord does not assume any responsibility to provide any security measures, or any

liability for failure to provide such measures or for any inadequacy thereof, Landlord has the authority to institute or continue such security measures, devices, programs, restrictions and combinations thereof as Landlord in its sole discretion deems necessary or appropriate from time to time, taking into account the protection of persons and property of Landlord, Tenant and employees, agents and invitees of each of them and taking into account the business interests of the Center. The costs and expenses of instituting and maintaining such measures, devices, programs, restrictions and combinations thereof, if any, will be borne by Tenant as a part of Operating Expenses, or, if Landlord so elects, as a separate additional charge to Tenant based on Tenant's Pro Rata Share (determined in the same manner as Tenants' Pro Rata Share of Operating Expenses and/or as a direct contribution to the governmental or non-governmental entity supplying any portion of the measures, devices or programs instituted, provided that the costs of such services to tenants at the Center are allocated in a manner deemed reasonable by Landlord, taking into account, if Landlord deems applicable, the size, location and any special requirements and conditions of the Premises and Tenant's business and activities). To the degree directed by Landlord, Tenant agrees to coordinate security measures at the Premises with the measures, devices and restrictions, if any, instituted by Landlord. At Landlord's direction, Tenant agrees to take all action as Landlord may reasonably require to protect the security interests of the Center and that of the other tenants at the Center. It is understood and agreed that the potential severity of security issues and the mutual importance of dealing with such issues in an expeditious and conclusive manner justify that Landlord, in the mutual interests of the parties hereto, has unfettered discretion hereunder.

[no further text on this page; signatures on following page]

LANDLORD AND TENANT HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LANDLORD AND TENANT WITH RESPECT TO THE PREMISES.


  
LL Initials

\_\_\_\_\_  
Tenant Initials

IN WITNESS WHEREOF, the parties hereto have executed this Lease or, as the case may be, have caused their officers thereunto duly authorized to execute this Lease, in duplicate, the day and year first above written.

LANDLORD:

SOUTHEAST PARTNERSHIP,  
a California general partnership

CF By:   
Name: Alexander Haagen III  
Its: General Partner



Date \_\_\_\_\_

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

By: \_\_\_\_\_  
MARTIN L. ADAMS  
General Manager and Chief Engineer

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

\_\_\_\_\_  
SHARON B. GROVE  
Assistant General Manager  
Joint System

And: \_\_\_\_\_  
SUSAN A. RODRIGUEZ  
Secretary

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

BY AUG 13 2020  
John BeNUM  
JOHN BEANUM  
DEPUTY CITY ATTORNEY

**EXHIBIT A**

**(LAND DESCRIPTION)**

Exhibit A to Shopping Center Lease by and between **SOUTHEAST PARTNERSHIP, a California general partnership**, as Landlord, and **CITY OF LOS ANGELES, a Municipal Corporation, acting by and through its DEPARTMENT OF WATER AND POWER**, as Tenant, dated as of \_\_\_\_\_, 2020.

**Parcel A**

That portion of Lot 4, of Tract No. 40349, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 995, Pages 88 through 90, inclusive of maps, in the office of the County Recorder of said county, more particular described as follows:

Beginning at a point on the Westerly line of said Lot 4, distant Southerly thereon 125.03 feet from the Northwest corner of said Lot 4;

thence, South 88° 54' 10" East, 501.78 feet to the Easterly line of said Lot 4;

thence, South 0° 14' 49" East, 50.27 feet;

thence, North 89° 53' 40" West, 107.82 feet;

thence, North 0° 06' 20" East, 24.67 feet;

thence, North 89° 53' 40" West, 40.40 feet;

thence, South 0° 06' 20" West, 24.67 feet;

thence, North 89° 53' 40" West, 71.00 feet;

thence, South 0° 06' 20" West, 55.00 feet;

thence, North 89° 53' 40" West, 39.60 feet;

thence, North 0° 06' 20" East, 50.00 feet;

thence, North 89° 53' 40" West, 143.40 feet;

thence, South 0° 06' 20" West, 9.83 feet;

thence, North 89° 53' 40" West, 70.00 feet;

thence, South 0° 06' 20" West, 140.00 feet;

thence, North 89° 53' 40" West, 29.80 feet to the Westerly line of said Lot 4;

thence, North 0° 06' 20" East, 213.79 feet to the point of beginning.

**Parcel B**

That portion of Lot 4, of Tract No. 40349, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 995, Pages 88 through 90 inclusive of maps, in the office of the County Recorder of said county, more particularly described as follows:

Beginning at a point on the Northerly line of said Lot 4, distant Southerly thereon

338.82 feet from the Northwest corner of said Lot 4;

thence, South 89° 53' 40" East, 29.80 feet;

thence, North 0° 06' 20" East, 140.00 feet;

thence, South 89° 53' 40" East, 70.00 feet;

thence, North 0° 06' 20" East, - 9.83 feet;

thence, South 89° 53' 40" East, 143.40 feet;

thence, South 0° 06' 20" West, 50.00 feet;

thence, South 89° 53' 40" East, 39.60 feet;

thence, North 0° 06' 20" East, 55.00 feet;

thence, South 89° 53' 40" East, 71.00 feet;

thence, North 0° 06' 20" East, 24.67 feet;

thence, South 89° 53' 40" East, 40.40 feet;

thence, South 0° 06' 20" West, 24.67 feet;

thence, South 89° 53' 40" East, 107.82 feet to the Easterly line of said Lot 4;

thence, South 0° 14' 49" East, 170.40 feet;

thence, North 89° 53' 40" West, 51.27 feet;

thence, South 0° 06' 20" West, 17.00 feet;

thence, North 89° 53' 40" West, 128.00 feet;

thence, North 0° 06' 20" East, 17.00 feet;

thence, North 89° 53' 40" West, 41.00 feet;

thence, North 0° 05' 20" East, 5.00 feet;

thence, North 89° 53' 40" West, 44.33 feet;

thence, South 0° 06' 20" West, 17.00 feet;

thence, North 89° 53' 40" West, 110.67 feet;

thence, North 0° 06' 20" East, 17.00 feet;  
thence, North 89° 53' 40" West, 66.67 feet;  
thence, South 0° 06' 20" West, 192.92 feet;  
thence, North 88° 50' 42" West, 61.09 feet to the Westerly line of said Lot 4;  
thence, North 0° 06' 20" East, 192.37 feet to the point of beginning.

**Parcel C**

That portion of Lot 4, of Tract No. 40349, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 995, Pages 88 through 9( inclusive of maps, in the office of the County Recorder of said county, more particularly, described as follows:

Beginning at the Southwest corner of said Lot 4;  
thence, along the Westerly line of said Lot 4, North 0° 06' 19" East, 134.38 feet;  
thence, South 88° 52' 18" East, 25.00 feet;  
thence, North 0° 06' 18" East, 150.02 feet;  
thence, North 88° 50' 42" West, 13.91 feet;  
thence, North 0° 06' 20" East, 182.92 feet;  
thence, South 89° 53' 40" East, 66.67 feet;  
thence, South 0° 06' 20" West, 17.00 feet;  
thence, South 89° 53' 40" East, 110.67 feet;  
thence, North 0° 06' 20" East, 17.00 feet;  
thence, South 89° 53' 40" East, 44.38 feet;  
thence, South 0° 06' 20" West, 5.00 feet;  
thence, South 89° 53' 40" East, 41.00 feet;  
thence, South 0° 06' 20" West, 17.00 feet;  
thence, South 89° 53' 40" East, 128.00 feet;  
thence, North 0° 06' 20" East, 17.00 feet;  
thence, South 89° 53' 40" East, 51.27 feet to the Easterly line of said Lot 4;  
thence, South 0° 14' 49" East, 339.59 feet to the beginning of a curve, concave Western and having a radius 01'968.00 feet;  
thence, Southerly along said curve through a central angle of 3° 21' 04" and an arc distance of 56.62 feet;  
thence, South 3° 06' 15" West, 38.95 feet to the beginning of a curve, concave Southeasterly and having a radius of 20.00 feet;  
thence, Southwesterly along said curve through a central angle of 94° 07' 33" and an arc distance of 32.86 feet;  
thence, South 88° 58' 42" West, 4.19 feet;  
thence, North 0° 06' 20" East, 120.00 feet;  
thence, North 89° 53' 40" West, 60.00 feet;  
thence, South 0° 06' 20" West, 121.18 feet to the Southerly line of said Lot 4;  
thence, South 88° 58' 42" West, 163.53 feet;  
thence, North 0° 06' 20" East, 118.38 feet;  
thence, South 89° 53' 40" East, 80.00 feet;  
thence, North. 0° 06' 20" East, 121.86 feet;  
thence, North 89° 53' 40" West, 100.00 feet;  
thence, South 0° 06' 20" West, 240.63 feet to the Southerly line of said Lot 4;  
thence, South 88° 58' 42" West, 54.01 feet;  
thence, North 0° 06' 20" East, 120.00 feet;  
thence, North 89° 53' 40" West, 60.00 feet;  
thence, South 0° 06' 20" West, 121.18 feet to the Southerly line of said Lot 4;  
thence, South 88° 58' 42" West, 7.59 feet to the beginning of a curve, concave Northerly and having a radius of 1057.00 feet;  
thence, Westerly along said curve through a central angle of 3° 20' 05" and an arc distance of 61.52 feet to the point of beginning.

**Parcel D**

That portion of Lot 4, of Tract No. 40349, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 995, Pages 88 through 90, inclusive of maps, in the office of the County Recorder of said county, more particular) described as follows:

Beginning at a point on the Southerly line of said Lot 4, distant Westerly thereon 227.74 feet from the most Southeasterly corner of said Lot 4;  
thence, continuing along said Southerly line, South 88° 58' 42" West, 20.00 feet;

thence, North 0° 06' 20" East, 240.63 feet;  
thence, South 89° 53' 40" East, 100.00 feet;  
thence, South 0° 06' 20", West, 121.86 feet;  
thence, North 89° 53' 40" West, 80.00 feet;  
thence, South 0° 06' 20" West, 118.38 feet to the point of beginning.

**Parcel E**

That portion of Lot 4, of Tract No. 40349, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 995, Pages 88 through 90, inclusive of maps, in the office of the County Recorder of said county, more particularly, described as follows:  
Beginning at a point on the Southerly line of said Lot 4, distant Westerly thereon 4.19 feet from the most Southeasterly corner of said Lot 4;  
thence, continuing along said Southerly line, South 88° 58' 42" West, 60.01 feet;  
thence, North 0° 06' 20" East, 121.18 feet;  
thence, South 89° 53' 40" East, 60.00 feet;  
thence, South 0° 06' 20" West, 120.00 feet to the point of beginning.

**Parcel F**

That portion of Lot 4, of Tract No. 10349, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 995, Pages 88 through 90, inclusive of maps, in the office of the County Recorder of said county, more particularly: described as follows:  
Beginning at a point on the Southerly line of said Lot 4, distant Westerly thereon 301.75 feet from the most Southeasterly corner of said Lot 4;  
thence, continuing along said Southerly line, South 88° 58' 42" West, 60.01 feet;  
thence, North 0° 06' 20" East, 121.18 feet;  
thence, South 89° 53' 40" East, 60.00 feet;  
thence, South 0° 05' 20" West, 120.00 feet to the point of beginning.

**Parcel G**

That portion of Lot 4, of Tract No. 40349, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 995, Pages 88 through 90, inclusive of maps, in the office of the County Recorder of said county, more particular described as follows:  
Beginning at the Northwest corner of said Lot 4;  
thence, along the Northerly line of said Lot 4, South 88°.54' 10" East, 30.00 feet;  
thence, South 0° 06' 20" West, 125.03 feet;  
thence, South 88°54' 10" West, 30.00 feet to the Westerly line of said Lot 4;  
thence, North 0° 06' 20" East, 125.03 feet to the point of. beginning.

**EXHIBIT B**

**(SITE PLAN)**

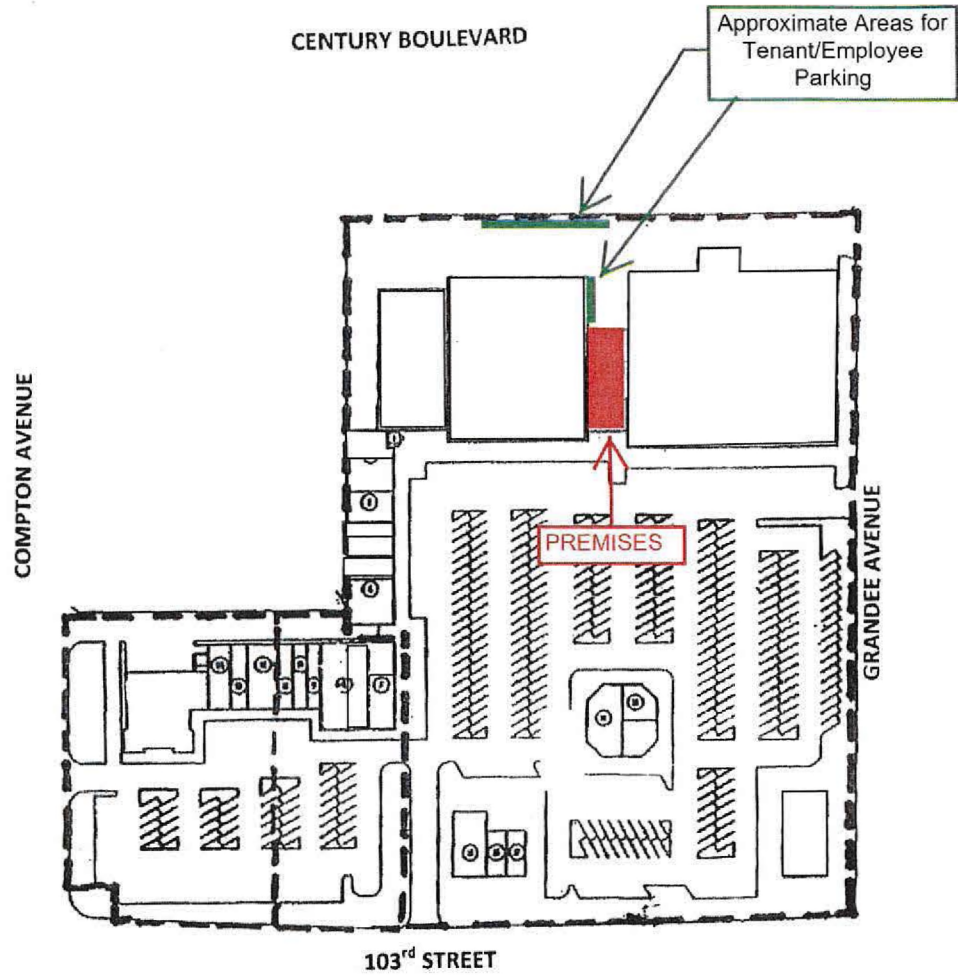
Exhibit B to Shopping Center Lease by and between **SOUTHEAST PARTNERSHIP, a California general partnership**, as Landlord, and **CITY OF LOS ANGELES, a Municipal Corporation, acting by and through its DEPARTMENT OF WATER AND POWER**, as Tenant, dated as of \_\_\_\_\_, 2020.

**SITE PLAN OF BUILDING MARKED TO SHOW THE PREMISES**

NOTE: THE SITE PLAN SET FORTH HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE A WARRANTY, REPRESENTATION OR AGREEMENT ON THE PART OF LANDLORD THAT THE TENANT MIX OR LAYOUT OF THE CENTER IS OR WILL REMAIN AS INDICATED HEREON.



## EXHIBIT B - SITE PLAN



**E. 103RD STREET**

Martin Luther King Jr. Shopping Center  
1647 E. 103rd Street  
Los Angeles, California 90002

**EXHIBIT C**

**(MEMORANDUM OF TERM COMMENCEMENT)**

Exhibit A to Shopping Center Lease by and between **SOUTHEAST PARTNERSHIP, a California general partnership**, as Landlord, and **CITY OF LOS ANGELES, a Municipal Corporation, acting by and through its DEPARTMENT OF WATER AND POWER**, as Tenant, dated as of \_\_\_\_, 2020.

This Memorandum of Term Commencement is made as of \_\_\_\_, 202\_\_ by Southeast Partnership, a California general partnership ("Landlord"), and \_\_\_\_ ("Tenant"). Landlord and Tenant agree to and acknowledge the following matters:

1. Landlord and Tenant have entered into a lease dated as of \_\_, 201\_\_ ("Lease"), covering the Premises in the Martin Luther King, Jr. Shopping Center, in the City of Los Angeles, State of California, as more particularly described on Exhibit A attached hereto.

2. All terms defined in the Lease shall have the same meaning when used in this Memorandum of Lease.

3. The Term Commencement Date is \_\_\_\_, 20\_\_, and the Rent Commencement Date is \_\_\_\_ and the Expiration Date of the Lease is \_\_\_\_, 20\_\_.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Term Commencement Lease as of the day and year first above written.

LANDLORD:

SOUTHEAST PARTNERSHIP,  
a California general partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT D**

**LEFT BLANK INTENTIONALY**

**EXHIBIT E**

**(TENANT IMPROVEMENTS)**

Exhibit E to Shopping Center Lease by and between **SOUTHEAST PARTNERSHIP, a California general partnership**, as Landlord, and **CITY OF LOS ANGELES, a Municipal Corporation, acting by and through its DEPARTMENT OF WATER AND POWER**, as Tenant, dated as of \_\_\_\_\_, 2020.

All work described in this Exhibit E shall be provided by Landlord at Landlord's cost but to be reimbursed by Tenant, and is hereinafter referred to as "Tenant's Improvements"). The following are the general plans for the Tenant Improvements, which shall be supplemented by the Final Plans dated February 24, 2020 and Final Budget, identified and described on Exhibit "E-1".

**INTENTIONALLY OMITTED**

**EXHIBIT E-1**

**(FINAL PLANS AND FINAL BUDGET)**

**FINAL BUDGET: July 22,  
2020**

<b>Construction:</b>	<b>\$1,339,182.00</b>
<b>Architectural:</b>	<b>\$ 96,450.00</b>
<b>ADA Upgrades:</b>	<b>\$ 158,311.00</b>
<b>Camera/Entry/Security:</b>	<b>\$ 139,203.00</b>
<b>Network Equipment</b>	<b>\$ 8,280.00</b>
<b>Management Fee (10%):</b>	<b><u>\$ 174,142.00</u></b>
<b>TOTAL:</b>	<b>\$1,915,568.00</b>

**FINAL PLANS LIST**

1. LADWP Plans Customer Service Center dated 2/24/20 (11pg)
2. LADWP Finish Schedule dated 12/4/19 (1pg)
3. LADWP A-201 Bldg Section dated 11/19/05 (1pg)
4. Corporate Network Building Plans dated 2/21/20 (72pg)
5. Watts Customer Service Center-Security System Design Criteria Sheets B37 JA-1 through JA-8 (8pg)
6. Floor Plan –Voice, Phone & Fax dated 1/29/20 (1pg)
7. Fiber Optic Requirements dated 2/20/20 (2pg)
8. Qmatic Requirements dated 1/30/20 (5pg)
9. Physical Access Control and CCTV Systems (PACS) Standard Details dated 5/3/18 (13pg)



EXHIBIT F

(LANDLORD'S SIGN CRITERIA)

Exhibit F to Shopping Center Lease by and between **SOUTHEAST PARTNERSHIP, a California general partnership**, as Landlord, and **CITY OF LOS ANGELES, a Municipal Corporation**, acting by and through its **DEPARTMENT OF WATER AND POWER**, as Tenant, dated as of \_\_\_\_\_, 2020.

# EXHIBIT F

## SIGN CRITERIA:

These criteria have been established for the purpose of assuring an outstanding shopping center, and for the mutual benefit of all tenants and is subject to approval of the governing agencies. Conformance will be strictly enforced; and any installed non-conforming or unapproved signs must be brought into conformance at the expense of Tenant, or Landlord may do so at Tenant's expense.

### 1. GENERAL REQUIREMENTS:

- a. Tenant shall submit or cause to be submitted to Landlord for approval, before fabrication, at least three (3) copies of detailed scale drawings indicating the location, size, layout, design, construction and color of the proposed signs, including all lettering and/or graphics.
- b. All permits for signs and their installation shall be obtained and paid for by Tenant or its representative.
- c. All signs shall be constructed and installed at Tenant's expense in strict accordance with Landlord approved drawings.
- d. Tenant shall be responsible for the fulfillment of all requirements of these criteria, and shall submit samples of sign material to the Landlord for approval, upon Landlord's request.

### 2. GENERAL SPECIFICATIONS:

- a. No animated, flashing or audible signs will be permitted.
- b. No visible lamps or tubing will be permitted.
- c. All signs shall bear the UL label, and their installation shall comply with all applicable building and electrical codes.
- d. No visible raceways, crossovers or conduits will be permitted.
- e. All cabinets, conductors, transformers and other equipment shall be concealed. Visible fasteners will not be permitted.
- f. Electrical service to all signs shall be on Landlord's common area meter.
- g. Painted lettering will not be permitted except as specified under Paragraph 6.b hereof.

### 3. LOCATION OF SIGNS:

- a. No signs mounted upon or visible from the exterior of the building shall be permitted unless approved by Landlord.
- b. Signs shall be permitted only within the sign areas as designated by the Landlord, and as shown on the approved sign drawings.

- c. Tenant shall not be permitted more than one (1) sign without the express written consent of Landlord.

4. DESIGN REQUIREMENTS:

- a. Wording of signs will not include the product sold except as part of tenant's trade name or insignia.
- b. Sign shall conform to the following requirements:  
  
Storefront sign: Maximum letter size to be eighteen inches (18"). Maximum length of sign shall not exceed seventy percent (70%) of Tenant's storefront width. Sign shall not be located closer than thirty six inches (36") from lease line.
- c. Signs shall be composed of individual, internally illuminated, channel letters. Depth of channel letter not to exceed six inches (6").
- d. Color of sign is subject to Landlord's approval. All letters in sign shall be of a single color, no multicolor signs shall be permitted. Sign color shall not match that of an adjacent tenant sign without Landlord's express consent.

5. CONSTRUCTION REQUIREMENTS:

- a. All signs, bolts, fastenings and clips shall be of stainless steel, aluminum, brass or bronze. No ferrous metal materials of any type will be permitted.
- b. All exterior signs exposed to the weather shall be mounted at least one-half of an inch (1/2") from the building wall to permit proper dirt and water draining.
- c. All letters shall be fabricated using full-welded construction.
- d. Location of all openings for conduit and sleeves in building, shall be indicated by the sign contractor on drawings approved by Landlord.
- e. All penetrations of the building structure required for sign installation shall be neatly sealed in a watertight manner.
- f. No labels will be permitted on the exposed surface of signs except those required by local ordinance which shall be applied in an inconspicuous location.
- g. The Tenant shall repair any damage to any work caused by Tenant's sign contractor.
- h. Tenant shall be fully responsible for the operations of Tenant's sign contractor(s) in connection with Tenant's sign installation.

6. MISCELLANEOUS REQUIREMENTS:

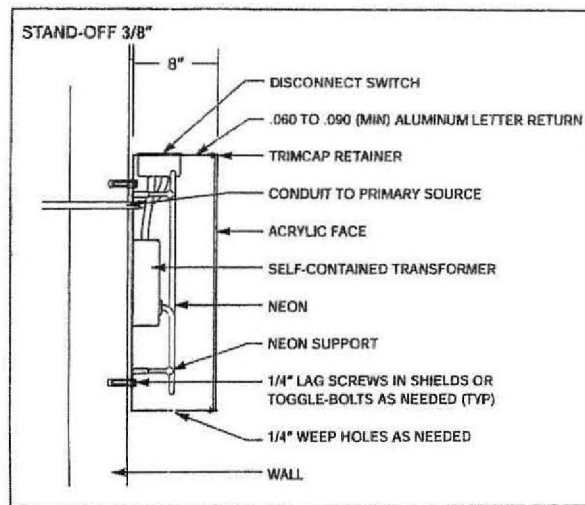
- a. Tenant will be permitted to place upon each entrance of its premises not more than one hundred forty-four (144) square inches of gold leaf or decal application lettering not to exceed two inches (2") in height, indicating hours or business, emergency telephone numbers, etc.
- b. If Tenant has a non-customer door for receiving merchandise, Tenant may have uniformly applied on said door in location, as directed by Landlord, in two-inch (2") high block letters, Tenant's name and address. In some cases more than one (1) Tenant may use the same door as directed by Landlord. Each name and address may be applied. Color of letters shall be black.
- c. Floor signs, such as inserts into terrazzo, etc., shall not be permitted within the Leased Premises unless approved by Landlord in writing.
- d. No advertising placards, banners, pennants, names, insignia, trademarks, or other descriptive material shall be affixed or maintained upon the glass panes or supports of the show windows or doors, or upon the exterior walls of the building or storefront or any location visible from the exterior of the building.

7. TEMPORARY SIGNS:

Temporary Signs constructed of materials other than those permitted above may be permitted at Landlord's sole discretion subject to the following criteria:

- a. Total area of Temporary Signs shall not exceed ten (10) square feet.
- b. All Temporary Signs shall be professionally prepared of durable materials and shall not be permitted to become wrinkled, discolored or worn.
- c. Temporary Signs shall not be displayed more than seven (7) consecutive days nor more than twenty-one (21) total days in any calendar year.
- d. No illuminated, audible, flashing or moving Temporary Signs will be permitted.

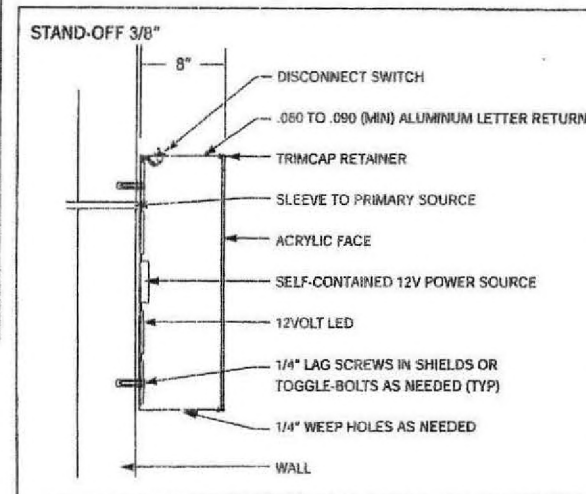
# TYPICAL SELF-CONTAINED... ILLUMINATED LETTER & LOGO SECTIONS



TYPICAL SELF CONTAINED TRANSFORMER LETTER & LOGO SECTION

TYPE: DIRECT ILLUMINATION ILLUMINATION: NEON

## SECTION EXAMPLES

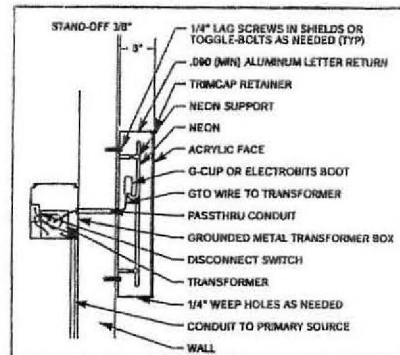


TYPICAL SELF CONTAINED 12 VOLT LETTER & LOGO SECTION

TYPE: DIRECT ILLUMINATION ILLUMINATION: LED

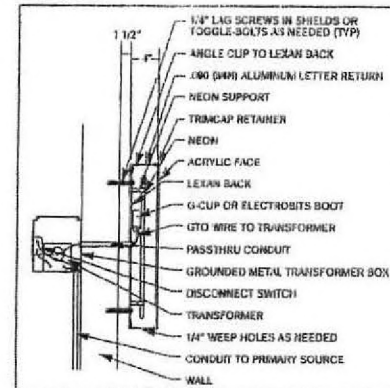


## TYPICAL REMOTE ILLUMINATED LETTER & LOGO SECTIONS



TYPICAL REMOTE TRANSFORMER LETTER & LOGO SECTION

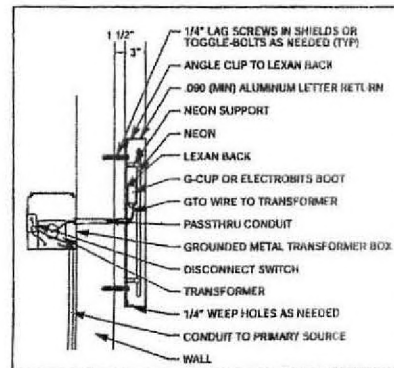
TYPE: DIRECT ILLUMINATION ILLUMINATION: NEON



TYPICAL REMOTE TRANSFORMER LETTER & LOGO SECTION

TYPE: INDIRECT (HALO) ILLUMINATION ILLUMINATION: NEON

### SECTION EXAMPLES



TYPICAL REMOTE TRANSFORMER LETTER & LOGO SECTION

TYPE: DIRECT / INDIRECT (HALO) ILLUMINATION  
ILLUMINATION: NEON

**EXHIBIT G**

**(TENANT'S ESTOPPEL CERTIFICATE)**

Exhibit G to Shopping Center Lease by and between **SOUTHEAST PARTNERSHIP, a California general partnership**, as Landlord, and **CITY OF LOS ANGELES, a Municipal Corporation, acting by and through its DEPARTMENT OF WATER AND POWER**, as Tenant, dated as of \_\_\_\_\_, 2020.

TENANT'S ESTOPPEL CERTIFICATE

TO: \_\_\_\_\_,  
or its successors and assigns ("Landlord");

\_\_\_\_\_,  
or its successors and assigns ("Buyer"); and

\_\_\_\_\_,  
or its successors and assigns ("Lender");

RE: That certain Lease dated \_\_\_\_\_, by and between \_\_\_\_\_, as "Landlord" and \_\_\_\_\_ as "Tenant" for a term of \_\_\_\_\_ (\_\_\_\_) months which commenced on \_\_\_\_\_ and will terminate on \_\_\_\_\_ (the "Lease"), for the premises commonly referred to as \_\_\_\_\_ (the "Premises") containing \_\_\_\_\_ square feet of the project commonly referred to as \_\_\_\_\_ (the "Project").

Tenant understands that [Buyer is proposing to purchase the Project from Landlord pursuant to that certain Agreement of Purchase and Sale, dated \_\_\_\_\_, as amended (the "Purchase Agreement") by and between Landlord as "Seller" and \_\_\_\_\_ as "Buyer"], [Lender is proposing to make a loan secured by Landlord's interest in the Project], and in connection therewith Tenant is delivering this Estoppel Certificate (the "Certificate"). Tenant has been advised and understands that Buyer and/or Lender will act in material reliance upon this Certificate in the [acquisition of the Project from Landlord and] [consummation of the loan to Landlord]. This Certificate shall be for the benefit of, and shall be relied upon by, Landlord, Buyer, its partners, members, successors and assigns, and any lender or group of lenders designated by Landlord or Buyer, including, without limitation, Lender and its successors and assigns.

To the best of Tenant's knowledge, Tenant hereby certifies as follows:

1. A true and complete copy of the Lease is attached hereto. There have been no amendments, modifications, extensions, renewals or replacements of the Lease, except as follows (copies of which are attached): \_\_\_\_\_. The Lease, as affected by those changes set forth in the preceding sentence, represents the entire agreement between the parties as to the Premises. Tenant has no right, title or interest with respect to the Premises other than as tenant under the Lease. All initially capitalized terms used herein shall have the same meaning as such terms have in the Lease, unless otherwise specifically defined herein.
2. The Lease commenced on \_\_\_\_\_, and the term of the Lease shall expire on \_\_\_\_\_. Tenant is entitled to the following renewal options under the Lease: \_\_\_\_\_ (\_\_\_\_) options to extend for a period of \_\_\_\_\_ months each, pursuant to the terms of Paragraph \_\_\_\_\_ of the Lease.
3. Tenant has not assigned the Lease nor sublet all or any portion of the Premises, except as follows: \_\_\_\_\_.
4. Other than those representations and warranties set forth in writing in the Lease, there have been no representations, warranties or covenants made by Landlord to Tenant, either oral or in writing.

5. The Lease is in full force and effect. Tenant has accepted the Premises, presently occupies the same, and is paying rent and other amounts due pursuant to the Lease on a current basis; Tenant has no knowledge of any events or conditions, which with the passage of time or the giving of or notice or both, would constitute a default by Landlord or entitle Tenant to set-offs, claims or defenses to the enforcement of the Lease; and there are no periods of free rental applicable to the term of the Lease.

6. All disbursements required to be made by Landlord have been made in accordance with the Lease.

7. The Tenant Improvements (as defined in the Lease) have been substantially completed.

8. Landlord obtained all necessary building permits and occupancy certificates for the construction of the Tenant Improvements in the Premises. Tenant has no further right of termination of the Lease in connection with the delay of the issuance (or non-issuance) of any permits for the construction of the Tenant Improvements.

9. With regard to Tenant's Fixed Monthly Contribution, Tenant has no knowledge of any set-off, claims, or liens with regard to any amounts due or to become due by Tenant thereunder except: \$ \_\_\_\_\_.

10. The following uncompleted tenant improvement work on the Premises is required to be performed by Tenant: \_\_\_\_\_.

11. Tenant is not in default in the performance of the Lease, has not committed any breach of the Lease that has not been fully cured, no notice of default has been given to Tenant, and Tenant is not the subject of any federal or state bankruptcy, insolvency or liquidation proceeding.

12. Landlord is not, to Tenant's knowledge, in default in the performance of the Lease; Landlord has not, to Tenant's knowledge, committed any breach of the Lease that has not been fully cured; no notice of default has been given to Landlord; and Landlord has fulfilled all representations and warranties and all finish work on the Premises required of Landlord.

13. Tenant's Base Rent, as increased pursuant to the terms of the Lease is \_\_\_\_\_ (\$\_\_\_\_\_) per month. Tenant is obligated to pay \_\_\_\_\_ (\$\_\_\_\_\_) per month as Tenant's estimated share of common area charges, real estate taxes, insurance and the like (collectively, "Operating Expenses") and will be obligated to pay Tenant's share of such Operating Expenses in accordance with Paragraphs \_\_\_\_\_ of the Lease. Tenant's last payment of Base Rent and Operating Expenses was made on or about \_\_\_\_\_.

14. The next increase in monthly Base Rent is scheduled to occur on \_\_\_\_\_ after which the monthly Base Rent under the Lease will be \$ \_\_\_\_\_.

15. No rent has been paid by Tenant in advance under the Lease except for \$ \_\_\_\_\_ applicable to the \_\_\_\_\_ months of the term.

16. A security deposit has been made with Landlord in the amount of \$ \_\_\_\_\_ which is refundable under the terms of the Lease.

17. Tenant is not entitled to any option or right of first refusal to purchase all or any part of the Premises or all or any part of the Building or other property of which the Premises is a part, except as follows: \_\_\_\_\_.

18. Tenant has no right to the continuing use of any signage on any pylon or monument sign in the Project.

19. All statements and reconciliations of Operating Expenses for prior periods have been provided by Landlord to Tenant and are accurate in all material respects and no credits or offsets are due from Landlord, except as follows: \_\_\_\_\_.

20. There has been no use, storage, release, generation or disposal of any hazardous or toxic materials or wastes (including, without limitation, asbestos) in, on, or about the Premises or the

Project, nor are there any environmental problems affecting the Premises or the Project in violation of the terms and conditions of the Lease.

21. 22. omitted.

23. omitted.

24. Tenant has not relied upon any representation (either oral or in writing) of Landlord or Buyer in executing the Lease or this Certificate, except as expressly set forth respectively in the Lease or this Certificate, if any.

25. omitted.

The person(s) signing this Certificate hereby represents and warrants that it [he] [she] [they] is [are] authorized to execute this Certificate on behalf of the undersigned.

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

Very truly yours,  
"Tenant"

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[provide evidence of signature authority]

## EXHIBIT H

### RULES AND REGULATIONS

1. Common Area. No tenant may interfere with the rights of Landlord and other tenants and their respective agents, employees, contractors, customers and invitees in the use of any part of the Common Area. No tenant may use any portion of the Common Area for the conduct of its business or the display of merchandise without Landlord's consent. Landlord reserves the right to use portions of the Common Area for purposes of displays, programs, events, sales promotions or other purposes or uses that may be of interest to the general public or in the best interests of the Center. Landlord reserves the right to temporarily close portions of the Common Area for reasonable purposes.
2. Parking. Each tenant must supply Landlord upon request with a list of the vehicles and license plate numbers of such tenant's employees and agents. No tenant or its employees may park in driveways, loading areas, parking spaces designated as reserved, or other areas prohibited by Landlord. Landlord reserves the right to remove from the Center any vehicle parked in unauthorized areas, without notice, and without liability to Tenant or its employees, or to charge Tenant a fee (not to exceed \$25 per day) for such unauthorized parking, in addition to other remedies contained in this Lease. All tenants and their employees must comply with all parking and traffic control directives or restrictions posted in the Center.
3. Deliveries. All delivery or shipping of merchandise, all loading and unloading of goods, and the parking of service or delivery trucks in the Center, must be done only at such times, in such areas and through such entrances as are designated by Landlord.
4. Combustible Materials. No tenant may use or keep in any premises or at the Center any kerosene, gasoline, paint or other inflammable or combustible fluid or material without Landlord's consent.
5. Disruptive Individuals. Landlord reserves the right to exclude or expel from the Center any person who is under the influence of drugs or alcohol, is disruptive, or whose presence in the judgment of Landlord is otherwise detrimental to the safety, character, reputation or best interests of the Center or its tenants.
6. No Solicitation. No tenant may solicit, canvas, post handbills or other advertisements, or otherwise disturb or inconvenience other tenants or customers of the Center.
7. Trash. All tenants must keep their premises and any adjacent areas and sidewalks free from trash, litter, dirt and debris. All refuse must be kept in containers approved by Landlord, and deposited in exterior receptacles designated for such purposes by Landlord for regular pickup and disposal in accordance with a schedule established by Landlord. The cost of trash removal will be included in Operating Expenses if provided by Landlord; otherwise each tenant is responsible for obtaining trash removal service at its expense. No burning of refuse of any kind is permitted.
8. Flashing Lights/Moving Signs. No blinking or flashing lights or moving signs of any kind are permitted in the Center.
9. Plumbing. All plumbing facilities may be used only for their intended purposes, and the expense of any breakage, stoppage or other damage to Center plumbing facilities resulting from a violation of this provision is chargeable to the tenant responsible.
10. Pest Extermination. Upon request of Landlord and at such intervals as Landlord reasonably requires, a tenant must engage a pest extermination contractor designated by Landlord at the tenant's cost, to prevent infestation.
11. Vending Machines. No tenant may sell merchandise from vending machine(s) or allow any coin-operated vending or gaming machine(s), including, without limitation, pay telephone(s), on or outside of its premises, without Landlord's consent.



12. Designated Employee Smoking Areas. Landlord reserves the right to designate an area or areas in the Common Area for purposes of smoking by employees of tenants, and if so designated, no employee smoking in the Common Area outside such area(s) is permitted. No smoking within 25 feet of the entrance of any tenants' premises or loitering in front of any tenant's premises for smoking purposes is permitted and all exterior areas surrounding a tenant's premises must be kept clean of cigarette butts.

13. Parades, Picketing, Demonstrations. No parades, picketing, demonstrations or other activities of a civil or political nature may occur in the Center without Landlord's consent, which may be withheld in Landlord's discretion.

Landlord reserves the right to unilaterally waive the application of these Rules and Regulations in any particular instance and to amend or supplement these Rules and Regulations from time to time. Such amendments or supplements are effective against each tenant upon Landlord's written notice.