

EIGHTH AMENDMENT TO LEASE NO. 915  
BETWEEN THE CITY OF LOS ANGELES AND  
SAN PEDRO PUBLIC MARKET, LLC  
FOR THE COMMERCIAL REDEVELOPMENT OF THE PORTS O' CALL SITE  
AT THE PORT OF LOS ANGELES

THIS EIGHTH AMENDMENT ("Eighth Amendment") to Lease No. 915 ("Lease") is made and entered by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Harbor Commissioners, ("Board") of the Harbor Department ("Harbor Department" or "City") and SAN PEDRO PUBLIC MARKET LLC, a California Limited Liability Company (referred to as "Lessee").

RECITALS

WHEREAS, City and Lessee entered into the Lease on June 17, 2016 for the commercial redevelopment of the Ports O' Call Site at the Port of Los Angeles ("Port"); and

WHEREAS, effective as of November 21, 2019, the City approved a change in the control of the Lessee; and

WHEREAS, City and Lessee entered into the First Amendment on February 14, 2020, the Second Amendment on December 30, 2020, the Third Amendment on December 9, 2021, the Fourth Amendment on June 8, 2022, the Fifth Amendment on August 24, 2022, the Sixth Amendment on December 3, 2024, and the Seventh Amendment on December 3, 2024;

NOW, THEREFORE, in consideration of the terms, covenants, and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED that the Lease be amended as follows:

**Section 1.** The Lease is hereby amended to include the following as additional "WHEREAS" clauses in the Recitals as follows:

"WHEREAS in May 2016, the Board of Harbor Commissioners approved an Addendum (the "2016 Addendum") to the 2009 EIR/EIS for the Premises; and

WHEREAS in November 2019, the Board of Harbor Commissioners approved a second Addendum to the 2009 EIR/EIS (the "2019 Addendum", together with the 2016 Addendum and the 2009 EIR/EIS, collectively, the "EIR/EIS"); and"

**Section 2.** The definition of "Leasehold Mortgage" found in Exhibit A of the Lease shall be deleted in its entirety and replaced with the following:

"Leasehold Mortgage" shall have the meaning set forth in Exhibit N and shall also include that certain Assessment Contract dated as of November 10, 2022, by and between Lessee and the California Statewide Communities Development Authority

(the "Authority"), a copy of which is attached as Exhibit N-2 hereto (the "Assessment Contract") and the Assessment Contract dated as of \_\_\_\_\_, 2025 by and between Lessee and the Authority, a copy of which is attached as Exhibit N-4 (the "Bayview Assessment Contract"). A final executed copy of the Assessment Contract and the Bayview Assessment Contract shall be attached to the Lease without further action from the Board or the Los Angeles City Council. "Leasehold Mortgage" shall also include any assessment contract affecting the leasehold interest under this Lease that is approved by the Board of Harbor Commissioners after the date hereof. Any final executed copy of the assessment contract for a future assessment on the leasehold interest under this Lease shall be attached to the Lease without further action from the Board or City Council.

**Section 3.** Article 2, Section 15.8 of the Lease is hereby deleted in its entirety and replaced with the following:

"15.8.1 Lessee's Financing During Option Period. Pursuant to Article 1, Section 2.1.1., Lessee intends to secure financing from Parkview Financial REIT, LP ("Parkview") and Petros PACE Administrator, LLC ("Petros"). City's consent to Lessee's financing agreement with Petros shall be in the form attached hereto as Exhibit N-2 of this Lease ("Petros Consent"). Lessee's request to assign this Lease or any part thereof, to Parkview to secure financing and City's consent to such request shall be in the form attached as Exhibit N-1 to this Lease ("Parkview Consent"). The Executive Director shall have the authority to approve the final Petros Consent and final Parkview Consent without any further action by the Board or City Council; *provided, however*, the final Petros Consent and Parkview Consent shall not be different than Exhibit N-2 and Exhibit N-1 and the Executive Director's authority shall not extend past November 16, 2022 beyond allowance for such ministerial changes as are consistent to complete the blanks reflected in Exhibit N-1 and Exhibit N-2. Neither the Petros Consent nor the Parkview Consent shall act as City approval of any other consent to assignment for security purposes, and Lessee shall be required to seek City consent as set forth in Section 15.8.2 herein."

15.8.2 Assignments for Security Purposes After Exercise of Option Period. Lessee's request to assign this Lease, or any part thereof, to a Leasehold Mortgagee, to secure financing of improvements on the Premises will require Board approval without further action by City Council and will be considered on a case-by-case basis which approval shall not be unreasonably withhold, conditioned, or delayed. Consent to assignments for security purposes will be evidenced by a written consent approved by the Board without further action by City Council, provided however, the consent shall be in materially the same form as set forth in Exhibit N, Exhibit N-1, Exhibit N-2, Exhibit N-3 or Exhibit N-4, as applicable, and the following conditions:

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

(b) The collateral covered by the security instrument shall cover only Lessee's leasehold interest and interest in the Lessee's Improvements on the Premises, not the interests of City Improvements. In addition, the Petros loan, the

Bayview loan (as defined below), may be secured through an assessment on the leasehold estate.

(c) Nothing in the instrument which creates the security interest in the Leasehold Mortgagee shall amend, modify, or otherwise affect the rights of City under this Lease or any guaranty.

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

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

Provided, however, the failure to give such notice shall not affect the Leasehold Mortgagee's rights and ability to proceed with a foreclosure. A subsequent transfer by a Leasehold Mortgagee after foreclosure or a deed in lieu of foreclosure shall be subject only to the consent requirements, if any, set forth in Section 15.7.1.

(e) Neither the foreclosure of the security interest, or acceptance of a deed in lieu of foreclosure, shall be subject to any restrictions set forth in Section 15.1.

15.8.2.1 Oceanview Consent. Lessee intends to secure financing from Oceanview Commercial Mortgage Finance, LLC and/or any of its affiliates, including without limitation, Oceanview Life and Annuity Company (collectively, "Oceanview"). Lessee's request to assign this Lease, or any part thereof, to Oceanview to secure financing and City's consent to such request shall be in the form attached as Exhibit N-3 to this Lease ("Oceanview Consent"). The Executive Director shall have the authority to approve the final Oceanview Consent and its respective exhibits without further action by the Board or City Council; *provided however*, the final Oceanview Consent shall not be different than Exhibit N-3 except for such ministerial changes as are consistent to complete the blanks reflect in Exhibit N-3. The Oceanview Consent shall not act as the Board approval of any other consent to assignment for security purposes and Lessee shall be required to seek Board consent as set forth in Section 15.8.2. herein.

15.8.2.2 Bayview Consent. Lessee intends to secure financing from Silver Hill Funding, LLC, and/or any of its affiliates, including without limitation, Bayview Asset Management LLC (collectively, "Bayview").

Lessee's request to assign this Lease, or any part thereof, to Bayview to secure financing and City's consent to such request shall be in the form attached as Exhibit N-4 to this Lease ("Bayview Consent"). The Executive Director shall have the authority to approve the final Bayview Consent and its respective exhibits without further action by the Board or City Council; provided however, the final Bayview Consent shall not be different than Exhibit N-4 except for such ministerial changes as are consistent to complete the blanks reflected in Exhibit N-4. The Bayview Consent shall not act as the Board approval of any other consent to assignment for security purposes and Lessee shall be required to seek Board consent as set forth in Section 15.8.2. herein.

15.8.3 Memorandum of Lease. Lessee or a Leasehold Mortgagee shall submit a written request to City requesting execution of a Memorandum of Lease form, which is attached hereto as Exhibit U-1 ("Memorandum of Lease"). The Executive Director shall have the authority to execute Exhibit U-1 without further action by the Board or City Council; *provided, however*, the final Memorandum of Lease shall be in the same form as Exhibit U-1 except for such ministerial changes as are consistent to complete the blanks reflected in Exhibit U-1."

**Section 4.** Article 2, Section 5.1 of the Lease is hereby deleted in its entirety and replaced with the following:

"5.1 Permitted Uses. The Premises shall be used for the following purposes and no others: The uses permitted for the Premises as set forth in the EIR/EIS ("Permitted Uses"). Lessee shall not, and shall require its sublessees to not, engage in the transportation of cargo or people in international commerce.

5.1.1 City agrees that the Permitted Uses are consistent with the Project Approvals.

5.1.2 City agrees that it has no knowledge of any lease, other possessory interest, or encumbrance that affects the Premises except as stated in this Lease."

**Section 5.** Attached to this Eighth Amendment as Exhibit 1 is the new form of Non-Disturbance and Attornment Agreement that shall be deemed to be the form used in Exhibit Q of the Lease. The execution and delivery by the City, of any Non-Disturbance and Attornment Agreement, with no material alterations may be approved by the Executive Director, and shall not require approval by the Board or Council, unless any such form of Non-Disturbance and Attornment Agreement is materially altered from the form attached to this Sixth Amendment as Exhibit 1.

**Section 6.** Except as specifically provided herein, this Eighth Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges, duties, or obligations of either of the parties hereto under or by any reason of said Lease, and except

as expressly exercised herein, all of the terms, covenants, and conditions of said Lease, as exercised, shall remain in full force and effect.

[signature page follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Eighth Amendment on the date of the left of their signatures.

THE CITY OF LOS ANGELES, by its  
Board of Harbor Commissioners


Dated: \_\_\_\_\_, 20\_\_

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

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

SAN PEDRO PUBLIC MARKET LLC  
a California limited liability company

Dated: \_\_\_\_\_, 20\_\_

By:   
ERIC JOHNSON, VP  
(Print/type Name and Title)

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print/type Name and Title)

APPROVED AS TO FORM AND LEGALITY

May 15, 2025  
HYDEE FELDSTEIN SOTO, City Attorney  
STEVEN Y. OTERA, General Counsel

By   
HELEN J. SOK, Deputy City Attorney

**EXHIBIT N-4**

**[See attached. This page intentionally left blank.]**

CITY OF LOS ANGELES  
CONSENT AND AGREEMENT TO THE LEVY OF  
A CONTRACTUAL ASSESSMENT  
ON A LEASEHOLD INTEREST  
AND TO RELATED MATTERS

Date: [ ], 2025

Property Address: 612 S. Harbor Blvd. – 1422 S. Harbor Blvd, San Pedro, California 90731

**Property APNs:** [7440-030-802, 7440-030-822, 7440-030-823 7440-030-906, 7440-030-925, 7440-030-926, 7440-031-806, 7440-031-913, 7440-031-914]

To Whom it May Concern:

The City of Los Angeles, a municipal corporation (the "**City**"), acting by and through its Board of Harbor Commissioners (the "**Board**") (collectively referred to herein as the "**Local Agency**"), holds, pursuant to the State Tidelands Grant and subject to the limitations, conditions, restrictions and reservations contained in the Act, a property identified by the above-referenced address and assessor parcel's numbers (the "**Property**"). The Local Agency has conveyed a leasehold interest in the Property (the "**Leasehold Interest**") pursuant to that certain Lease No. 915 by and between the Local Agency and San Pedro Public Market LLC, a California limited liability company ("**Lessee**"), dated as June 17, 2016, as amended by (i) a First Amendment to Lease No. 915 dated as of February 14, 2020, (ii) a Second Amendment to Lease No. 915 dated as of November 5, 2020, (iii) a Third Amendment to Lease No. 915 dated as of December 9, 2021, (iv) a Fourth Amendment to Lease No. 915 dated as of June 8, 2022, (v) a Fifth Amendment to Lease No. 915 dated as of August 23, 2022, (vi) a Sixth Amendment to Lease No. 915 dated as of December 3, 2024, (vii) a Seventh Amendment to Lease No. 915 dated as of December 3, 2024 and (viii) an Eighth Amendment to Lease No. 915 dated as of [ ], 2025 (as the same may be further amended from time to time in accordance with this Consent and Agreement, the "**Ground Lease**").

I. **Background.** Lessee has informed the Local Agency of the following:

(i) The California Statewide Communities Development Authority ("**Authority**") has established CSCDA Open PACE ("**PACE Program**"), which assists property owners with financing for the installation of, among other things, certain renewable energy, energy and water efficiency and seismic strengthening improvements that are permanently fixed to their properties ("**Authorized Improvements**") and authorized under Chapter 29 of Part 3 of Division 7 of the Streets & Highways Code of the State of California ("**Chapter 29**").

(ii) In general, under Chapter 29, the Authority levies contractual assessments to finance the installation of Authorized Improvements on private property by agreement with the owners of the property (an "**assessment contract**"). Pursuant to Section 5898.30 of Chapter 29, the contractual assessment is collected in installments on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes.

(iii) Section 5898.33 of Chapter 29 provides for the levy of contractual assessments on a leasehold or possessory interest granted by a public agency in its property and, in that circumstance, requires (A) the contractual assessment to be paid by the owner of the leasehold or possessory interest, (B) the assessment contract to be entered into by the public agency that established the program and the lessee, and (C) the public agency owning the property to provide prior written consent to the contractual assessment.

(iv) The Authority issues bonds payable from contractual assessments pursuant to the Improvement Bond Act of 1915 (the "**Bond Act**"). Under the Bond Act, as a cumulative remedy, if any



contractual assessment or installment thereof is not paid when due, the Authority may order that the same be collected by an action brought in the superior court to foreclose the lien thereof.

(v) A contractual assessment was levied on the Leasehold Interest and is payable by the Lessee pursuant to that certain Assessment Contract by and among the Lessee and the Authority, dated November 10, 2022 (the "**2022 Assessment Contract**").

II. **Requests by Lessee.** In addition to participating in the PACE Program pursuant to the 2022 Assessment Contract, the Lessee has informed the Local Agency that it wishes to agree to a second contractual assessment on the Leasehold Interest to be levied by the Authority pursuant to the Assessment Contract (defined below) and has requested that the Local Agency:

(i) consent to the Lessee executing an assessment contract with the Authority (the "**Assessment Contract**"), providing for the levy of a contractual assessment on the Leasehold Interest in an amount not to exceed \$[10,000,000.00] (the "**Leasehold Contractual Assessment**"), in substantially the same form as the Assessment Contract attached hereto as Exhibit A. The final executed Assessment Contract shall be attached to this consent without further action from the Board or Los Angeles City Council. The interest rate will be locked at 405 basis points over the then current Treasury yield having a maturity equal to the weighted average life of the loan being made with respect to the PACE Program described herein (the "**PACE Loan**"), subject to a floor rate of 8%. With this Consent and Agreement, City is not consenting to any amendments to the attached Assessment Contract;

(ii) agree that the levy of the Leasehold Contractual Assessment on the Leasehold Interest does not and will not constitute a default or an event of default or trigger the exercise of any remedies by the Local Agency under the Ground Lease;

(iii) agree that the Assessment Contract constitutes a "Leasehold Mortgage" and the Authority is a "Leasehold Mortgagee" as such terms are defined under the terms of the Ground Lease and, accordingly, the Authority shall be entitled to exercise all applicable rights and remedies granted to a Leasehold Mortgagee under the Ground Lease with respect to the Leasehold Contractual Assessment and the Assessment Contract; and

(iv) agree that the written consent of the Local Agency is not required for the Leasehold Interest to be purchased at a foreclosure sale under the Bond Act (provided the purchaser executes and delivers an Assumption Agreement (as defined below)) or the exercise of any rights and remedies of the Authority (or the Program Administrator) under the Assessment Contract or the Notice of Assessment and Payment of Contractual Assessment Required to be recorded in the County of Los Angeles (the "**Notice of Assessment**", and together with the Assessment Contract, the "**PACE Documents**").

III. **Consent and Agreement.** The Local Agency hereby consents, represents and agrees as follows:

(i) The Local Agency hereby consents to the Lessee executing the Assessment Contract in substantially the same form attached hereto as Exhibit A and to the levy by the Authority of the Leasehold Contractual Assessment on the Leasehold Interest. The interest rate will be locked at 405 basis points over the then current Treasury yield having a maturity equal to the weighted average life of the PACE Loan, subject to a floor rate of 8%. The Local Agency hereby consents to and acknowledges the appointment by the Authority of Bayview Asset Management, LLC (the "**Program Administrator**") as a program administrator for the PACE Program as it pertains to the Leasehold Contractual Assessment;

(ii) The Local Agency hereby represents and agrees that the levy of the Leasehold Contractual Assessment on the Leasehold Interest and the execution, delivery and performance of the PACE Documents do not and will not constitute a default, event of default, or an event which, with the giving of notice or the lapse of time, or both, would constitute a default under the Ground Lease or trigger the exercise of any remedies by Local Agency under the Ground Lease;

(iii) The Local Agency acknowledges and reaffirms that (a) Section 15.8 and Exhibit N of the Ground Lease permit Lessee to mortgage and encumber its Leasehold Interest, and (b) Exhibit N provides certain rights and remedies to leasehold mortgagees. The Local Agency hereby agrees that the Authority, pursuant to the Assessment Contract, constitutes a "Leasehold Mortgagee" and that the Assessment Contract constitutes a "Leasehold Mortgage" as such terms are defined in the Ground Lease, and thus, the Authority is entitled to exercise the rights and remedies set forth in Exhibit N; provided, however: (A) purchasers at a foreclosure sale of the Leasehold Interest shall execute an assumption agreement in the form attached hereto as Exhibit B ("**Assumption Agreement**"), (B) the Authority may exercise its right to cure a default or event of default by Lessee under the Ground Lease ("**Lessee Default**") only upon the Authority's and Program Administrator's receipt of written notice provided by the Local Agency confirming the occurrence of an ongoing Lessee Default which has not been cured by either Lessee or a Leasehold Mortgagee within the time set forth in Exhibit N or such greater period of time set forth in the consent to the Leasehold Mortgage. The notice shall be delivered to the address set forth below and the Authority shall have thirty (30) days from its receipt, or any greater time set forth in Exhibit N, to cure such default before the Local Agency exercises its right to terminate the Ground Lease under Section 19, and (C) in the event the Ground Lease is terminated for reason of default, the Authority may exercise its right to execute a new lease with the Local Agency ("**New Lease**") only upon the Authority's receipt of written notice provided by the Local Agency confirming that Leasehold Mortgagee has not elected to execute a New Lease within the time set forth in Exhibit N or such greater time set forth in the consent to the Leasehold Mortgage. The notice shall be delivered to the address set forth below and the Authority shall have sixty (60) days from its receipt to execute a New Lease. The Local Agency hereby agrees that the Authority may exercise its rights as a Leasehold Mortgagee through the Program Administrator (as defined in the Assessment Contract), initially Bayview Asset Management, LLC, a Delaware limited liability company ("**Bayview**").

(iv) The Local Agency hereby agrees that, in the event of a delinquency in the Lessee's payment of any portion of the Assessment Obligations (as defined in the Assessment Contract) and the subsequent purchase of any portion of the Leasehold Interest at a foreclosure sale commenced by the Authority, the Ground Lease shall automatically transfer to such purchaser or transferee without the need for further action, documentation (other than execution and delivery of an Assumption Agreement), approval or consent of the Local Agency. Under no circumstances shall the Local Agency be responsible for paying the Leasehold Contractual Assessment.

(v) The Local Agency hereby agrees that if the Leasehold Interest shall be purchased by reason of foreclosure or other proceedings to collect any delinquent Leasehold Contractual Assessment installments, the Local Agency shall be bound to the purchaser under all of the terms, covenants, and conditions of the Ground Lease for the balance of the term thereof remaining and any extensions or renewals thereof that may be effected in accordance with any option therefor in the Ground Lease, with the same force and effect as if the purchaser were the Lessee under the Ground Lease from and after the purchase of the Leasehold Interest, and the Local Agency does hereby attorn to the purchaser as the Lessee. Such attornment shall be effective and self-operative without the execution of any further instruments on the part the Local Agency or the purchaser (other than execution and delivery of an Assumption Agreement), immediately upon a purchaser succeeding to the interest of Lessee under the Ground Lease.

(vi) Notwithstanding anything to the contrary stated or implied herein or in the Assessment Contract or any other documents executed in connection with the levy of the Leasehold Contractual Assessment, neither the Assessment Contract nor any other documents executed in connection with the levy of the Leasehold Contractual Assessment grant or shall be deemed to grant any interest in the Local Agency's fee estate or to subordinate the Local Agency's fee estate to the lien created by the Assessment Contract.

All notices or other communications delivered to the Authority shall be in writing, with a copy by email, addressed to the following address:

Bayview Asset Management, LLC  
4425 Ponce de Leon, 5<sup>th</sup> Floor  
Coral Gables, FL 33146  
Attn: Brian Bomstein, General Counsel  
Email: brianbomstein@bayview.com

All notices or other communications delivered to the City shall be in writing, delivered in the manner and to the addresses set forth in Section 25.1 of the Ground Lease.

(vii) there shall not be any modification, surrender, termination, cancelation or amendment of Ground Lease (either orally or in writing) without consent of Program Administrator.

Except as set forth herein, the Local Agency will not be prohibited from enforcing any provision of the Ground Lease following a default by the Lessee thereunder.

The Local Agency hereby acknowledges and intends that the Lessee, the Authority, the Program Administrator and any purchaser at a foreclosure sale under the Bond Act, together with their respective successors and assigns, will each rely on the representations, agreements and consent of the Local Agency set forth herein.

*[Remainder of page intentionally left blank;  
signature page immediately follows]*

IN WITNESS WHEREOF, Local Agency and Lessee have executed this Consent and Agreement to the Levy of a Contractual Assessment on the date set forth to the left of their signatures.

**LOCAL AGENCY:**

THE CITY OF LOS ANGELES, by its Board  
of Harbor Commissioners

Dated: \_\_\_\_\_

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

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

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, City Attorney

\_\_\_\_\_, General Counsel

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

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

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

**LESSEE:**

SAN PEDRO PUBLIC MARKET LLC, a  
California limited liability company

Dated: \_\_\_\_\_

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

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

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

Exhibit A

Form of Assessment Contract

[see attached]

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY  
OPEN PACE PROGRAM**

**ASSESSMENT CONTRACT**

This Assessment Contract (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, this "**Contract**") is made and entered into as of [\_\_\_\_\_, 2025], by and between the California Statewide Communities Development Authority, a joint exercise of powers authority (the "**Authority**") and San Pedro Public Market LLC, a California limited liability company (together with its successors and assigns, the "**Assessee**", and together with the Authority, the "**Parties**" or individually, a "**Party**"), in its capacity as the owner of a leasehold interest in the parcels of real property (each a "**Participating Parcel**") identified on Exhibit A-1 (collectively, the "**Property**") pursuant to the Lease (as defined below).

**RECITALS**

WHEREAS, the Authority is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California; and

WHEREAS, the Authority has established the CSCDA Open PACE Program (the "**Program**") to allow the financing or refinancing of certain distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (collectively, the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code ("**Chapter 29**") and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "**1915 Act**") upon the security of the unpaid contractual assessments; and

WHEREAS, Chapter 29 provides that assessments may be levied under its provisions only with the free and willing consent of the owner of each lot or parcel on which an assessment is levied at the time the assessment is levied pursuant to a contract between the property owner and the public agency; and

WHEREAS, Chapter 29 further provides that if a public agency owning property grants a leasehold interest in such property, a contractual assessment may be levied on the leasehold interest and shall be payable by the owner of the leasehold interest pursuant to an assessment contract entered into by the public agency and the lessee, provided that the public agency provides prior written consent to the contractual assessment; and

WHEREAS, the City of Los Angeles, acting by and through its Board of Harbor Commissioners (the "**Property Owner**"), as the owner of the Property, has conveyed a leasehold interest in the Property to Assessee pursuant to that certain Lease No. 915 between the Property Owner, as lessor, and Assessee, as lessee, dated as of June 17, 2016, as amended by (i) a First Amendment to Lease No. 915 dated as of February 14, 2020, (ii) a Second Amendment to Lease No. 915 dated as of November 5, 2020, (iii) a Third Amendment to Lease No. 915 dated as of December 9, 2021, (iv) a Fourth Amendment to Lease No. 915 dated as of June 8, 2022, (v) a Fifth Amendment to Lease No. 915 dated as of August 23, 2022, (vi) a Sixth Amendment to Lease No. 915 dated as of December 3, 2024, (vii) a Seventh Amendment to Lease No. 915 dated as of December 3, 2024 and (viii) an Eighth Amendment to Lease No. 915 dated as of [\_\_\_\_\_]

(as amended, together with any replacement lease, as may be amended, restated, replaced, supplemented or otherwise modified from time to time in compliance with the terms of this Contract and the Consent and Agreement (defined below) (the "**Lease**")); and

WHEREAS, the Authority has conducted the proceedings required by Chapter 29 with respect to the territory within the boundaries of the city or county identified as the "**Participating Entity**" in Exhibit A-1 and the Property Owner is identified as a Participating Entity; and

WHEREAS, the Authority has appointed Bayview Asset Management, LLC as a program administrator (together with any successors or assigns, the "**Program Administrator**") for the Program as it pertains to this Contract; and

WHEREAS, the Property is located within the boundaries of the Participating Entity, and the Participating Entity has consented to (i) owners of property within its jurisdiction participating in the Program and (ii) the Authority conducting assessment proceedings under Chapter 29 and issuing bonds under the 1915 Act to finance or refinance the Authorized Improvements; and

WHEREAS, pursuant to Chapter 29, the Parties wish to enter into this Contract pursuant to which the Assessee would agree to pay assessments in order to finance or refinance the installation of the Authorized Improvements described in Exhibit A-2 at the Property (the "**Improvements**") and the Authority would agree to provide financing for the installation of such Improvements, all on the terms and conditions set forth in this Contract; and

WHEREAS, the Property Owner, the Assessee and the Authority intend for an assessment to be levied on the Assessee's leasehold interest in the Property; and

WHEREAS, in furtherance of the foregoing and in accordance with Chapter 29, pursuant to that certain Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters, dated [\_\_\_\_\_, 2025] (the "**Consent and Agreement**"), the Property Owner (in its capacity as the owner of, and the Participating Entity with respect to, the Property) has consented in writing to the Assessee entering into this Contract (but not any amendments), whereby the Authority shall levy contractual assessments on the Assessee's leasehold interest in the Property.

NOW, THEREFORE, in consideration of the foregoing and the material covenants hereinafter contained, the Assessee and the Authority formally covenant, agree and bind themselves and their successors and assigns as follows:

## **AGREEMENT**

**Section 1. Purpose.** The Assessee and the Authority are entering into this Contract for the purpose of financing or refinancing the installation of the Improvements at the Property. The Assessee hereby agrees (i) to construct the Improvements on the Property in a good and workmanlike manner and substantially in accordance with plans and specifications approved by Program Administrator, and represent and warrant that the Improvements have been or will be constructed on the Property (as the case may be), and (ii) that the Improvements will be, or are, permanently affixed to the Property (subject to casualty or condemnation and replacement of certain fixtures in the ordinary course), in each case, free and clear of all liens, encumbrances and security interests (other than Permitted Encumbrances). As used in this Contract, "**Permitted Encumbrances**" means with respect to the Property, collectively (a) the liens and security interests created by any mortgage loan documents in respect of the Property which have been

disclosed in writing by Assessee to Program Administrator, true and complete copies of which have been delivered to Program Administrator, (b) the Assessments levied on the Property in accordance with this Contract and the Petros Assessments (as hereinafter defined), (c) all liens, encumbrances and other matters disclosed in Assessee's title insurance policy or any updated title commitment relating to the Property or any part thereof which has been approved by Program Administrator, (d) liens, if any, for taxes imposed by any governmental authority not yet delinquent or that are otherwise being contested, (e) mechanics liens or other liens that are discharged within 30 days or are otherwise being contested in accordance with the Mortgage Loan Documents (as defined below) so long as the Mortgage Loan remains outstanding, (f) the Lease and other tenant leases affecting the Property, (g) those matters set forth on Exhibit C attached to this Contract and (h) such other title and survey exceptions as Program Administrator has approved or may approve in writing in Program Administrator's reasonable discretion, which Permitted Encumbrances in the aggregate do not materially adversely affect the value or use of the Property or Assessee's ability to repay the Assessments.

**Section 2. The Property.** This Contract relates to a leasehold interest in the Property created by the Lease. The Assessee has supplied to Program Administrator and the Authority evidence of: (i) the Property Owner's ownership of fee title to the Property, and (ii) the Property Owner's consent to the contractual assessments to be levied by the Authority pursuant to this Contract on the Assessee's leasehold interest under the Lease. Assessee has delivered to Program Administrator and the Authority true and complete copies of the Lease and all amendments thereto.

**Section 3. Contract to Pay Assessment; Prepayment; Non-Completion Assessment.**

(a) **Payment of Assessment.** With respect to each Participating Parcel, the Assessee hereby freely and willingly agrees to pay the assessments (each an "**Assessment**", and collectively, the "**Assessments**") in the amounts shown as "Total Assessment Amount" on Exhibit B-3 hereto, representing the aggregate amounts being financed to (i) install, or refinance the installation of, the Improvements, which is shown as the "Project Amount" on Exhibit B-3, (ii) capitalize interest, which is shown as the "Capitalized Interest" on Exhibit B-3, and (iii) pay certain closing costs, as described in Section 3(c) hereof, which is shown as the "Closing Costs" on Exhibit B-3. The Authority will provide financing under this Contract for the benefit of the Assessee in an amount not exceeding the "Total Assessment Amount". The Assessee acknowledges that the Authority may bill the Assessment Installments (hereinafter defined) separately from the County property tax bill, as needed. The Authority will obtain the money to finance or refinance the installation of the Improvements with the proceeds of California Statewide Communities Development Authority Open PACE limited obligation improvement bonds (the "**Bonds**") pursuant to an Indenture (the "**Indenture**") dated as of [\_\_\_\_], by and between the Authority and Wilmington Trust, National Association, as trustee (the "**Trustee**"), payable in whole or in part from the installments described below. Once the Authority issues the Bonds, the Bond proceeds shall be disbursed as provided in the Indenture and the Disbursement Agreement (defined below). Interest will accrue on the Assessment Amounts at the interest rate set forth on Exhibit B-3 beginning on the date on which the Authority issues the Bonds to finance or refinance the installation of the Improvements. Except as otherwise set forth in this Contract, each Assessment will be paid in the installments of principal (representing the amortization of the Assessment over the periods shown on Exhibit B-1 and Exhibit B-2 for each Participating Parcel) and interest on the unpaid principal at the interest rate set forth on Exhibit B-3. Such installments of principal and interest are referred to collectively in this Contract as the "**Assessment Installments**" and are further described in Section 5(b) hereof and set forth in the column titled "Assessment Installments" on each of Exhibit B-1 and Exhibit B-2 for each Participating Parcel.



(b) Payment of Non-Completion Assessment. The Assessee acknowledges that if, by the Completion Deadline (as shown in Exhibit B-3), subject to any event or condition beyond the reasonable control of Assessee, including, without limitation, strikes, labor disputes, acts of God, the elements, governmental restrictions, regulations or controls, enemy action, civil commotion, fire, casualty, earthquakes, accidents, mechanical breakdowns or shortages of, or inability to obtain, labor, utilities or materials, which causes delay; provided, however, that any lack of funds (except if required to be disbursed by Lender and Lender fails to so disburse pursuant to the terms hereof) shall not be deemed to be a condition beyond the control of Assessee and provided, further, that any extension therefor shall not exceed ninety (90) days ("**Force Majeure**"), or such later date as the Authority, in its sole discretion, determines, the Assessee fails to install, or cause to be installed, the Improvements in compliance with the Program rules, this Contract and/or any other documents related to the Program or the Improvements executed by Assignee, including that certain Program Fund Disbursement Agreement dated as of [ ] by and between the Assessee and the Program Administrator (the "**Disbursement Agreement**"), to the extent permitted by Applicable Law (defined below) the Authority will apply the undisbursed proceeds of the Bonds that had been intended for financing the Improvements, plus any related amounts financed for capitalized interest or a debt service reserve fund deposit, to redeem the Bonds, including any redemption premium. With respect to each Participating Parcel, to the extent permitted by Applicable Law, the Assessee hereby freely and willingly agrees to pay an additional assessment (the "**Non-Completion Assessment**") to pay (i) any costs incurred by the Authority and Program Administrator in connection with such redemption, and (ii) if applicable, all of the Authority's and Program Administrator's costs related to the release of the discharged portion of the lien of the related Assessment on any Participating Parcel. The Assessee acknowledges that the Non-Completion Assessment will be levied in full by the Authority as set forth in Section 5898.30 of Chapter 29 in the first fiscal year in which the Authority is able to cause the Non-Completion Assessment to be placed on the property tax roll of the county identified at Exhibit A-1 (the "**County**"). For the avoidance of doubt, in the event the Authority is authorized to levy a Non-Completion Assessment pursuant to this paragraph, the Authority may, in its sole discretion, levy a Non-Completion Assessment on the leasehold interest in each of the Participating Parcels. As used in this Contract, "**Applicable Law**" means any federal, state or local or municipal law of any Governmental Authority (defined below), applicable to a person or entity or any of its properties, assets, business or operations. As used in this Contract, "**Governmental Authority**" means any domestic or federal, state or municipal government.

(c) Financing the Closing Costs. In addition to financing the Project Amount, the Authority will finance certain amounts, which are included in the Assessments as "Closing Costs" from a portion of the proceeds of the Bonds, which "Closing Costs" are set forth on Exhibit B-3.

(d) Annual Administrative Fee. The Assessee hereby acknowledges that, pursuant to the 1915 Act, including Sections 8682(b) and 8682.1(a), the Authority may add amounts to any Assessment Installment in order to pay for the costs of collecting the Assessment, including the Assessment Installment, the annual administration of the Assessment, the annual administration of Bonds, and other administrative costs (the "**Annual Administrative Fee**"). Such additional amounts, if any, may include administrative costs that were paid from penalties and interest as a result of one or more delinquent Assessment Installments if such penalties and interest otherwise would have been paid to the owners of the Bonds as additional interest. Exhibit B-1 and Exhibit B-2 show the estimated Annual Administrative Fees and the Assessment Installments for the Participating Parcels; provided, however, such estimated Annual Administrative Fees might increase if the costs of collecting the Assessment Installments or administering the Program increase. The Assessee agrees to pay actual Annual Administrative Fees, which may be higher than such estimates set forth on Exhibit B-1 and Exhibit B-2. With respect to each Participating

Parcel, the Annual Administrative Fees, together with each Assessment Installment, the Non-Completion Assessment and the Assessment, are referred to collectively as the “**Assessment Obligation**.”

(e) Prepayment of an Assessment. Should the Assessee wish to prepay an Assessment, in whole or in part, the Assessee shall provide written notice to the Program Administrator, whose contact information appears in Exhibit A-2 (such notice, the “**Prepayment Notice**”). Upon receipt of the Prepayment Notice, a prepayment statement will be prepared by Program Administrator and provided to the Assessee. An Assessment may be prepaid pursuant to such prepayment statement upon the payment of (a) the amount of any delinquent installments of principal or interest on such Assessment, together with penalties accrued to the date of prepayment, plus (b) the amount of the unpaid, non-delinquent principal of the Assessment to be prepaid (the “**Assessment Prepayment Amount**”), plus (c) interest on the Assessment Prepayment Amount through the next redemption date of the Bonds that is at least seven (7) days following the date of prepayment, plus (d) an amount equal to the Prepayment Premium (as defined in Exhibit B-3), if applicable, plus (e) a fee, if charged by the Authority or Program Administrator, for the cost of administering the prepayment and the redemption of Bonds (the amounts described in the foregoing clauses (a), (b), (c), (d) and (e), collectively, the “**Prepayment Amount**”). The Authority shall apply the elements of the Prepayment Amount listed in clauses (a) through (d) above to the redemption of the Bonds. In the event the Assessee prepays an Assessment in whole, the Authority shall cause to be executed, delivered and/or recorded such instruments as are necessary in order to release the lien of such Assessment on the related Participating Parcel.

(f) Unused Bond Proceeds. In the event that the Authority concludes that there are proceeds of the Bonds secured by the Assessments that will not be used to finance or refinance the installation of the Improvements, including in the circumstances described in Section 3(b) hereof, the Authority shall use such proceeds to pay the redemption price of all or a portion of the Bonds. In the event that the Assessee notifies the Authority and the Program Administrator that proceeds of the Bonds will not be used to finance or refinance the installation of the Improvements, the Authority shall use such proceeds to pay the redemption price of all or a portion of such Bonds or to make payments on the Bonds as they come due, as directed by the Authority.

(g) Absolute Obligation. The Assessee hereby agrees that the Assessment Obligations will not be subject to reduction, offset or credit of any kind if the Improvements fail to perform in any way or for any reason, the Bonds are refunded or for any other reason.

#### **Section 4. Collection of Assessment; Lien.**

(a) To the extent permitted by Applicable Law, each Assessment Obligation, and the statutory interest and penalties on any delinquent payments of the Assessment Obligation and the costs of suit (including attorneys’ fees) shall constitute a lien against the leasehold interest in the related Participating Parcel until they are paid and shall be collected, for so long as the Lease or a new lease entered into pursuant to Exhibit N of the Lease (“**New Lease**”) is in existence. As set forth in Chapter 29, such lien shall be coequal to and independent of the lien for general taxes. Subject to the terms and conditions of the Lease and the Consent and Agreement with respect to any notice and cure rights, including a New Lease, upon the termination of the Lease or New Lease, as the case may be, the lien for the Assessment Obligations shall terminate. Assessee shall not amend, modify, supplement, restate or terminate the Consent and Agreement without the prior written consent of the Program Administrator.

(b) The Assessee acknowledges that if any Assessment Obligation for any year is not paid when due, the Authority has the right to have such delinquent installment and its associated statutory penalties and interest stripped off the property tax roll and immediately enforced through a judicial foreclosure action that could result in a sale of the entire leasehold interest of Assessee under the Lease in the related Participating Parcel for the payment of the delinquent installments, associated statutory penalties and interest, and all costs of suit, including attorneys' fees. The Assessee further acknowledges that Section 5898.33 of Chapter 29 also provides for the tax collector to use collection procedures that are available for the collection of assessments on the unsecured roll if the Assessee does not pay any Assessment Obligation for any year when due.

(c) The Assessee acknowledges that, if Bonds are sold to finance or refinance the Improvements, the Authority may pledge and assign this Contract and the related Assessments and lien as security for the Bonds and obligate itself, through a covenant with the owners of such Bonds, to exercise its judicial foreclosure rights with respect to delinquent Assessment Obligations under circumstances specified in such covenant. Such a covenant would typically provide that, no later than a specific date in each year, the Authority will determine whether a Participating Parcel is delinquent in the payment of any portion of the related Assessment Obligation and, if so, will commence, or cause to be commenced, judicial foreclosure proceedings against the leasehold interest of Assessee under the Lease in the Participating Parcel, including collection actions preparatory to the filing of any complaint, but will file the complaint by a specific date acceptable to the Bond owner(s).

(d) The Parties hereby acknowledge that the Lease creates a leasehold interest in multiple legal parcels that have been assigned separate assessor parcel numbers, and that the intent of the Parties is that, to the maximum extent permitted by Applicable Law, the Authority will provide financing for the Improvements and, in consideration of such financing, the Assessee will secure its obligation to repay the Assessment Obligations with the entire leasehold interest granted to Assessee under the Lease. Consistent with the foregoing, the Parties hereby agree that the Assessment Obligations shall be levied on the leasehold interest granted to Assessee under the Lease in [ ] of the assessor parcel numbers set forth in Exhibit B hereto (which are referred to herein as the Participating Parcels) because the Improvements are being made on those parcels, and that, in the event of a delinquency in the payment of any portion of the Assessment Obligations and the purchase of such leasehold interest in a delinquent Participating Parcel at a foreclosure sale commenced by the Authority or a transfer of such leasehold interest in a Participating Parcel by conveyance or assignment in lieu of foreclosure, such leasehold interest in the remaining parcels encumbered by the Lease shall automatically transfer to such purchaser or transferee without the need for further action, documentation, approval or consent, although the Assessee hereby agrees to provide to the Authority and Program Administrator any documentation required to evidence such assignment as may be requested by the Authority or Program Administrator. The Authority and the Assignee hereby agree that the agreement set forth in the preceding sentence is of a special and unique kind and character, and that there would not be an adequate remedy at law for a breach of such agreement, and the Assessee hereby agrees that such agreement may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California. In pursuing specific performance of such agreement, the party seeking to enforce such agreement shall be entitled to injunctive relief. The Assessee hereby acknowledges that (i) the Authority would not have entered into this Contract or issued the Bonds, and the Program Administrator would not have agreed to administer the Program with respect to the Participating Parcels, in either case, without the agreements set forth in this paragraph, and (ii) the Authority and the Program Administrator are relying on such acknowledgements and agreements by Assessee. By consenting to this Contract pursuant to the Consent and Agreement (without any implication that Property Owner has

consented to any amendments to this Contract), the Property Owner has also acknowledged and agreed to the agreements set forth in this paragraph and confirmed that this paragraph complies with Exhibit N of the Lease. In the event of a conflict between this paragraph and the other provisions of this Contract, the provisions of this paragraph shall prevail.

**Section 5. Financing or Refinancing of the Improvements.**

(a) Contract to Finance or Refinance Improvements. The Authority hereby agrees to use the Assessments, together with the Annual Administrative Fee, to finance or refinance the installation of the Improvements, including the payment of the Authority's and the Program Administrator's costs of administering the Program, subject to the Assessee's compliance with the conditions for such financing or refinancing established by the Authority. The proceeds of such financing or refinancing may be used to pay for the ownership or installation of the Improvements or, subject to the requirements of Chapter 29, pay or prepay for the lease of the Improvements or the energy or other output of the Improvements, which Improvements may be owned for tax purposes or otherwise by a third-party.

(b) Assessment Installments. The Assessee agrees to the issuance of the Bonds by the Authority to finance or refinance the installation of the Improvements. The interest rate used to calculate the interest component of the Assessment Installments is identified on Exhibit B-3. If the actual cost of acquisition, construction or installation of the Improvements exceeds the Project Amount as set forth in Exhibit B-3, then the Assessee agrees to pay the additional costs from a source of funds other than the Program and complete the acquisition, construction or installation of the Improvements.

(c) Disbursement of Bond Proceeds from the Program Fund. The Assessee and the Authority hereby agree that the Assessee may request disbursements of Bond proceeds from the Program Fund (as defined in the Indenture), established for the Bonds in compliance with the disbursement requirements established on behalf of the Authority by the Program Administrator.

**Section 6. Term; Contract Runs with the Land; Subdivision.**

(a) Except as otherwise set forth in this Contract, this Contract shall expire upon the payment or prepayment in full of the Assessment Obligations or, subject to the terms and conditions of the Lease and the Consent and Agreement, the termination of the Lease or New Lease, as the case may be.

(b) This Contract establishes rights and obligations that are for the benefit of the Property and Assessee's leasehold interest in the Property, and therefore, such rights and obligations run with the land pursuant to California Civil Code Section 1462 for the term of the Lease or New Lease, as the case may be.

(c) In the event a Participating Parcel is subdivided while the related Assessment Obligation remains unpaid, the Assessment Obligation will be assigned to the newly-created parcels on a pro rata basis, calculated on the relative assessed value of each newly-created parcel, unless the Authority, in its sole discretion, determines that the Assessment Obligation should be allocated in an alternate manner.

(d) In the event a Participating Parcel is assigned one or more new assessor's parcel numbers while the related Assessment Obligation remains unpaid, provided the new assessor parcel number(s) relate to the Lease or a New Lease entered into by the Authority and Property Owner,

a lender whose loan is secured by Assessee's interest in the Lease, or either of their nominees, the Assessment Obligation will be assigned to the new assessor's parcel number(s) on a pro rata basis, calculated on the relative assessed value of each new assessor's parcel number(s), unless the Authority, in its sole discretion, determines that the Assessment Obligation should be allocated in an alternate manner.

(e) In the event a single assessor's parcel number is assigned to the leasehold interest in the Property held by Assignee under the Lease, the Assessment Obligations will be assigned to the new assessor's parcel number.

**Section 7. Recordation of Documents.**

(a) The Assessee hereby authorizes and directs the Authority to cause to be recorded in the office of the County Recorder the various notices and other documents required by Chapter 29 and other applicable laws to be recorded against the Property, including but not limited to the Notice of Assessment and Payment of Contractual Assessment Required.

(b) The Assessment Installments and related Annual Administrative Fee will be placed on the County property tax roll each "**Tax Year**" (being the period beginning July 1 and ending the immediately succeeding June 30), commencing with the first Tax Year for which the Assessment Installments and related Annual Administrative Fee are placed on the Assessee's property tax bill prior to the applicable tax roll deadline (the "**Initial Tax Year on Roll**"). The Initial Tax Year on Roll is identified on Exhibit B-3.

**Section 8. Successor Assessee.** If required by Applicable Law, the Assessee hereby agrees to provide written notice to any subsequent leasehold owner of the Lease in direct succession to Assessee of a Participating Parcel of the obligation to pay the related Assessment Obligation pursuant to this Contract.

**Section 9. Waivers, Acknowledgment and Contract.**

(a) Because this Contract reflects the Assessee's free and willing consent to pay the Assessment Obligations following a noticed public hearing, the Assessee hereby waives any otherwise applicable requirements of Article XIID of the California Constitution or any other provision of California law for an engineer's report, notice, public hearing, protest or ballot.

(b) The Assessee hereby waives its right to repeal the Assessments by initiative or any other action, or to file any lawsuit or other proceeding to challenge the Assessments, the Assessment Obligations or any aspect of the proceedings of the Authority undertaken in connection with the Program. The Assessee hereby agrees that it and its successors in interest to the leasehold interest in the Property pursuant to the Lease shall be solely responsible for the installation, operation and maintenance of the Improvements. The Assessee hereby acknowledges that the Assessee will be responsible for payment of the Assessment Obligations regardless of whether the Improvements are properly installed, operated or maintained or perform as expected.

(c) The Assessee hereby agrees that the Authority is entering into this Contract solely for the purpose of assisting the Assessee with the financing or refinancing of the installation of the Improvements, and the Authority, the Program Administrator, the owners of the Bonds, Trustee and the Participating Entity have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing, maintenance or performance of the Improvements. Based upon the foregoing, the Assessee hereby waives the right to recover from

and fully and irrevocably releases the Authority, the Program Administrator, the owners of the Bonds, Trustee and the Participating Entity and any and all members, partners, shareholders, directors, officers, agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority, the Program Administrator, the owners of the Bonds, Trustee and the Participating Entity from any and all losses, liabilities, claims, damages (including consequential, punitive, special or exemplary damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees), relating to the subject matter of this Contract or the Disbursement Agreement that the Assessee may now have or hereafter acquire against the Authority, the Program Administrator, the owners of the Bonds, Trustee, the Participating Entity and any and all members, partners, shareholders, directors, officers, agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority, the Program Administrator, the owners of the Bonds, Trustee and the Participating Entity.

(d) If the foregoing waivers and agreements are subject to Section 1542 of the California Civil Code or similar provisions of other Applicable Law, it is the intention of the Assessee that the foregoing waivers and agreements will be effective as a bar to any and all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees), of whatever character, nature and kind, known or unknown, suspected or unsuspected, and Assessee agrees to waive any and all rights and benefits conferred upon the Assessee by the provisions of Section 1542 of the California Civil Code or similar provisions of Applicable Law. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BY INITIALING BELOW, ASSESSEE HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS THAT ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Assessee(s) Initials: \_\_\_\_\_

The waivers, releases and agreements set forth in this Section 9 shall survive termination or expiration of this Contract.

**Section 10. Indemnification.**

(a) The Assessee agrees to indemnify, defend, protect, and hold harmless the Authority, the Program Administrator, the owners of the Bonds, Trustee and the Participating Entity and any and all members, partners, shareholders, directors, officers, agents, employees, program administrators, attorneys, representatives and successors and assigns of the Authority, the Program Administrator, the owners of the Bonds, Trustee or the Participating Entity from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees) and any demands of any nature whatsoever related directly or indirectly to, or arising out of or in connection with, (i) the Assessee's participation in the Program, (ii) the Assessment



Obligations, (iii) the Improvements, (iv) the Bonds, (v) any act or omission of the Assessee or any of its members, partners, shareholders, directors, officers, agents, contractors, servants, employees, tenants or licensees in connection with the Lease, the Property or the Improvements, the operation of the Property or the Improvements, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Property or the Improvements or any part thereof, (vi) any lien or charge upon payments by the Assessee to the Authority and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Trustee in respect of any portion of the Property or the Improvements, (vii) any violation of any Environmental Regulations (as defined below) with respect to, or the release of any Hazardous Substances (as defined below) from, the Property or the Improvements or any part thereof, (viii) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact made by the Assessee contained in any of the documents relating to the Bonds, this Contract, the Indenture or the Disbursement Agreement or any omission or alleged omission of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (ix) the Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party, (x) any other fact, circumstance or event related to the subject matter of this Contract or the Disbursement Agreement, regardless of whether such losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all out-of-pocket litigation costs and attorney's fees) accrue before or after the date of this Contract, or (xi) the Program Administrator's administration of the Program related to the Property, Assessee's leasehold interest under the Lease and the Assessment Obligations pursuant this Contract and the Disbursement Agreement, except to the extent arising out of such party's gross negligence or willful misconduct.

(b) For purposes of this Section, Environmental Regulations and Hazardous Substances have the following meaning:

(i) **"Environmental Regulations"** means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances or chemical waste, materials or substances.

(ii) **"Hazardous Substances"** means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Property or to persons on or about the Property or (ii) cause the Property to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon gas; (c) any chemical, material or substance defined as or included in the definition of "waste," "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," or "toxic substances" or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; the California Hazardous Waste Control Law ("HWCL"), Cal. Health & Safety Code §§ 25100 et seq.; the Hazardous

Substance Account Act ("HSAA"), Cal. Health & Safety Code §§ 25300 et seq.; the Underground Storage of Hazardous Substances Act, Cal. Health & Safety Code §§ 25280 et seq.; the Porter-Cologne Water Quality Control Act (the "Porter-Cologne Act"), Cal. Water Code §§ 13000 et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); and Title 22 of the California Code of Regulations, Division 4, Chapter 30; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or would reasonably be expected to pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property, or any other person coming upon the Property or adjacent property; or (e) any other chemical, materials or substance which may or would reasonably be expected to pose a hazard to the environment.

(c) The provisions of this Section 10 shall survive termination or expiration of this Contract.

**Section 11. Right to Ongoing Information.**

(a) The Assessee hereby grants the Authority and the Program Administrator and their respective agents and representatives the right to enter the Property at any reasonable time, upon reasonable prior advance written notice, to inspect the Improvements, subject to the rights of tenants pursuant to their leases. The Assessee further hereby grants the Authority and the Program Administrator and their respective agents and representatives the right to examine and copy any documentation relating to the Improvements as well as documents relating to the financial operation of the Property, including operating statements, rent rolls, appraisals, and similar documents and information.

(b) In addition, if the Assessee is in default under this Contract after all applicable notice and cure periods, the Authority, its agents and representatives shall have the right to require the Assessee to secure and deliver to Authority an appraisal of Assessee leasehold interest in the Property under the Lease prepared by an appraiser approved by the Authority in its sole discretion.

**Section 12. Carbon Credits.** The Parties hereby agree that any carbon credits attributable to the Improvements or other environmental attributes available under Applicable Law shall be owned by the Assessee.

**Section 13. Program Application.** The Assessee hereby represents and warrants to the Authority and Program Administrator that the information submitted to the Authority in connection with its request for financing is true and correct in all material respects as of the date hereof, and that the representations set forth with respect to the Property and the Assessee in the Assessee Closing Certificate by the Assessee, dated [ ], 2025 are true and correct in all material respects as of the date hereof as if made on the date hereof. The Authority hereby represents and warrants to the Assessee that it is duly authorized and has taken all necessary actions to issue the Bonds as described in Section 3 herein.

**Section 14. Additional Covenants.**

(a) Insurance.



(i) The Assessee hereby covenants for the benefit of the Authority and the Program Administrator to maintain fire and other risk insurance and public liability insurance with respect to the Property, in commercially reasonable amounts and with the property insurance not less than the greater of (a) full replacement value of the Property or (b) the total debt secured by the Assessee's leasehold interest in the Property pursuant to the Lease. The Assessee may satisfy the requirement to maintain fire and other risk insurance set forth in the preceding sentence with a builder's risk policy during the initial construction period. In addition to the foregoing, the Assessee agrees to cause the Authority and its successors and assigns to be named as "additional insureds" on all casualty and general liability insurance policies that the Assessee maintains on the Property, and to cause the Authority, as issuer of the Bonds, and its successors and assigns, to be named as "lender's loss payable" on all property insurance that the Assessee maintains on the Property. The Assessee will deliver the policies or certificates of insurance in form reasonably satisfactory to the Authority and the Program Administrator, including stipulations, to the extent reasonably available in the marketplace, that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to the Authority and the Program Administrator. Each insurance policy also shall include an endorsement providing that coverage in favor of the Authority will not be impaired in any way by any act, omission or default of the Assessee or any other person (except non-payment of premium). Notwithstanding the foregoing, in the event Assessee fails to timely pay all premiums on all insurance policies required under this Agreement, the Program Administrator shall have the right (but not the obligation) to place and maintain the insurance required to be placed and maintained by Assessee hereunder and treat the amounts expended therefor as additional indebtedness owed to the Program Administrator.

(ii) Subject to the provisions of clause (iii) of this Section 14(a), if the Assessee receives any property insurance proceeds attributable to the Property during the term of this Contract, subject to the terms of the Lease or any mortgage loan documents, (i) the Assessee may use such proceeds to repair and restore the Property if (A) there are no delinquent payments of any portion of the Assessment Obligations (including all associated penalties and costs) and (B) the Assessee provides evidence reasonably satisfactory to the Authority that the Assessee has insurance proceeds and other amounts, including amounts for contingencies, that the Assessee represents in writing are available and sufficient to complete the repair and restoration of the Property or (ii) the Assessee shall use such proceeds to pay any delinquent payments of any portion of the Assessment Obligations (including all associated penalties and costs) or to prepay some or all of the Assessment Obligations, as applicable. If both clauses (i)(A) and (i)(B) of the immediately preceding sentence are not satisfied and if Assessee receives the property insurance proceeds attributable to the Property during the term of this Contract, unless the Authority agrees otherwise in writing, the Assessee shall transfer such proceeds to the Authority for deposit into the Insurance Proceeds Fund established and maintained by the Trustee under the Indenture.

(iii) Notwithstanding the foregoing provisions of this Section 14(a) or anything else under this Contract (but without limiting Assessee's obligations under the first sentence of Section 14(a)(i)), as long as the loan (the "**Existing Financing**") made as of December 30, 2024 to the Assessee by Oceanview Life and Annuity Company, an Alabama corporation, as successor in interest to Oceanview Commercial Mortgage Finance, LLC, a Delaware limited liability company (the "**Existing Lender**") as of the date of this Contract remains unpaid:

(1) Each of (i) Existing Lender, (ii) Program Administrator and (ii) the Authority shall be named as "lender's loss payable" on all property insurance that the Assessee maintains on the Property, and "additional insured" on all casualty and general liability insurance policies that the Assessee maintains on the Property, and

(2) In the event of damage or destruction of the Property, (A) the Existing Lender shall have sole authority to collect and apply any property insurance proceeds affecting the Property if the Existing Lender determines insurance proceeds are to be applied to repair and restore the Property, subject to the terms and conditions of the documents evidencing and securing such Existing Financing are satisfied or otherwise waived by such Existing Lender or (B) the Existing Lender shall apply any property insurance proceeds affecting the Property to the repayment of such Existing Financing and the Assessment on a pro rata basis based on the outstanding principal amounts;

provided, however, as a condition to the Authority's agreement to the provisions of this clause (iii), Assessee shall have secured a written agreement from Existing Lender in favor of the Authority in which the Existing Lender agrees to the provisions of this clause (iii).

(b) Reporting. Following completion of the installation of the Improvements and through the term of this Contract, Assessee shall provide Property operating statements, financial statements, rent rolls, property profit & loss statements, pro forma projections, and pre-leasing information to the Authority and the Program Administrator within 30 days of receiving a written request for such statements, but no more frequently than one time each calendar year. Assessee will keep and maintain or will cause to be kept and maintained proper and accurate books, records and accounts reflecting all items of income and expense in connection with the ownership of its leasehold interest under the Lease and operation of the Property or any part thereof including, but not limited to, any services, equipment or furnishings provided in connection therewith, and will furnish the same to Program Administrator upon request. Program Administrator or its designee shall have the right from time to time during normal business hours, upon reasonable prior written notice, to examine such books, records and accounts at the office of Assessee or other person or entity keeping such books, records and accounts and to make such copies or extracts thereof as Program Administrator shall desire.

(c) Use of Project. The Assessee shall not use any portion of the Improvements for any business activity that violates any Federal or State law.

(d) Covenant Not to Terminate or Amend the Lease. The Assessee covenants that for so long as any portion of the Assessment Obligations remains unpaid and the Bonds are outstanding, the Assessee will not (i) terminate the Lease, or (ii) amend, restate, supplement, or otherwise modify the Lease in a manner that would reasonably be expected to have a material adverse effect on the Assessments and Assessee's ability to pay the Assessment Obligations or otherwise perform its obligations under this Contract or the Disbursement Agreement ("**Material Adverse Effect**"), in each case, without the prior written consent of the Program Administrator. Moreover, so long as any portion of the Assessment Obligations remains unpaid and the Bonds are outstanding, Assessee shall comply with the terms and conditions of the Lease and perform all of its obligations thereunder and shall deliver to Program Administrator copies of any notices of material default given by Assessee to Property Owner or received by Assessee from Property Owner.

(e) Mortgage Loan. The Assessee has informed Program Administrator that Assessee has obtained a certain mortgage loan in the maximum principal amount of up to \$61,500,000 (the "**Mortgage Loan**"), which Mortgage Loan is governed by a certain Construction Loan Agreement dated as of December 30, 2024 between Oceanview Commercial Mortgage Finance, LLC (together with its successors and assigns, "**Mortgage Lender**") and Assessee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), evidenced by a certain promissory note dated December 30, 2024 (as the same

may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Mortgage Note**"), and secured by a construction loan deed of trust encumbering Assessee's leasehold estate in the Property (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Mortgage**", and together with the Loan Agreement, the Mortgage Note and any and all other documents evidencing, securing or governing the Mortgage Loan, the "**Mortgage Loan Documents**"). Assessee covenants and agrees (i) to comply with its obligations under the Mortgage Loan Documents with respect to the construction and installation of the Improvements, and (ii) not to amend, restate, supplement, or otherwise modify any of the Mortgage Loan Documents in a manner that would reasonably be expected to have a Material Adverse Effect without the prior written consent of the Program Administrator. Assessee shall deliver to Program Administrator copies of any material default notices given by Assessee to Mortgage Lender or received by Assessee from Mortgage Lender with respect to the Mortgage Loan, the Lease, the Property or the Improvements.

(f) Petros Assessments. The Assessee has informed Program Administrator that contractual assessments (the "**Petros Assessments**") were levied on the leasehold interest owned by Assessee in the Lease with respect to the Participating Parcels, pursuant to a certain Assessment Contract dated November 10, 2022 between Assessee and the Authority (the "**Petros Assessment Contract**"), which Petros Assessments are administered by Petros Pace Administrator, LLC ("**Petros**") as the program administrator. Assessee covenants and agrees (i) to comply with its obligations under the Petros Assessment Contract, and (ii) not to amend, restate, supplement, or otherwise modify the Petros Assessment Contract in a manner that would reasonably be expected to have a Material Adverse Effect without the prior written consent of the Program Administrator. Assessee shall deliver to Program Administrator copies of any material default notices given by Assessee to Petros or the Authority or received by Assessee from Petros or the Authority with respect to the Petros Assessments.

(g) Payment of all Other Charges. Assessee shall promptly pay prior to delinquency all taxes, assessments, water charges, sewer charges, liens for taxes past due with respect to the Property, carrier's, warehousemen's, mechanics', materialmen's, repairmen's or other liens and all other charges levied on or against the Property, as well as any payments required pursuant to a mortgage, deed of trust, financing statement, or any other loan agreement or debt instrument and upon written request, submit to Program Administrator evidence of such payments; provided, however, that Assessee shall have the right to contest any such items so long as it is doing so diligently, in good faith and in accordance with the Mortgage Loan Documents so long as the Mortgage Loan remains outstanding.

(h) Notice of Bankruptcy, Litigation, Event of Default. Assessee shall promptly notify Program Administrator in writing of any (i) appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, reorganization, moratorium, marshalling of assets and liabilities or similar proceeding of or relating to Assessee or relating to all or substantially all of such Assessee's property, (ii) admission by Assessee in writing in a legal proceeding of its inability to pay its debts as they become due, (iii) filing by, or filing against (to the extent same is not discharged within 90 days of such filing), Assessee, of a petition to take advantage of any applicable insolvency or reorganization statute, (iv) assignment by Assessee for the benefit of its creditor (each, an "**Insolvency Event**"), and (v) pending or threatened litigation or proceedings that would reasonably be expected to have a Material Adverse Effect. Assessee shall promptly notify Program Administrator in writing of any Event of Default (as defined below) or any event which with the passage of time would constitute an Event of Default hereunder.

(i) Changes to Ownership: Assessee shall not sell, transfer, or convey its ownership of its leasehold interest in the Property pursuant to the Lease (i) without completion of the Improvements, (ii) without prior written notice to Program Administrator, (iii) without execution by the transferee of Assessee's leasehold interest in the Property of an assignment of this Contract, the Disbursement Agreement or any other document executed in connection therewith or required thereby (collectively, the "**PACE Financing Documents**") in a form reasonably acceptable to the Authority and the Program Administrator, and (iv) if such transfer would result in a change of control or the day to day management of the Property. Notwithstanding the foregoing or anything contained herein to the contrary, Assessee shall not sell, transfer, or convey its leasehold interest in the Property to any governmental authority, domestic or foreign, other than the City of Los Angeles or an agency or entity of which the City of Los Angeles is a member, nor remove the Improvements from the Property at any time. Any violation of the foregoing contained in this Section 14(i) shall be an Event of Default of this Contract. Assessee hereby covenants and agrees to use the proceeds received from any sale, transfer or conveyance of ownership of its leasehold interest in the Property, to the extent in violation of this Section 14(i), to satisfy the Assessment Obligations hereunder.

(j) Casualty/Condemnation. Assessee shall promptly notify Program Administrator if the Property or the Improvements or any part thereof (i) are damaged or destroyed by fire, casualty, injury or any other cause (each such occurrence, a "**Casualty**"), or (ii) are taken temporarily or permanently by any governmental authority as the result of or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, including any right of access thereto or any change of grade affecting the Property or any part thereof (a "**Condemnation**").

(k) Additional Assessments. Assessee covenants that it will not consent to the levying of any additional assessments pursuant to the Program (an "**Additional Assessment**") without first obtaining the written consent of Program Administrator. Any violation of the foregoing contained in this Section 14(k) shall be an Event of Default of this Contract.

(l) Environmental Matters. Assessee will not engage on the Property (nor will it allow any tenants of the Property to engage) in operations that involve the growth, testing, production or distribution of marijuana, nor the generation, manufacture, refining, transportation, treatment, storage, disposal or handling of Hazardous Substances, in each case, except in strict compliance with all such laws and regulations. Assessee covenants and agrees to comply with all Environmental Regulations. Assessee shall promptly notify Program Administrator in writing of any letter or request for information under Section 104 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 USC. § 9604) or any comparable state law.

(m) Compliance With Laws. Assessee has complied with in all material respects, and will continue to comply with, all federal, state or local laws, statutes, regulations, ordinances, covenants and/or restrictions and has obtained all requisite inspections, licenses, certificates, permits, consents, approvals and authorizations required in connection with the Property and construction and operation of the Improvements (collectively, the "**Permits**"). Assessee will remain in good standing under the laws of the State of California. Assessee and its respective affiliates shall, at all times, be in full compliance with all applicable laws of the Office of Foreign Assets Control of the U.S. Department of the Treasury.

(n) Payment of Costs and Expenses. Assessee shall pay on demand all out of pocket fees, costs and expenses of the Program Administrator in connection with the preparation, execution, delivery and administration, modification, amendment and termination of this Contract and the

other PACE Financing Documents (including, without limitation, any costs or fees associated with inspection of the Property and the reasonable fees and expenses of counsel).

(o) Zoning. Assessee shall not permit the use of any portion of the Property, or initiate or consent to any zoning reclassification of any portion of the Property, in any manner that would reasonably be expected to result in such use becoming a non-conforming use under any zoning ordinance or any other applicable law, without the prior written consent of the Program Administrator, which consent shall not be unreasonably withheld.

**Section 15. Intentionally Omitted.**

**Section 16. Default.** The occurrence of any of the following events shall constitute an “Event of Default” hereunder:

(a) Failure by Assessee to make any payment required under the Mortgage Loan Documents within when due;

(b) Any material breach by Assessee of any of the covenants in Section 14 or any other term of the Mortgage Loan Documents or an Event of Default as defined in any of the Mortgage Loan Documents shall occur; provided, however, Assessee shall have thirty (30) days following receipt of written notice from the Authority or Program Administrator of such material breach or Event of Default to cure such material breach or Event of Default; further, provided that so long as Assessee is diligently and expeditiously proceeding to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Assessee in the exercise of due diligence to cure such Event of Default, such additional period not to exceed ninety (90) days;

(c) Any written representation, warranty or disclosure made to Program Administrator by Assessee shall have been false or misleading in any material respect as of the date when made, whether or not such representation or disclosure appears in the Mortgage Loan Documents; provided, however, that if such false representation or warranty or disclosure was not intentional and is susceptible to cure, Assessee shall have the right to cure such representation or warranty within thirty (30) days of receiving written notice from Program Administrator of same;

(d) An Insolvency Event has occurred with respect to Assessee or Assessee becomes insolvent or unable to pay its debts as they mature and such has not been cured within sixty (60) days of the event;

(e) Reserved;

(f) Other than the Petros Assessments or any other Permitted Encumbrances, any encumbrance on any portion of the Property or Assessee's leasehold interest in the Property is created, other than current liens for real estate property taxes or special assessments, which encumbrance purports to have priority over the lien of the Assessments;

(g) The existence of foreclosure actions or any liens for taxes past due with respect to the Property, or carrier's, warehousemen's, mechanics,' materialmen's, repairmen's or other liens which have not been dismissed, escrowed (subject to Program Administrator's sole approval) or bonded for sixty (60) days after the filing or recording thereof;

(h) Subject to any Force Majeure, Assessee fails to substantially complete construction of the Improvements by 5:00 p.m. Eastern Standard Time on the Completion Deadline set forth in Exhibit B-3 (as the same may be extended in Program Administrator's sole discretion);

(i) Any default under the PACE Completion Guaranty dated as of the date hereof (the "**Completion Guaranty**") executed by Eric Johnson, an individual, Jerico Development, Inc., a California corporation ("**Jerico Development**"), The Eric Crail Johnson Family Trust of 1983, a California revocable trust ("**Johnson Family Trust**" and together with Eric Johnson and Jerico Development, the "**Guarantors**"),] in connection with this Contract beyond the expiration of any applicable notice and/or cure period; and if Guarantors fail to satisfy the net worth and/or liquidity requirements set forth in the Completion Guaranty and such failure results in an Event of Default; and

(j) There is a monetary or material non-monetary event of default (beyond all applicable notice and cure periods) under that certain General Contractor Agreement, by and between Assessee and MATT Construction Corporation, a California corporation, as General Contractor, dated as of February 5, 2021, as the same may be amended, restated, or otherwise modified from time to time (the "General Contractor Agreement"), and unless otherwise agreed in writing by the Program Administrator, Assessee fails to exercise its rights and remedies under the General Contractor Agreement with respect to such default and such failure to exercise its rights has not been cured within thirty (30) days of receiving written notice from Program Administrator; provided, however, that if such default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that Assessee shall have commenced to cure such failure within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Assessee in the exercise of due diligence to cure such failure, such additional period not to exceed ninety (90) days.

**Section 17. Remedies.** Upon the occurrence and during the continuation of an Event of Default, the Authority (or the Program Administrator) may in addition to any other remedies which it may have, at its option and without prior demand or notice, take any or all of the following actions:

(a) Immediately terminate any pending disbursement under the Disbursement Agreement (and neither the Authority nor Program Administrator shall have any obligation to make further disbursements) and from time to time apply all or any part of any undisbursed disbursements to payment of amounts owing on the Assessment Obligations and/or to any other obligations of Assessee hereunder or under the Mortgage Loan Documents.

(b) Subject to the Consent and Agreement, foreclose on Assessee's leasehold interest in the Property to the extent of any delinquent Assessment Installments, any penalties, interest and fees related thereto and any and all costs and attorneys' fees incurred by the Authority and the Program Administrator or any assignee as a result of any such foreclosure action or any other legal proceeding and directly related to the proceeding (collectively, the "**Enforcement Costs**"); provided the purchaser in a foreclosure sale executes and delivers an agreement by which the purchaser in such foreclosure sale assumes such rights and obligations under the Lease (the "**Assumption Agreement**").



(c) Enter the Property and complete construction of the Improvements in accordance with the Plans with such changes therein as Program Administrator may from time to time and in its judgment deem appropriate, all at the risk and expense of Assessee.

(d) Should Assessee fail to maintain the required insurance hereunder, Program Administrator shall have the right but not the obligation to obtain such insurance in amounts and limits sufficient to protect the Authority and Program Administrator and Assessee shall be obligated to pay the Program Administrator for the cost of such insurance.

(e) Exercise any remedies available under the Mortgage Loan Documents, including those contemplated by the Program.

(f) Exercise any other rights and remedies available to it hereunder, or at law or in equity.

(g) Apply for the appointment of a receiver, trustee, liquidator or conservator of the leasehold interest in the Property under the Lease, without notice and without regard for the adequacy of the security of the lien of the Assessments and without regard for the solvency of Assessee, any guarantor, or any indemnitor with respect to the Assessment Obligations or any person or entity liable for the payment of the Assessment Obligations.

All remedies of the Authority and/or the Program Administrator provided for herein are cumulative.

**Section 18. Non-Liability of Authority; Waiver of Personal Liability.**

(a) The Authority shall not be obligated to pay the principal (or redemption price) of or interest on the Bonds, except from the Assessment and other moneys and assets received by the Authority pursuant to this Contract. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof (including the Participating Entity and the Property Owner), nor the faith and credit of the Authority is pledged to the payment of the principal (or redemption price) of or interest on the Bonds. Neither the Authority nor the Program Administrator shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Contract, the Bonds, the Disbursement Agreement or the Indenture, except only to the extent amounts are received for the payment thereof from the Assessee under this Contract.

(b) The Assessee hereby acknowledges that the Authority's sole source of moneys to repay the Bonds (whether by maturity, redemption, acceleration or otherwise) will be the Assessment, together with amounts on deposit in and investment income on certain funds and accounts held by the Trustee under the Indenture.

(c) The Assessee acknowledges that neither the Participating Entity nor the Property Owner shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with, the Bonds.

(d) No member, officer, agent or employee of the Participating Entity, the Authority, the Property Owner or the Program Administrator, or any direct or indirect member, partner, shareholder, affiliate, director, officer, agent or employee of the Assessee, excluding the Guarantors in accordance with the Completion Guaranty, shall be individually or personally liable for the payment of any principal (or redemption price) of or interest on the Bonds or any sum

hereunder or under the Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this Contract.

**Section 19. Amendment.** Except as set forth in Section 5(b) hereof, this Contract may be modified only by the written agreement of the Parties. A modification of this Contract shall be approved in writing by the owner(s) of any Bonds secured by the Assessments if the amendment will materially and adversely impact the owner(s) of the Bonds.

**Section 20. Binding Effect; Assignment.** This Contract inures to the benefit of and is binding upon the Authority, the Assessee and their respective successors and assigns. The Authority has the right to assign any or all of its rights and obligations under this Contract without the consent of the Assessee. The Authority intends to delegate certain of its functions under this Contract to the Program Administrator and may pledge and assign this Contract to the Trustee as security for the Bonds. Assessee hereby consents and agrees that the Authority may exercise its rights hereunder through the Program Administrator, initially Bayview Asset Management, LLC, a Delaware limited liability company. The obligation to pay the Assessment Obligations set forth in this Contract is an obligation of a leasehold interest in the Property, and no agreement or action of the Assessee will be competent to impair in any way the Authority's rights under this Contract or Applicable Law, including, but not limited to, the right to pursue judicial foreclosure of the lien of the Assessments or the right to enforce the collection of the Assessment Obligations, any installment thereof or any other amount due and payable by the Assessee under this Contract.

**Section 21. Exhibits.** Exhibit A-1, Exhibit A-2, Exhibit B, Exhibit B-1, Exhibit B-2, and Exhibit C attached to this Contract are incorporated into this Contract by this reference as if set forth in their entirety in this Contract.

**Section 22. Severability.** If any provision of this Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Contract.

**Section 23. Corrective Instruments.** The Parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required in order to carry out the expressed intention of this Contract; provided, however, that any such actions shall not increase the obligations or liabilities of Assessee, or decrease the rights of Assessee, other than to a de minimis extent.

**Section 24. Governing Law: Venue.** This Contract shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in the State of California. This Contract shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Sacramento; provided, however, that actions to foreclose delinquent Assessment Installments and Annual Assessment Administrative Fees will be filed and maintained in the Superior Court of California in the County identified in Exhibit A-1 or as otherwise required by law.

**Section 25. Counterparts.** This Contract may be executed in several counterparts, each of which is an original and all of which constitute one and the same instrument.

**Section 26. Electronic Signatures.**



(a) The Parties hereto acknowledge and agree that this Contract may be executed by one or more electronic means (hereinafter referred to as "**Electronic Signatures**"). Each Party hereto agrees that Electronic Signatures provided by such Party shall constitute effective execution and delivery of this Contract by such Party to all other Parties to or relying on this Contract. Each Party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such Party to be bound by those signatures and by the terms and conditions of this Contract as signed. Each Party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

(b) Each Party hereto agrees to accept Electronic Signatures provided by any and all other Parties to this Contract as (i) full and sufficient intent by such Parties to be bound hereunder, (ii) effective execution and delivery of this Contract and (iii) constituting this Contract an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

(c) If Electronic Signatures are used to execute this Contract, each Party hereto hereby accepts the terms of, and intends and does sign, this Contract by its Electronic Signature hereto.

**Section 27. Contract Documents.**

(a) Assessee understands and acknowledges that this Contract and the other PACE Financing Documents consists of the entire agreement between Assessee and the Authority.

(b) Assessee hereby represents, warrants, acknowledges and agrees that it has had sufficient time to review and has reviewed this Contract (including its exhibits) and has had the opportunity to ask any questions of the Authority that Assessee may have with respect thereto.

**Section 28. Possibility of Default under Current Mortgage (or Other Indebtedness); Potential Inability to Refinance Mortgage or Transfer Assessment.** BEFORE SIGNING THIS CONTRACT, THE ASSESSEE SHOULD CAREFULLY REVIEW ANY MORTGAGES, DEEDS OF TRUST, LOAN AGREEMENTS OR OTHER SECURITY INSTRUMENTS WHICH AFFECT THE PROPERTY OR TO WHICH THE ASSESSEE IS A PARTY. ENTERING INTO THIS CONTRACT WITHOUT THE CONSENT OF THE ASSESSEE'S EXISTING LENDERS COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH MORTGAGES, DEEDS OF TRUST, LOAN AGREEMENTS OR OTHER SECURITY INSTRUMENTS. DEFAULTING UNDER A MORTGAGE, DEED OF TRUST, LOAN AGREEMENT OR OTHER SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO THE ASSESSEE, WHICH COULD INCLUDE THE ACCELERATION OF THE ASSESSEE'S REPAYMENT OBLIGATIONS

**Section 29. No Third-Party Beneficiaries.** All undertakings, agreements, representations and warranties contained in this Agreement are solely for the benefit of the Parties hereto and Program Administrator and their respective successors and assigns and there are no other parties who are intended to be benefited in any way by this Agreement.

**Section 30. Notices.** All notices, consents, approvals and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if sent by (a) hand delivery against receipt, (b) certified or registered United States mail, postage prepaid, return receipt requested or (c) expedited prepaid delivery service, either commercial or United States Postal Service for next Business Day Delivery, with proof of attempted delivery, in each case to the notice addresses set forth on Exhibit A-2 hereto.

**Section 31. Waivers, Failure or Delay.** No failure or delay on the part of any Party hereto in the exercise of any, power, right, remedy, or privilege under this Contract shall impair such power, right, remedy, or privilege or shall operate as a waiver thereof; nor shall any single or partial exercise of any such power, right, or privilege preclude any other or further exercise of any other power, right, or privilege. The waiver of any such right, power, remedy, or privilege with respect to particular facts and circumstances shall not be deemed to be a waiver with respect to other facts and circumstances.

**Section 32. Insolvency, Bankruptcy or Reorganization of Assessee.** This Contract and the lien of the Assessments shall continue to be effective or be reinstated, as the case may be, if at any time any payments to the Authority are rescinded or must otherwise be returned upon the insolvency, bankruptcy or reorganization of Assessee, all as though such payment had not been made.

**Section 33. Waiver of Jury Trial.** THE PARTIES HERETO EACH EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY AND EVERY RIGHT IT MAY HAVE TO A TRIAL BY JURY.

IN WITNESS WHEREOF, the Authority and the Assessee have caused this Contract to be executed in their respective names by their duly authorized representatives, all as of the date identified in the first paragraph of this Contract.

**AUTHORITY:**

**CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Name: [ ]  
Title: [ ]

## ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

The following are the authorized signatories of the Assessee:

**ASSESSEE:**

**SAN PEDRO PUBLIC MARKET LLC,**  
a California limited liability company

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

Name:

Title:

STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature\_\_\_\_\_ (seal)

**EXHIBIT A-1**

**DESCRIPTION OF PROPERTY; DESCRIPTION OF IMPROVEMENTS;  
AND NOTICE INFORMATION**

**Description of Property:**

Assessee(s) Name(s):	San Pedro Public Market LLC
Property Address:	612 S. Harbor Blvd. – 1422 S. Harbor Blvd., San Pedro, California]
APN:	[ ]
Participating Entity:	City of Los Angeles
County:	Los Angeles

Property Legal Description:

[To be inserted.]

## EXHIBIT A-2

### **Description of Improvements:**

The Improvements to be financed include the following:

<b><u>Improvement</u></b>	<b><u>Amount</u></b>
<b>Total</b>	

(1) Eligible costs exceed financed amount.

### **Notice Information:**

To Authority c/o Program Administrator:

Bayview Asset Management, LLC  
4425 Ponce de Leon, 5<sup>th</sup> Floor  
Coral Gables, Florida 33146  
Attn: Brian Bornstein, General Counsel  
Email: [brianbornstein@bayview.com](mailto:brianbornstein@bayview.com)

Assessee Contact Information:

San Pedro Public Market LLC  
c/o Jerico Development, Inc.  
461 W. Sixth Street, Suite 300  
San Pedro, California 90731  
Attn: Eric Johnson  
Email: [ericj@victory-group.com](mailto:ericj@victory-group.com)

San Pedro Public Market LLC  
c/o The Ratkovich Company  
700 South Flower, Suite 820  
Los Angeles, California 90017  
Attn: Brian Saenger and Milan Ratkovich  
Email: [bsaenger@ratkovich.com](mailto:bsaenger@ratkovich.com) and [mratkovich@ratkovich.com](mailto:mratkovich@ratkovich.com)

with a copy to:

DLA Piper LLP (US)  
4365 Executive Drive, Suite 1100  
San Diego, California 92121



Attention: Skyler Anderson  
Email: [Skyler.Anderson@us.dlapiper.com](mailto:Skyler.Anderson@us.dlapiper.com)

**EXHIBIT B  
TABLE OF CONTENTS**

<b>Participating Parcel APN</b>	<b>Exhibit Number</b>
[ ]	B-1
[ ]	B-2

This Exhibit B identifies each Participating Parcel and its related Assessment.

**EXHIBIT B-1**  
**(APN: [ ])**

**SCHEDULE OF ASSESSMENT INSTALLMENTS AND ESTIMATED ANNUAL  
ADMINISTRATIVE FEES:**

The Assessment Installments are based on amounts set forth below in the Summary of Assessment Terms.

<b>Tax Year</b>	<b>Principal (a)</b>	<b>Interest (b)***</b>	<b>Assessment Installments (a) + (b)</b>	<b>Administrati ve Expenses (c)*</b>	<b>Total (a) + (b) + (c)</b>
2024 - 2025					
2025 - 2026					
2026 - 2027					
2027 - 2028					
2028 - 2029					
2029 - 2030					
2030 - 2031					
2031 - 2032					
2032 - 2033					
2033 - 2034					
2034 - 2035					
2035 - 2036					
2036 - 2037					
2037 - 2038					
2038 - 2039					
2039 - 2040					
2040 - 2041					
2041 - 2042					
2042 - 2043					
2043 - 2044					
2044 - 2045					
2045 - 2046					
2046 - 2047					
2047 - 2048					
2048 - 2049					

2049 - 2050					
2050 - 2051					
2051 - 2052					
2052 - 2053					
2053 - 2054					

**Total Assessment\*\*:**      \$[                      ]  
**Total Payments:**              \$[                      ]

\*Includes annual collection fee charged by the Tax Collector of Los Angeles County. Subject to increase as provided in Section 3(d) of the Contract.

\*\*Assessment Installments accounts for interest accrued from the Closing Date to [                      2, 2026]<sup>1</sup> (the "Capitalized Interest").

\*\*\*Does not include Capitalized Interest. Such interest was financed and deposited into the Capitalized Interest Account established under the Indenture.

**EXHIBIT B-2**  
**(APN: [    ]) )**

**SCHEDULE OF ASSESSMENT INSTALLMENTS AND ESTIMATED ANNUAL  
ADMINISTRATIVE FEES:**

The Assessment Installments are based on amounts set forth below in the Summary of Assessment Terms.

<b>Tax Year</b>	<b>Principal (a)</b>	<b>Interest (b)***</b>	<b>Assessment Installments (a) + (b)</b>	<b>Administrati ve Expenses (c)*</b>	<b>Total (a) + (b) + (c)</b>
2024 - 2025					
2025 - 2026					
2026 - 2027					
2027 - 2028					
2028 - 2029					
2029 - 2030					
2030 - 2031					
2031 - 2032					
2032 - 2033					
2033 - 2034					

<sup>1</sup> NTD: Regardless of this date, County will split the September 2 amount between December 10 and April 10. If goal is to have nothing on the property bill for a tax year, then you need capitalized interest through September 2.

2034 - 2035					
2035 - 2036					
2036 - 2037					
2037 - 2038					
2038 - 2039					
2039 - 2040					
2040 - 2041					
2041 - 2042					
2042 - 2043					
2043 - 2044					
2044 - 2045					
2045 - 2046					
2046 - 2047					
2047 - 2048					
2048 - 2049					
2049 - 2050					
2050 - 2051					
2051 - 2052					
2052 - 2053					
2053 - 2054					

**Total Assessment\*\*:**      \$[ ]  
**Total Payments:**         \$[ ]

\* Includes annual collection fee charged by the Tax Collector of Los Angeles County. Subject to increase as provided in Section 3(d) of the Contract.

\*\*Assessment Amount accounts for interest accrued from the Closing Date to [September 2, 2026] (the "Capitalized Interest").

\*\*\*Does not include Capitalized Interest. Such interest was financed and deposited into the Capitalized Interest Account established under the Indenture.

### EXHIBIT B-3

#### **Summary of Assessment Terms:**

The schedule of the Assessment Installments above is based on the amounts listed in the table below.

Project Amount	\$[ ]
Capitalized Interest	\$[ ]
Closing Costs	\$[ ]
Total Assessment Amount (Project Amount + Capitalized Interest + Closing Costs)	\$[ ]
Interest Rate	[ ]%
Completion Deadline	June 30, 2027
Final Maturity Date	[ ]
Initial Tax Year on Roll	[ ]

#### **Prepayment Terms:**

The prepayment premium is set forth in the following chart:

Date of Assessment Contract: November 10, 2022 Closing Date: November 10, 2022	
<b><u>Date of Bond Redemption</u></b>	<b><u>Prepayment Premium*</u></b>
Years 1 – 3: On or before [ ]	3.00% of the Assessment Prepayment Amount
Years 4 – 5: [ ] to [ ]	2.00% of the Assessment Prepayment Amount
Years 6 – 10: [ ] to [ ]	1.00% of the Assessment Prepayment Amount
From and after [ ]	0.00% of the Assessment Prepayment Amount

#### **Interest Accrual Method:**

Interest will accrue on the Assessments on the same basis as interest accrues on the outstanding principal amount of the Bonds as set forth on the Indenture.

**Reserve Fund Deposit:** \$0

EXHIBIT C

Permitted Encumbrances

Exhibit B  
Form of Assumption Agreement

[see attached]



## LEASE ASSUMPTION AGREEMENT

This LEASE ASSUMPTION AGREEMENT (the "**Assumption Agreement**") is made and entered into as of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ ("**Buyer**") for the benefit of the City of Los Angeles, a municipal corporation, acting by and through its Board or Harbor Commissioners ("**City**"), with regard to the following:

A. City and San Pedro Public Market LLC, a California limited liability company ("**Lessee**"), are parties to that certain Lease No. 915, dated June 17, 2016, as amended (the "**Lease**"), covering certain property in the San Pedro Area of Los Angeles covered by the San Pedro Waterfront Project Final EIR/EIS, as amended or supplemented.

B. The California Statewide Communities Development Authority, a joint exercise of powers authority ("**Authority**"), has established the CSCDA Open PACE Program to allow the financing or refinancing of certain distributed generation renewable energy sources, energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, electric vehicle charging infrastructure and such other work, infrastructure or improvements as may be authorized by law from time to time that are permanently fixed to real property (collectively, the "**Authorized Improvements**") through the levy of contractual assessments pursuant to Chapter 29 of Part 3 of Division 7 of the Streets and Highways Code and the issuance of improvement bonds under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) upon the security of the unpaid contractual assessments.

C. Pursuant to Chapter 29, the Authority and the Lessee entered into a contract dated \_\_\_\_\_, 20\_\_\_\_ (the "**Assessment Contract**") to levy an assessment on Lessee's leasehold interest under the Lease for the financing of certain Authorized Improvements.

D. The City provided written consent to the Assessment Contract as evidenced in that certain Consent and Agreement to the Levy of a Contractual Assessment on a Leasehold Interest and to Related Matters dated as of \_\_\_\_\_, 20\_\_\_\_ ("**City Consent**").

E. Due to delinquency in Lessee's payment of Assessment Obligations (as defined in the Assessment Contract), the leasehold interest was foreclosed, and Buyer was the successful bidder at the foreclosure sale.

F. In accordance with the City Consent, as a condition to being recognized as the lessee under the Lease, Buyer is obligated to expressly assume the obligations under the Lease.

NOW THEREFORE, Buyer agrees, for the benefit of the City as follows:

1. Buyer hereby assumes and agrees to be bound to the City under the terms of the Ground Lease for the balance of the term thereof remaining.

2. This Assumption Agreement shall be governed by and construed in accordance with the laws of the State of California (without regard to principles of conflict of laws).

IN WITNESS WHEREOF, the undersigned has signed this Assumption Agreement as of the date set forth above.

BUYER

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**EXHIBIT 1**

**NON-DISTURBANCE AND ATTORNMENT AGREEMENT  
EXHIBIT Q OF LEASE 915**

**[See attached. This page intentionally left blank.]**

## EXHIBIT Q

### NON-DISTURBANCE AND ATTORNMENT AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND [SUBLESSEE]

This Non-Disturbance and Attornment Agreement ("**Agreement**") dated \_\_\_\_\_, 20\_\_\_\_, is made and entered into by and between the **CITY OF LOS ANGELES**, a municipal corporation ("**City**"), acting by and through its Board of Harbor Commissioners ("**Board**"), and [SUBLESSEE] ("**Sublessee**").

City, acting by and through its Board, is lessor under that certain Lease No. 915, dated June 17, 2016, and as amended from time to time (the "**Lease**"), with **SAN PEDRO PUBLIC MARKET LLC**, a California limited liability company ("**SPPM**" or "**Lessee**"), for certain property as described in the Lease ("**Premises**"). Sublessee has subleased certain property on the Premises (the "**Subleased Premises**") and thereupon seeks to [USE] (the "**Sublease Use**"), pursuant to that Sublease for certain property (the "**Sublease**") substantially in the form attached hereto as Exhibit A. In accordance with Article 2, Section 16.3, Lessee has requested that the City enter into this Agreement in connection with its consent to the Sublease.

**NOW, THEREFORE**, the City, acting by and through its Board, and Sublessee, hereby agrees as follows:

1. **Non-Disturbance**. If the Lease terminates for any reason, provided that Sublessee is not in default under the Sublease (after expiration of any applicable notice and cure periods), the City agrees not to disturb Sublessee's possession of the Subleased Premises, to recognize the rights of Sublessee to own and operate its business on the Subleased Premises for the duration of the term of the Sublease, and to perform for the benefit of the Sublessee the obligations of SPPM under the Sublease arising after the date of such termination until such obligations are assumed by another sublandlord or other transferee of the SPPM's interest in the Sublease. Upon any such termination of the Lease, Sublessee shall attorn to the City and continue to perform all of Sublessee's obligations under the Sublease for the benefit of the City or any future sublandlord or other assignee of the City. After the effective date of this Agreement, Sublessee shall present to City for approval, which shall not be unreasonably withheld, and for which a response shall be provided in accordance with Section 16.3 of the Lease, any amendments to the Sublease, and upon City's approval, such amendments shall become enforceable under this Agreement; any amendments to the Sublease either not presented by Sublessee to City, or not approved by City, shall not be enforceable under this Agreement. City shall not be responsible or liable for any damages caused by SPPM. For avoidance of doubt, in the event a leasehold mortgagee is exercising its rights to cure or replace the Lease or is in process of obtaining a New Lease with City, all in accordance with the terms and conditions of the Lease, (i) the Lease will not be deemed "terminated" for purposes of this Section 1, (ii) a "New Lease" between leasehold mortgagee and City shall be deemed to be the "Lease" for purposes hereof, and (iii) the period of time provided to a leasehold mortgagee and required by City in order to obtain such "New Lease" will be permitted hereunder.

2. **Sublease Use is Sublessee's Personal Property.** The parties agree that the Sublease Use, all improvements and equipment related thereto are all solely owned by Sublessee, and that no such property shall be considered fixtures to the Subleased Premises, but shall remain the sole personal property of Sublessee and may be removed by Sublessee at any time in its sole discretion without any approval or consent from the City.

3. **Effective Date of Agreement.** The effective date of this Agreement shall be the date of its execution by the Executive Director.

4. **Term of the Agreement.** This Agreement shall be in full force and effect for the same term of the Sublease between SPPM and Sublessee, and, notwithstanding earlier termination of the Lease, the term of this Agreement shall not exceed the term set forth in the Lease (including any extension options set forth therein).

5. **Notices.** All notices, requests, and other communications pursuant to this Agreement shall be in writing, either by letter (delivered by hand) or commercial messenger service or sent by certified mail, return receipt requested, as follows:

Sublessee:

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

City:

City of Los Angeles – Harbor Department  
425 South Palos Verdes Street  
San Pedro, CA 90731  
Attention: Director of Waterfront Real Estate  
Tel: (310) 732-3860

With a copy to:

Los Angeles City Attorney  
425 South Palos Verdes Street  
San Pedro, CA 90731  
Attention: General Counsel Harbor Division  
Tel: (310) 732-3750

6. **No Oral Modification/Binding Effect/Counterparts.** This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of Sublessee and be binding upon the parties hereto and their successors and assigns. This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

7. **Laws.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without reference to the conflicts of law, rules and

principles of such State. The parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State or Federal Courts located in the County of Los Angeles, State of California, in the judicial district required by court rules.

8. **State Tidelands Grants.** This Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions, and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "*An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City,*" approved June 3, 1929 (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. Subtenant agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions, and reservations.

**[Signatures Appear on the Following Page]**

IN WITNESS WHEREOF, the parties hereto have executed this Non-Disturbance and Attornment Agreement on the date of the left of their signatures.

THE CITY OF LOS ANGELES, by its  
Board of Harbor Commissioners

Dated: \_\_\_\_\_, 20\_\_

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

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

[SUBLESSEE NAME]

Dated: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print/type Name and Title)

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print/type Name and Title)

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_, 20\_\_  
HYDEE FELDSTEIN SOTO, City Attorney  
STEVEN Y. OTERA, General Counsel

By \_\_\_\_\_  
HELEN J. SOK, Deputy City Attorney