

DUPLICATE

STANDARD INDUSTRIAL LEASE
(NET)

SAN DIEGO BUSINESS CENTER

H. G. FENTON PROPERTY COMPANY,
a California corporation

"Landlord"

and

THE CITY OF SAN DIEGO

"Tenant"

The parties acknowledge that double underlined text and ~~lined through text~~ are intentional changes in language and incorporated as a part of this Lease.

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STANDARD INDUSTRIAL LEASE - NET

THIS STANDARD INDUSTRIAL LEASE - NET ("Lease"), dated for reference purposes only as of July 9, 2018, is made at San Diego, California, between H.G. FENTON PROPERTY COMPANY, a California corporation ("Landlord"), and THE CITY OF SAN DIEGO ("Tenant").

1. BASIC LEASE PROVISIONS.

1.1 Premises: Approximately 22,428 rentable square feet ("RSF") of space located in Suite A of the Building, as depicted on Exhibit A (the "Premises"). The address for the Premises is 3554 Ruffin Road South, Suite A, San Diego, California 92123.

1.2 Building: The building in which the Premises is located (the "Building").

1.3 Project: Those portions of a larger business park addressed at 9085, 9177, and 9179 Aero Drive, 3585 Corporate Court, 3554, 3556, 3558, 3562, 3568, and 3574 Ruffin Road South, located in San Diego, County of San Diego, State of California (the "Project"). The Project, depicted on Exhibit A, contains approximately 214,808 square feet.

1.4 Term: One Hundred Twenty-Six (126) full calendar months.

1.5 Commencement and Expiration Dates:

(a) **Commencement Date:** The date that is the earliest of (i) the date Tenant commences business in the Premises, (ii) the date the Improvements are substantially complete (each as defined in Exhibit B), or (iii) the date the Improvements would have been substantially complete, but for any Tenant Delays (as defined in Section 3.4), which Commencement Date is anticipated to be sixty (60) days following Tenant's execution of this Lease.

(b) **Expiration Date:** The last day of the last Lease Year (as defined in Section 3.1), anticipated to be March 31, 2029.

(c) **Delivery of the Premises:** Sixty (60) days following Tenant's execution of this Lease (estimated, subject to the provisions of Section 3.2).

1.6 Extension Option Period: Subject to the provisions of Section 24

1.7 Initial Monthly Base Rent: \$29,156.00 (\$1.30 per sf x 22,428 RSF)

1.8 Prepaid Base Rent: The Base Rent for the first full month of the Term (as defined in Section 3.1), in the amount of \$29,156.00, shall be paid at the time of Tenant's execution of this Lease.

1.9 Monthly Base Rent:

<u>Months of Term</u>	<u>Base Rent</u>
1	\$29,156.00
2	\$29,156.00 (abated, subject to the provisions of Section 23)
3-12	\$29,156.00
13	\$30,031.00 (abated, subject to the provisions of Section 23)
14-24	\$30,031.00
25	\$30,932.00 (abated, subject to the provisions of Section 23)
26-36	\$30,932.00
37	\$31,860.00 (abated, subject to the provisions of Section 23)
38-48	\$31,860.00
49	\$32,816.00 (abated, subject to the provisions of Section 23)
50-60	\$32,816.00
61	\$33,800.00 (abated, subject to the provisions of Section 23)
62-72	\$33,800.00

73 - 84	\$34,814.00
85 - 96	\$35,859.00
97 - 108	\$36,934.00
109 - 120	\$38,042.00
121 - 126	\$39,184.00

- 1.10 Security Deposit Amount:** Waived
- 1.11 Improvements:** Subject to the provisions of Exhibit B.
- 1.12 Tenant's Share:** 10.441% for all Operating Expenses other than Real Property Taxes and
10.441% for Real Property Taxes
- 1.13 Permitted Use:** The Premises shall be used and occupied as general offices and warehouse space for city law enforcement agency, along with other ancillary uses directly related thereto, and for no other purpose whatsoever.
- 1.14 Guarantor:** None.
- 1.15 Broker(s):** Not applicable (Tenant)
CBRE (Landlord)
- 1.16 Parking:** Seventy-Two (72) unreserved and free parking spaces.
- 1.17 Landlord's Address for Notice:** H.G. FENTON PROPERTY COMPANY
7577 Mission Valley Road, Suite 200
San Diego, California 92108
Tel: (619) 400-0120
Fax: (619) 400-0111
Attention: Property Manager
- 1.18 Tenant's Address for Notice:** THE CITY OF SAN DIEGO
Real Estate Assets Department
1200 Third Avenue, Suite 1700
San Diego, California 92101
Tel: (619) 236-6020
Fax: (619) 236-6706
- 1.19 Addendum:** Sections: 22-27

2. **PREMISES.**

2.1 Lease of Premises. Subject to all of the conditions set forth in this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises. Except as otherwise provided herein, this Lease is subject to: (i) if applicable, any recorded declaration of covenants, conditions and restrictions or other similar documents applicable to the Project, as the same may be amended from time to time (the "**Declaration**"), all Mortgages (as defined in Section 17.1), ground leases and any other matters of record now or hereafter affecting the Project; and (ii) all Laws (as defined in Section 6.2) affecting the Project, Building or the Premises. Additionally, commencing on the Commencement Date, Tenant shall, subject to events of force majeure described in Section 21.8 and other de minimus interruptions, have access to the Premises twenty-four (24) hours per day, seven (7) days per week.

2.2 Landlord's Reserved Rights. Landlord reserves to itself the absolute right: (i) to use the roof, exterior walls and areas above and beneath the Premises, and (ii) to install, use, maintain and replace the Systems and Equipment (as defined in Section 4.2(e)(i)(A)) located within the Premises which serve other parts of the Project, in a manner and locations that do not unreasonably interfere with Tenant's use of the Premises.

2.3 Condition of Premises. Tenant acknowledges that, except as expressly set forth in this Lease, neither Landlord nor its agents have made (i) any promise to alter, remodel or otherwise improve the Premises, the Building or the Project, or (ii) any representation or warranty with respect to the condition of the Premises, the Building or the Project. Subject to the completion of any Landlord's Work (as defined in Section 3.3), Tenant accepts possession of the Premises in its current, "as is", condition, and acknowledges that it has inspected the Premises before signing this Lease and is fully aware of the condition of the Premises. Tenant's taking possession of the Premises shall be deemed acceptance of the Premises by Tenant, and to conclusively establish that the Premises are in good and satisfactory condition as of the date Tenant takes possession. Notwithstanding the foregoing, Landlord shall deliver the Premises to Tenant (A) with the HVAC, electrical, and plumbing systems serving the Premises (collectively "**Premises Utility Systems**") in proper working order, and (B) in broom clean condition. If, upon the Delivery of the Premises (as defined in Section 3.2), the Premises Utility Systems are not in proper working order and Tenant notifies Landlord thereof within thirty (30) days of the Delivery of the Premises, Landlord shall, at Landlord's sole cost and expense and as Tenant's sole remedy therefor, put the Premises Utility Systems in proper

working order within thirty (30) days of receipt of Tenant's notice (unless such work would normally take longer, in which case Landlord shall commence such work within such thirty (30) day period and diligently pursue the completion of the same); however, if Landlord does not complete such work within such thirty (30) day period (or commence and diligently pursue completion of such work as set forth above, as applicable), then Tenant shall be entitled to one (1) day of Base Rent abatement for each day thereafter until the Premises Utility Systems are in proper working order.

2.4 Rights in Common Areas. Landlord grants to Tenant and to Tenant's, agents, employees and invitees a non-exclusive license during the Term (as defined in Section 3.1) to use all areas and facilities outside the Premises and within the Building and Project designated by Landlord from time to time as common areas (collectively, the "Common Areas"), subject to the terms and conditions of this Lease. Without any liability to Tenant, at any time during the Term, Landlord shall have the right to: (a) close off any of the Common Areas to the extent required in Landlord's opinion to prevent a dedication of any of the Common Areas or the accrual of any rights by any person or the public to the Common Areas; (b) temporarily close any of the Common Areas for maintenance, alteration or improvement purposes; (c) select or contract with any person for the purpose of operating and maintaining the Common Areas, subject to such terms and rates as Landlord deems reasonable; (d) change the size, use, shape or nature of any portions of the Common Areas, including the right to change the arrangement and/or location of, or to regulate or eliminate the use of, any parking spaces, garage, elevators, stairs, toilets or other public conveniences in the Project; and (e) erect additional buildings on the Common Areas, expand buildings to cover a portion of the Common Areas, convert Common Areas to a portion of the Building or other buildings, or convert any portion of the Building or such other buildings to Common Areas. Upon erection of any additional buildings, the portion of the Project upon which buildings have been erected will no longer be deemed to be a part of the Common Areas. In the event of any of the foregoing, Landlord may make an appropriate adjustment in the total RSF of the Project, and a corresponding adjustment to Tenant's Share (as defined in Section 4.2(e)(iii)).

Landlord's exercise of the foregoing rights shall not entitle Tenant to any abatement of rent nor shall the same constitute an actual or constructive eviction of Tenant; however, Landlord shall (except in an emergency) take reasonable steps to minimize interference with the Permitted Use while exercising such rights.

3. TERM; DELIVERY OF PREMISES; CONSTRUCTION.

3.1 Term. The terms and provisions of this Lease shall be effective as of the date of this Lease, except for the provisions of this Lease relating to the payment of rent. The term of this Lease (the "Term") shall be for the number of months set forth at Section 1.4 above, beginning on the date (the "Commencement Date") set forth in Section 1.5(a) above, and ending on the date (the "Expiration Date") set forth in Section 1.5(b) above. "Lease Year" shall mean each consecutive twelve (12) month calendar period or portion thereof during the Term, commencing with the Commencement Date and without regard to calendar years; provided, however, if the Commencement Date is not the first day of the month, then the first Lease Year shall commence on the first day of the first calendar month after the Commencement Date and be deemed to include the partial month at the beginning of the Term.

3.2 Delivery of the Premises. Upon the date Landlord delivers possession of the Premises to Tenant with any Landlord's Work substantially complete (the "Delivery of the Premises"), the parties shall jointly inspect the Premises to identify any "punchlist" items (i.e., minor defects or conditions in the Premises that do not impair Tenant's ability to utilize the Premises for the Permitted Use, as defined in Section 6.1), which items Landlord shall repair or correct no later than thirty (30) days after the date of such inspection (unless the nature of such repair or correction is such that more than thirty (30) days are required for completion, in which case Landlord shall commence such repair or correction work within such thirty (30) day period and diligently prosecute the same to completion). Except as provided in the immediately following paragraph, Landlord shall not be liable for any damage incurred by Tenant as a result of any delay in Delivery of the Premises, including, without limitation, if Landlord fails to deliver possession on the date set forth in Summary Section 1.5(c), and this Lease shall not thereby become void or voidable. Notwithstanding the foregoing, during the fifteen (15) day period ("Early Access Period") prior to the date Landlord anticipates that substantial completion of the Improvements will occur, Tenant shall have the right to access the Premises only for the purpose of installing Tenant's systems, furniture, telecommunications cabling, and other fixtures and equipment, and not for any other purpose, including commencing Tenant's business from the Premises. During such Early Access Period, all terms of this Lease shall apply, including without limitation, Tenant's obligations to (i) indemnify, defend and hold Landlord and all Landlord's Representatives harmless, and (ii) as a condition to such early access, furnish to Landlord certificates of insurance evidencing the insurance required under this Lease; provided, however, Tenant's obligation to pay Base Rent and Tenant's Share of Operating Expenses shall not commence until the Commencement Date under this Lease. In entering the Premises during any Early Access Period, Tenant affirmatively agrees to cooperate with Landlord and its contractor to avoid all interference with Landlord's Work.

In the event the Delivery of the Premises does not occur on or before the date that is sixty (60) days after the expiration of the sixty (60) day period set forth in Section 1.5(c) above (and such sixty (60) day period shall be extended by one (1) day for each day of delay caused by Tenant Delays or delays resulting from Force Majeure), then, as Tenant's sole remedy therefor, Tenant shall be entitled to one (1) day of Base Rent abatement for each day after the expiration of such sixty (60) day period (as the same is so extended) until Delivery of the Premises occurs. For the avoidance of doubt, nothing in this paragraph shall affect the occurrence of the Commencement Date (and correspondingly, Tenant's obligation to commence payment of Rent), which shall be determined as set forth in Section 1.5(a) of this Lease.

3.3 Initial Construction. The initial construction of any improvements in the Premises shall be performed in accordance with the terms and conditions of Exhibit B, with any work to be performed by Tenant pursuant to Exhibit B being referred to as "Tenant's Work" and any work to be performed by Landlord pursuant to Exhibit B being referred to as "Landlord's Work".

3.4 Tenant Delay. As used in this Lease, "Tenant Delay" means a delay in the Delivery of the Premises caused by any of the following: (i) Tenant's failure to comply with any time deadline in Exhibit B; (ii) Tenant's failure to comply with any other requirement of Exhibit B (and if no time period for compliance is specified therein, Tenant shall be deemed to have failed to comply if Tenant fails to comply within five (5) business days of Landlord's written request); (iii) the effect of any change orders or other revisions of any items of Landlord's Work requested or necessitated by Tenant; or (iv) any other cause within Tenant's exclusive control that adversely affects the Delivery of the Premises (including, without limitation, Tenant's failure to deliver the certificates of insurance, or other monies or documents required to have been delivered under this Lease, and in any such event, the Delivery of the Premises shall be deemed to have occurred but Landlord shall not be obligated to deliver possession to Tenant until Tenant has cured such failure to Landlord's reasonable satisfaction.

3.5 Memorandum of Commencement Date. Following the Commencement Date, Landlord may deliver to Tenant two (2) copies of a written "Memorandum of Commencement Date," signed by Landlord, confirming the Commencement Date and the Expiration Date. Within ten (10) days after receipt thereof, Tenant shall sign and return one (1) copy of the Memorandum of Commencement Date. Tenant's failure to return a copy of the Memorandum of Commencement Date within such ten (10) day period shall be conclusively deemed Tenant's agreement with all matters set forth therein; however, if Tenant returns the same with any of the information corrected, Tenant shall not be deemed to have failed to sign and return the same, but Landlord shall not be bound by such corrections unless Landlord agrees to such corrections in writing. Notwithstanding the terms of Section 19 below, the delivery and return of the Memorandum of Commencement Date may be by electronic transmission.

4. RENT.

4.1 General. From and after the Commencement Date, Tenant agrees to pay Landlord, in advance, on the first day of each calendar month during the Term, Base Rent in the amount set forth in Section 1.7, as adjusted pursuant to Section 1.9 (the "Base Rent"). All sums payable by Tenant hereunder other than Base Rent, including without limitation, Tenant's Share of Operating Expenses (as defined in Section 4.2(e)(i)), shall be referred to herein as "Additional Rent." Payment of all such Base Rent and Additional Rent shall be without offset or demand, in lawful money of the United States of America and made at the address set forth for Landlord herein or at such other place as Landlord may direct. If any Base Rent or Additional Rent payment is for a partial calendar month, then the Base Rent or Additional Rent payment for any such partial month shall be prorated based on the number of days in such partial month.

4.2 Operating Expenses. The parties intend that, subject only to the specific exceptions set forth in this Lease, this Lease be absolutely net to Landlord. Accordingly, in addition to Base Rent, Tenant shall pay, as Additional Rent, Tenant's Share of Operating Expenses (as defined in Section 4.2(e)(iii) and 4.2(e)(i), respectively), for each calendar year of the Term, pursuant to the following terms and conditions

(a) As soon as reasonably practicable after the Commencement Date and the commencement of each subsequent calendar year during the Term, Landlord shall provide to Tenant a good faith estimate of Tenant's Share of Operating Expenses with respect to the calendar year in question (the "Estimated Amount").

(b) Tenant shall pay the Estimated Amount to Landlord in equal monthly installments with each monthly payment of Base Rent. If the Estimated Amount has not yet been determined for any calendar year, Tenant shall pay the monthly installment of the Estimated Amount for the preceding calendar year until the Estimated Amount for the current calendar year has been provided to Tenant, at which time Tenant shall pay any shortfall for the preceding months of such calendar year and thereafter make each monthly installment payment in accordance with the current Estimated Amount.

(c) Within ninety (90) days following the end of each calendar year of the Term, Landlord shall determine, and provide to Tenant a statement (the "Statement") setting forth, the actual amount of Operating Expenses for such calendar year. If Tenant's Share of actual Operating Expenses exceeds the sum of Tenant's monthly estimated payments for such calendar year, Tenant shall pay the difference to Landlord, within forty-five (45) days following receipt of such Statement. If the sum of such monthly estimated payments paid by Tenant exceeds Tenant's Share of actual Operating Expenses, the difference shall be applied as a credit to future monthly estimated payments of Tenant's Share of Operating Expenses (or refunded to Tenant, within thirty (30) days of the date of the Statement, with respect to the last calendar year of the Term). The failure of Landlord to timely furnish the Statement or any statement required under Section 4.2(b) for any calendar year shall not prejudice Landlord from enforcing its rights under this Section 4.2. The provisions of this Section 4.2 shall survive the expiration or earlier termination of this Lease.

(d) Within ninety (90) days after Tenant's receipt of a Statement (the "Review Period"), if Tenant disputes the amount set forth in the Statement, Tenant's employees or an independent certified public accountant (which accountant is a member of a nationally or regionally recognized accounting firm and is not compensated on a contingency fee basis) designated by Tenant, may, after fifteen (15) days written notice to Landlord and at reasonable times, inspect Landlord's records pertaining to Landlord's calculation of Tenant's Share of Operating Expenses at Landlord's offices, provided that Tenant is not then in Default (as defined in Section 15.1) and provided further that, if Tenant utilizes an independent certificated public accountant for such inspection, such accountant shall execute a commercially reasonable confidentiality agreement agreeing to keep all information contained in Landlord's records, as well as the results of Tenant's review and the certification described below, in strict confidence as authorized by law, including the California Public Records Act (Government Code Section 6250 et. seq.). Notwithstanding the foregoing, Tenant shall only have the right to review Landlord's records one (1) time during any twelve (12) month period. Tenant's failure to audit Landlord's records with respect to the amounts set forth in any Statement within the Review Period shall be deemed to be Tenant's approval of such Statement and waiver of the right or ability to dispute the amounts set forth in such Statement. If after such inspection, but within

thirty (30) days after the Review Period, Tenant notifies Landlord in writing that Tenant continues to dispute the amounts set forth in the Statement, Landlord and Tenant shall attempt in good faith to resolve such dispute. If Landlord and Tenant cannot resolve such dispute within thirty (30) days of Landlord's receipt of Tenant's dispute notice, then a certification as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant mutually agreed upon by Landlord and Tenant and who is a member of a nationally or regionally recognized accounting firm. Landlord shall cooperate in good faith with Tenant and the accountant to provide Tenant and the accountant with the information upon which the certification is to be based. However, if such certification by the accountant proves that the total amount of Operating Expenses set forth in the Statement were overstated by more than four percent (4%), then the actual and documented cost of the accountant and such certification shall be paid for by Landlord. Promptly following the parties resolution of the dispute or receipt of such certification, the parties shall make such appropriate payments or reimbursements, as the case may be, to each other, as are determined to be owing pursuant to such resolution or certification.

(e) **Definitions.**

(i) **"Operating Expenses"** shall mean all costs incurred by Landlord in connection with the management, maintenance, repair, restoration or operation of the Project, including, without limitation, costs incurred for:

(A) The operation, repair and maintenance of (i) the Common Areas; and (ii) the electrical, gas, plumbing, water, sewer, sprinkler, communications, alarm, security or fire/life safety systems or equipment, or any other mechanical, electrical, electronic, computer or other systems or equipment which serve the Project (the **"Systems and Equipment"**), other than the HVAC.

(B) Trash disposal, janitorial service, security services, window washing, signage and equipment rental expenses, and any other service to be provided by Landlord under this Lease.

(C) The cost of insurance carried by Landlord pursuant to Section 10 below, including any deductibles thereunder.

(D) Real Property Taxes (as defined in Section 4.2(e)(ii)).

(E) Utilities not separately metered to Tenant or other tenants of the Project.

(F) Compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with day-to-day operation, maintenance and repair of the Project, provided such compensation is commercially reasonable.

(G) Maintenance and repair of roofs, building walls, foundations and other structural elements of the Project.

(H) A property management fee in the amount of fifteen percent (15%) of all other Operating Expenses.

(I) Dues and assessments payable under the Declaration (if any).

(J) Any costs expressly included in Operating Expenses elsewhere in this Lease.

(K) The cost of any improvements (i) which are intended to reduce other Operating Expenses, and/or (ii) made to the Project after the Commencement Date that are required under any Law first applicable to the Project after the Commencement Date; provided, however, that if any such cost is a capital expenditure, such cost shall be amortized (including interest on the unamortized cost) over its useful life as Landlord shall reasonably determine in accordance with generally accepted accounting principles consistently applied (**"GAAP"**) and/or conforming to sound real estate management principles to the extent inconsistent with GAAP.

(L) Any costs incurred by Landlord for compliance with Laws pursuant to Section 6.2 below.

(ii) **"Real Property Taxes"** shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, which Landlord shall pay during the Term because of or in connection with the ownership, leasing and operation of the Project or Landlord's interest therein. Real Property Taxes shall also include any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included in Real Property Taxes. At all times during the Term, Real Property Taxes shall be calculated as if the Project were fully assessed. With respect to Real Property Taxes that may be paid in annual installments without penalty to Landlord, only installments thereof due during the Term of this Lease may be included in Real Property Taxes.

(iii) **"Tenant's Share"** shall mean the percentage(s) set forth in Section 1.12 above.

4.3 Late Charges. If any payment of Base Rent or Additional Rent is not paid within five (5) days after the date due, Tenant shall pay to Landlord ten percent (10%) of the amount due or Two Hundred Fifty Dollars (\$250.00), whichever is greater. The parties agree that such late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of the late payment by Tenant. The late charge shall be deemed Additional Rent and shall be in addition to all of Landlord's other rights and remedies under this Lease, at law or in equity

5. **INTENTIONALLY OMITTED.**

6. **USE.**

6.1 Permitted Use. The Premises shall be used and occupied only for the purposes set forth in Section 1.13 above (the "Permitted Use"), and for no other uses or purposes whatsoever. If any governmental license or permit shall be required for the proper and lawful conduct of the Permitted Use, or if a failure to procure such a license or permit could potentially adversely affect Landlord or the Project in any manner, then Tenant, at Tenant's expense, shall (i) promptly procure and maintain such license or permit and submit the same to Landlord, and (ii) at all times, comply with the requirements of each such license or permit. Tenant warrants that it has investigated whether the Permitted Use and Tenant's contemplated manner of operation will comply with, and Tenant assumes the risk that the same are and will continue to be in compliance with, all applicable Laws (as defined in Section 6.2 below). Tenant agrees that under no circumstances shall Tenant be released in whole or in part from any of its obligations under this Lease as a result of any governmental authority's disallowing or limiting the Permitted Use or Tenant's manner of operation.

6.2 Compliance With Requirements. Tenant shall, at Tenant's expense, promptly comply with (i) all applicable federal, state, county or municipal laws, statutes, ordinances, rules, regulations, requirements, orders and directions now or hereafter in effect, including zoning laws, land use approvals, ordinances and building codes, all stormwater laws and regulations and Title III of the Americans With Disabilities Act ("ADA") and other applicable laws and regulations that relate to access by the disabled or handicapped (collectively, "Laws"), (ii) any applicable covenants and restrictions of record (including any Declaration), if any, and (iii) requirements of any fire insurance underwriters or rating bureaus, now in effect or which may hereafter come into effect during the Term, for each of (i), (ii) and (iii) relating to the Premises and/or Tenant's use thereof; however, Tenant shall not be required to make any structural alterations to the Premises and/or any alterations to the Systems and Equipment, the HVAC or the Common Areas in order to comply with applicable Laws, except to the extent that such compliance is triggered by Tenant's use of the Premises, any Tenant's Work or any Alterations (as defined in Section 7.6), in which case such changes will be made by Landlord and Tenant shall reimburse Landlord for the cost thereof within thirty (30) days following receipt of an invoice therefor. Landlord shall be responsible for compliance with all Laws pertaining to the Project and the Common Areas, other than compliance for which Tenant is responsible as described above. Within thirty (30) days of Landlord's written request, Tenant agrees to deliver to Landlord such information and/or documents as Landlord requires in order for Landlord to comply with any regulations relating to commercial building energy ratings either now or in the future in effect. Tenant shall not use or permit the use of the Premises in any manner that will create waste or a nuisance or disturb other occupants of the Project. Without limiting the generality of the foregoing, (i) Tenant shall not use or permit the Premises, or any portion thereof, to be used for the sale, prescription, distribution, use, possession, manufacture or cultivation of marijuana, regardless of the legality or illegality of the same, and (ii) Tenant shall, at its sole cost and expense, comply promptly with all Hazardous Materials Laws (as defined in Section 18.5) applicable to the Permitted Use and the conduct of Tenant's business, as set forth in Section 18 below. If at any time it reasonably appears to Landlord that Tenant is not fulfilling its obligations under this Section 6, Landlord may perform, at Tenant's sole cost and without notice to Tenant, an audit or inspection of the Premises to evaluate Tenant's compliance herewith. At Landlord's election, failure of compliance with the use provisions of this Lease shall constitute a noncurable Default and Landlord may, upon discovery of such failure and in addition to all other rights and remedies under this Lease, any Guaranty, and at law or in equity, elect to terminate this Lease immediately without the necessity of any notice and grace period.

As of the date of this Lease, the Premises has not been inspected by a Certified Access Specialist ("CASp"). Landlord hereby makes the following disclosure pursuant to California Civil Code Section 1938: "A Certified Access Specialist can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Landlord and Tenant hereby mutually agree that, if Tenant requests or otherwise obtains a CASp inspection of the Premises or any other area(s) within the Project, then (a) Tenant shall pay the cost of such inspection, (b) such inspection shall occur at a time mutually agreed upon by Landlord and Tenant, (c) Tenant shall provide Landlord with a copy of the CASp's report resulting from such inspection within thirty (30) days of Tenant's receipt thereof, (d) intentionally omitted, and (e) Tenant shall, at its sole cost and expense, make all repairs necessary to correct violations of construction related accessibility standards identified by such inspection, which repairs shall be completed no later than one hundred twenty (120) days following the date of such CASp inspection; however, if any such repairs affect the structure of the Premises, the Systems and Equipment, the HVAC or the Common Areas, then such repairs will be made by Landlord and Tenant shall reimburse Landlord for the entire cost thereof within forty-five (45) days following receipt of an invoice therefor.

6.3 Rules and Regulations. Tenant shall at all times comply with the rules and regulations for the Project (the "Rules and Regulations"). A copy of the Rules and Regulations in existence on the date of this Lease is attached hereto as Exhibit C; however, Landlord reserves the right to amend the Rules and Regulations at any

time by giving written notice of such amendment to Tenant. Landlord shall enforce the Rules and Regulations in a non-discriminatory manner.

7. MAINTENANCE, REPAIRS AND ALTERATIONS.

7.1 Tenant's Obligations.

(a) Except as provided in Section 7.4 below, Tenant shall, at Tenant's sole cost and expense, keep and maintain in good, sanitary order, condition, and repair the Premises and every part thereof, including, without limitation, all improvements (including any Alterations, fixtures, interior surfaces of the exterior walls, interior walls, floors, ceilings, doors, door frames, door checks, windows, plate glass), all plumbing and sewage facilities within and exclusively serving the Premises (including free flow up to the main sewer line), fixtures, electrical systems (exclusively serving the Premises, whether or not located in the Premises), and sprinkler systems. Any glass broken by Tenant or Tenant's Representatives shall promptly be replaced by Tenant with glass of the same quality, size and kind.

(b) Landlord elects to maintain, repair and replace the HVAC system serving the Premises ("HVAC") and, during the Term, Tenant shall reimburse Landlord, upon demand and as Additional Rent, for Landlord's costs for (i) a preventative maintenance contract covering the HVAC (which may be a part of a larger maintenance contract covering other tenants' HVAC systems), and (ii) except as provided below, any repair or replacement of the HVAC.

Notwithstanding anything to the contrary in this Section 7.1(b), so long as the need for repairs or replacements to the HVAC units serving the Premises as of the Commencement Date is not necessitated by the acts or negligence of Tenant or Tenant's Representatives, then (i) with respect to repairs to the HVAC units serving the Premises as of the Commencement Date, Tenant shall not be obligated to reimburse Landlord pursuant to the preceding paragraph for more than \$500.00 per HVAC unit per Lease Year, and in no event more than \$8,000.00 total in any Lease Year, and (ii) with respect to replacements of any of the HVAC units serving the Premises as of the Commencement Date, the cost of such replacement HVAC unit shall be amortized over the useful life of such replacement HVAC unit (which the parties agree shall be twenty (20) years) and Tenant shall pay to Landlord such monthly amortized amount for each month during the Term (and any extension thereof) falling within the useful life of such replacement HVAC unit. Such monthly amortized amount shall be paid by Tenant at the same time, and in the same place and manner, as Tenant's payment of Base Rent, commencing with the first month following Landlord's completion of such replacement.

7.2 Condition on Termination. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in the same condition as received, ordinary wear and tear excepted, clean and free of debris. Any damage or deterioration of the Premises shall not be deemed ordinary wear and tear if the same could have been prevented by good maintenance practices. Upon such expiration or termination, Tenant shall, at its sole cost and expense, remove from the Premises all debris and rubbish, all of Tenant's Property (as defined in Section 8.2), any Alterations or Improvements required to be removed pursuant to Section 7.6(c) and, at Landlord's option, any cabling installed by or at the request of Tenant and/or any security systems installed by or at the request of Tenant. Tenant's machinery and equipment (other than Utility Installations, as defined in Section 7.6(a)), unless affixed to the Premises so that it cannot be removed without material damage to the Premises or the Building, shall remain the property of Tenant and shall be removed by Tenant. Tenant shall repair any damage to the Premises, Building and/or Project occasioned by such removal. If Tenant fails to complete such removal and/or repair, Landlord may do so and Tenant shall reimburse Landlord for all costs incurred therefor. Tenant's obligations pursuant to the immediately preceding sentence shall survive the expiration or earlier termination of this Lease.

7.3 Landlord's Rights. If Tenant fails to perform Tenant's obligations under Section 7.1 or 7.2, then the provisions of Section 15.3(c) shall apply.

7.4 Landlord's Obligations. Except for Landlord's obligation to construct any Landlord's Work, Landlord's obligations with respect to the HVAC system and as set forth in Sections 12 and 13 of this Lease, the parties intend that Landlord shall have no obligation whatsoever to repair and maintain the Premises or any Alterations or equipment therein, including without limitation, any improvements installed as part of any Landlord's Work. Notwithstanding the foregoing, Landlord shall keep in good condition and repair the foundations, exterior walls, structural condition of interior bearing walls, and roof of the Building and other buildings in the Project, as well as the Common Areas and all costs and expenses incurred by Landlord in connection therewith shall be included within Operating Expenses. Landlord shall have no obligation to make repairs under this Section until receipt of written notice from Tenant of the need for such repairs as set forth in this Section 7.4.

Notwithstanding any provision of this Lease to the contrary and subject to the provisions of Section 21.8, if Landlord fails to perform any obligation required of Landlord under this Section 7.4 and such failure adversely affects Tenant's ability to use the Premise for the Permitted Use, then Tenant may deliver written notice to Landlord of Landlord's failure to perform ("First Notice"). If, within five (5) business days after Landlord's receipt of the First Notice, Landlord has failed to perform or commence the performance of the items specified in the First Notice and diligently pursue the same to completion, then Tenant may give Landlord a second written notice of Landlord's failure to perform ("Second Notice") stating that Tenant intends to perform such obligation. If within three (3) business days after Landlord's receipt of the Second Notice, Landlord has failed to perform or commence the performance of the items specified in the First Notice and diligently pursue the same to completion, Tenant may proceed to perform the obligation, and Landlord will reimburse Tenant for the reasonable costs and expenses actually incurred by Tenant in performing the obligation within thirty (30) days after Tenant's delivery to Landlord of an invoice therefor describing in reasonable detail the obligation performed and the costs and expenses incurred with respect thereto. If an emergency which threatens imminent danger of substantial injury or damage to person or property occurs, Tenant

may provide Landlord with notice by telephone in lieu of a First Notice or Second Notice. If Landlord fails to reimburse Tenant within thirty (30) days after Landlord's receipt of an invoice as set forth above, Tenant shall be entitled to deduct from the monthly Base Rent payments next due hereunder up to twenty percent (20%) of the amount set forth in the invoice from the monthly Base Rent payments until Tenant has been reimbursed in full.

7.5 Waiver. Tenant expressly waives all rights to make repairs at the expense of Landlord or deduct any amounts from rent as provided in any statute or law in effect during the Term of this Lease, including its rights under the provisions of §1941 and §1942 of the California Civil Code; however, such waiver shall not operate to diminish or negate Tenant's rights set forth in Section 7.4 above.

7.6 Alterations and Additions.

(a) Tenant shall not make any alterations, improvements, additions, or Utility Installations in, to or about the Premises (collectively, "Alterations"), without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed (except with respect to Alterations to the exterior or structural portions of the Building, in which case Landlord may withhold consent in its sole discretion). Such consent shall be requested by Tenant at least thirty (30) days prior to Tenant's commencement of any Alterations. As used in this Section, the term "Utility Installations" shall mean air lines, power panels, electrical distribution systems, lighting fixtures, air conditioning, plumbing and fencing. Should Tenant make any Alterations without the prior consent of Landlord, Landlord may, at any time during the Term, require that Tenant remove any or all of the same.

Tenant shall obtain Landlord's approval of all plans and specifications, contractors and subcontractors prior to the commencement of Tenant's construction of the Alterations. Landlord's approval of the plans and specifications for the Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all Laws. Tenant shall construct all Alterations in conformance with all applicable Laws, pursuant to a valid building permit (if applicable), in conformance with Landlord's construction rules and regulations and in a diligent, good and workmanlike manner. Upon completion of any Alterations, Tenant shall cause a Notice of Completion to be recorded in the San Diego County Recorder's Office in accordance with §3093 of the California Civil Code or any successor statute, and Tenant shall deliver a reproducible copy of the "as built" drawings of the Alterations to Landlord.

(i) Tenant shall cause all architects and contractors engaged by Tenant in connection with any Alterations to agree, in their contract with Tenant, to carry (a) worker's compensation insurance covering all of their respective employees, and (b) commercial general liability insurance, all with limits, in form and with companies as are required to be carried by Tenant as set forth in Section 10.1 of this Lease, including naming Landlord as an additional insured. Additionally, Tenant (or its contractor) shall carry "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of the Alterations, and such other insurance as Landlord may reasonably require. Tenant shall also require any architects and engineers to agree, in their contract with Tenant, to carry professional liability insurance or errors and omissions insurance (as applicable), which insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord. Certificates for all insurance required pursuant to this Section 7.6(a)(i) shall be delivered to Landlord before commencement of construction of the Alterations and before any equipment or materials are moved onto the Premises or Project. In addition, Landlord may require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Alterations and naming Landlord as a co-obligee.

(b) Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen to be placed against the Project, the Building or the Premises. If any such lien is filed, Tenant shall immediately satisfy and release such lien of record. Notwithstanding anything to the contrary set forth in this Lease, if such lien is not satisfied and released of record within ten (10) days after the date notice of such lien is delivered by Landlord to Tenant, Landlord, at its sole option, may immediately take all action necessary to satisfy and release such lien, without any duty to investigate the validity thereof, and all sums, costs and expenses, including reasonable attorneys' fees and costs, incurred by Landlord in connection with such lien shall be due and payable by Tenant, within forty-five (45) days of receipt of Landlord's invoice, as Additional Rent. Notwithstanding the foregoing, Tenant shall have the right to contest any such lien claim diligently and in good faith, and during such contest shall not be obligated to pay such lien claim, provided that Tenant is not in Default under this Lease and provided, Tenant, at its sole cost and expense and in compliance with all applicable Laws, transfers the lien from the Project, the Building or the Premises to a bond, thereby freeing the Project, the Building or the Premises from any claim of lien.

(c) All Alterations shall be at the sole cost of Tenant and, at Tenant's option, shall either (1) remain upon and be surrendered with the Premises at the expiration of the Term or (2) be removed by Tenant from the Premises (with the affected areas restored to their original condition and with any damage caused by such removal repaired) at Tenant's sole cost; additionally, however, Landlord may, by written notice to Tenant prior to the end of the Term, or given upon any earlier termination of this Lease, require Tenant at Tenant's expense to remove any such Alterations or fixtures and/or the Improvements, if any, constructed pursuant to Exhibit B.

8. TAXES.

8.1 Real Property Taxes. Landlord shall pay all Real Property Taxes prior to delinquency. If the Premises are separately assessed, or included within an assessor's parcel that does not encompass the entire Project, Landlord shall adjust Tenant's Share of Operating Expenses as it relates to Real Property Taxes only, based upon the RSF of the Premises and the total RSF of the portion of the Project that is the subject of such parcel.

8.2 Personal Property Taxes. Tenant shall pay prior to delinquency all taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the

Premises ("Tenant's Property"). When possible, Tenant shall cause Tenant's Property to be assessed and billed separately from the real property of Landlord. If any of Tenant's Property shall be assessed with Landlord's real property, Tenant shall pay to Landlord the taxes attributable to Tenant's Property within thirty (30) days after receipt of Landlord's invoice therefor.

9. **UTILITIES.** Tenant shall be solely responsible for, shall arrange for, and shall promptly pay all charges, including meter and connection fees, for water, gas, electricity, sewer, and any other utility used upon or furnished to the Premises. However, if any of such utilities are not separately metered and the Premises is submetered or jointly metered, then Tenant shall pay, within thirty (30) days of Tenant's receipt of Landlord's invoice therefor, the amount reasonably determined by Landlord to be Tenant's equitable share of the monthly charge for any such utilities (which shall take into account any disproportionately heavy use of any such utilities). Additionally, if Tenant is a disproportionately heavy user of trash disposal services (as reasonably determined by Landlord), Landlord shall have the right to charge Tenant for additional trash disposal services and/or to require that Tenant contract directly for additional trash disposal services at Tenant's sole cost and expense. Tenant agrees that Landlord shall not be liable for any damages incurred by Tenant, by abatement of Rent or otherwise (except as provided below), for failure to furnish or delay in furnishing any utility or service, or for any diminution in the quality or quantity thereof; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying rent or performing any of its obligations under this Lease.

An "Abatement Event" shall be defined as an event that prevents Tenant from occupying or using the Premises, or any portion thereof, as a result of any failure to provide, an interruption in, or a diminution in the quality or quantity of, utilities, access or services to the Premises, where (i) Tenant does not actually use the Premises or such portion thereof, and (ii) such event is caused by or arises out of (A) the negligence or willful misconduct of Landlord, its agents, employees or contractors, or (B) Landlord's exercise of its rights, or the performance of its obligations, under this Lease. Tenant shall give Landlord notice ("Abatement Notice") of any such Abatement Event, and if such Abatement Event continues beyond the "Eligibility Period" (as that term is defined below), then the Base Rent shall be abated entirely or reduced, as the case may be, after expiration of the Eligibility Period for such time that Tenant continues to be so prevented from using, and does not use, the Premises or a portion thereof, in the proportion that the rsf of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rsf of the Premises; provided, however, in the event that Tenant is prevented from using, and does not use, a portion of the Premises for a period of time in excess of the Eligibility Period and the remaining portion of the Premises is (in Tenant's reasonable determination) not sufficient to allow Tenant to effectively conduct its business therein, and if Tenant does not conduct its business from such remaining portion, then for such time after expiration of the Eligibility Period during which Tenant is so prevented from effectively conducting its business therein, the Base Rent for the entire Premises shall be abated entirely for such time as Tenant continues to be so prevented from using, and does not use, the Premises. If, however, Tenant reoccupies any portion of the Premises during such period, the Base Rent allocable to such reoccupied portion, based on the proportion that the rsf of such reoccupied portion of the Premises bears to the total rsf of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. Notwithstanding anything to the contrary contained herein, if Landlord is diligently pursuing the restoration of such utilities or services and Landlord provides substitute services reasonably suitable for Tenant's purposes as reasonably determined by Tenant, for example bringing in portable air conditioning or heating equipment, then there shall be no abatement of Base Rent. The term "Eligibility Period" shall mean a period of three (3) consecutive business days after Landlord's receipt of the applicable Abatement Notice. This paragraph shall not apply in case of damage to, or destruction of, the Premises or the Building, or any eminent domain proceedings which shall be governed by separate provisions of this Lease.

10. **INSURANCE.**

10.1 **Liability Insurance—Tenant.** Prior to the earlier of the Commencement Date or Tenant's occupancy of the Premises (the "Insurance Start Date"), Tenant, at Tenant's expense, shall obtain and keep in force during the Term, commercial general liability insurance applying to the use and occupancy of the Premises and Project (including, without limitation, Tenant's repair and maintenance obligations Tenant's business operations, conduct, or assumed liabilities hereunder). Such insurance shall (a) be with an insurance company authorized to do business in the State of California, having a minimum rating of A:X in Best's Insurance Guide (an "Acceptable Insurance Company"); (b) include broad form contractual liability coverage; (c) have a minimum of at least \$1,000,000 for any one occurrence, \$100,000 damage to rented premises, \$1,000,000 personal and advertising injury, \$2,000,000 general aggregate, and \$2,000,000 products/completed ops aggregate; (d) be written on an occurrence form to apply to all bodily injury, property damage, personal injury and other covered loss occurring during the policy term; (e) contain a severability of interests provision or endorsement without a cross-suit exclusion; (f) be endorsed to (i) name Landlord and Landlord's Property Manager, as additional insureds, (ii) provide that coverage is primary and non-contributing with any insurance carried by Landlord, and (iii) waive subrogation against or contribution from the parties named as additional insureds; (g) be endorsed to delete any liquor liability exclusion if Tenant is in the business of selling alcohol; and (h) provide for defense costs in addition to policy limits.

In addition, Tenant shall maintain automobile liability insurance with limits of not less than \$1,000,000 per occurrence for any owned, non-owned or hired automobile exposures of Tenant, if applicable.

Such insurance may be furnished by Tenant under a blanket policy, provided that such blanket policy references the Premises and contains a "per location" endorsement that guarantees that a minimum limit equal to the insurance amounts required by this Lease will be available specifically for the Premises. No policy of insurance under this Section 10.1 shall provide for a deductible in excess of Ten Thousand Dollars (\$10,000), which deductible amount shall be and remain the obligation of Tenant. The policy limits herein specified shall be increased from time to time upon written demand from Landlord, if circumstances reasonably justify such increases. Tenant shall furnish Landlord with a certificate of such insurance and required endorsements in a form reasonably acceptable to Landlord prior to the Insurance Start Date. Tenant shall provide Landlord with not less than thirty (30) days prior written notice

before the expiration or cancellation of the term of such coverage and, whenever requested, shall satisfy Landlord that such policies are in full force and effect.

10.2 Liability Insurance—Landlord. Landlord shall maintain during the Term commercial general liability insurance, insuring against liability for injury to or death of persons and loss of or damage to property occurring in or on the Common Areas, the cost of which shall be included in Operating Expenses. Landlord's liability insurance shall be in amount of not less than \$2,000,000 combined single limit per occurrence for bodily and personal injury and property damage.

10.3 Property Insurance—Landlord.

(a) As a cost to be included in Operating Expenses, Landlord shall maintain during the Term a standard policy or policies insuring against "all risk" perils (also known as "special perils") covering the Building and the Project, which insurance shall include at Landlord's sole option, (i) coverage for flood or earthquake or both; (ii) rental income insurance equal to Base Rent and Operating Expenses for up to one year, and (iii) such other insurance as Landlord deems advisable.

(b) Tenant shall not do or permit to be done anything which shall invalidate Landlord's insurance policies referred to in this Section 10. Additionally, Tenant shall pay for any increase in the property insurance of the Building or Project if the increase is caused by Tenant's acts, omissions, use or occupancy of the Premises within thirty (30) days after Landlord's demand therefor.

10.4 Other Insurance—Tenant. Prior to the Insurance Start Date, Tenant, at Tenant's expense, shall obtain and keep in force during the Term from an Acceptable Insurance Company, (i) a standard policy insuring against "all risk" perils (also known as "special perils"), covering all exterior glass, whether plate or otherwise, and all interior glass, stock in trade, merchandise, trade fixtures, equipment and other personal property located in the Premises and used by Tenant in connection with its business, (ii) business interruption, loss of income and extra expense insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Building as a result of such perils, and (iii) worker's compensation insurance providing statutory benefits to Tenant's employees, with a waiver of subrogation in favor of Landlord, and employer's liability insurance with limits of not less than \$1,000,000. Tenant shall furnish Landlord with a certificate evidencing such coverage in a form reasonably acceptable to Landlord prior to the Insurance Start Date. Tenant shall provide Landlord with not less than thirty (30) days prior written notice before the expiration or cancellation of the term of such coverage and, whenever requested, shall satisfy Landlord that such policies are in full force and effect.

10.5 Additional Insurance Obligations. Tenant shall obtain and keep in force during the Term, at Tenant's expense, such additional or other reasonable types of insurance coverage and in such reasonable amounts as may be requested by Landlord. Except as provided in Section 10.7 below, Tenant shall have no right to self-insure for any of the insurance required under this Section 10 without Landlord's consent, which may be withheld in Landlord's sole discretion. Nothing in this Section 10, including a failure to request or provide a certificate of insurance, shall operate as Landlord's waiver of any of the insurance requirements set forth in this Section, relieve Tenant of the obligation to carry the insurance required under this Section, or limit Tenant's indemnity obligations set forth in this Lease.

10.6 Waiver of Subrogation. Except with respect to worker's compensation insurance, Landlord and Tenant each hereby waive any and all rights of recovery against the other party for any loss or damage arising from any event that (i) would be insured against under the terms of the "all risk" and/or the business interruption, loss of income and extra expenses/rental interruption insurance policy(ies) required to be carried by such party hereunder; or (ii) is insured against under the terms of any such insurance actually carried by such party, regardless of whether the same is required hereunder, provided that such waiver shall not apply to any deductible of Landlord, and shall further apply only to the extent of any recovery by the injured party under such insurance (or to the extent of any recovery that the injured party would have received had they carried the "all risk" and/or the business interruption, loss of income and extra expenses/rental interruption insurance policy(ies) required to be carried hereunder). Each party hereto, on behalf of its respective insurance companies hereby waives, up to and only to the extent of any recovery under any such insurance policies, any right of subrogation that one may have against the other. Each party hereto shall cause its respective insurance policies to contain endorsements evidencing such waivers of subrogation.

10.7 Self-Insurance. Notwithstanding anything to the contrary contained herein, so long as the "Tenant" under this Lease is the City of San Diego, Tenant may fulfill its insurance obligations under this Section 10 by self-insurance. Any self-insurance so maintained by Tenant shall be deemed to contain all of the terms and conditions applicable to such insurance as required in this Section 10, including, without limitation, a deemed waiver of subrogation; consequently, Tenant shall be treated, for all purposes, as if Tenant had actually purchased such insurance from a third party. If Tenant elects to so self-insure, then with respect to any claims which may result from incidents occurring during the Early Access Period or the Term, such self-insurance obligation shall survive the expiration or earlier termination of this Lease to the same extent as the insurance required hereunder would survive. Tenant will provide Landlord with evidence of such self-insurance prior to the Early Access Period and thereafter upon Landlord's request.

11. WAIVER AND INDEMNITY.

11.1 Waiver and Exemption of Landlord From Liability. Tenant hereby agrees that except for damage or injury resulting from Landlord's active negligence or willful misconduct (subject to the provisions of Section 10.6 above), Landlord and Landlord's Representatives (as defined in Section 11.2 below) shall not be liable for any

damage to property or injury to persons in, on or about the Premises, the Building or the Project, regardless of whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or from any other cause, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant, occupant or use of the Project. Except for damage or injury resulting from Landlord's active negligence or willful misconduct (subject to the provisions of Section 10.6 above), Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons, in, upon or about the Premises, the Building or the Project arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord.

11.2 Tenant's Indemnity. Tenant shall indemnify, protect, defend, and hold Landlord and Landlord's officers, directors, shareholders, members, partners, employees, agents and contractors (collectively, "**Landlord's Representatives**") harmless from and against any and all claims, actions, demands, proceedings, losses, damages, costs of any kind or character (including reasonable attorneys' fees and court costs), expenses, liabilities, judgments, fines, penalties, or interest (collectively, "**Losses**"), arising from or out of (i) any occurrence in the Premises, (ii) Tenant's or Tenant's Representatives' (as defined in Section 11.3 below) use of the Premises or Project, the conduct of Tenant's business or any activity, work or things done, permitted or suffered by Tenant or Tenant's Representatives in or about the Premises, Building or Project, (iii) any Default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or (iv) any other act or omission of Tenant, or any of Tenant's Representatives, including Tenant's failure to comply with applicable Laws (including stormwater regulations). Tenant shall defend any such action or proceeding brought against Landlord and/or any of Landlord's Representatives against any such Losses, upon notice from Landlord and at Tenant's expense, with counsel reasonably satisfactory to Landlord and Landlord shall cooperate with Tenant in such defense. The provisions of this Section 11.2 shall survive the expiration or earlier termination of this Lease.

11.3 Landlord's Indemnity. Except for injury or damage (i) of a type that is covered by the waivers described in Section 10.6, or (ii) arising from the negligence or willful misconduct of Tenant or any of Tenant's officers, directors, shareholders, members, partners, employees, agents, contractors, subtenants and invitees (collectively, "**Tenant's Representatives**"), Landlord shall defend, indemnify and hold Tenant and Tenant's Representatives harmless from and against any and all Losses arising in any way from (a) the active negligence or willful misconduct of Landlord; or (b) any Default in the performance of any obligation on Landlord's part to be performed under this Lease. Landlord shall defend any such action or proceeding brought against Tenant or Tenant's Representatives against any such Losses at Landlord's expense with counsel reasonably satisfactory to Tenant. The provisions of this Section 11.3 shall survive the expiration or earlier termination of this Lease.

12. DAMAGE AND DESTRUCTION.

12.1 Repair of Damage by Landlord. If the Premises, Building and/or the Common Areas shall be materially damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Section 12, restore the Premises, Building and/or such Common Areas to substantially the same condition as existed prior to the damage, except for (i) modifications required by Law, any Mortgagee (as defined in Section 17.1), or the lessor of a ground or underlying lease, or (ii) any other modifications to the Common Areas deemed desirable by Landlord. In the event any damage (including, but not limited to, by fire or other casualty) to the Premises, other premises, the Building and/or Common Area occurs as a result of the acts or omissions of Tenant and/or Tenant's Representatives, Tenant shall reimburse Landlord, within thirty (30) days of written demand, for the cost incurred by Landlord in repairing the damage and the provisions of Section 10.6 shall not apply to such reimbursement obligation.

12.2 Landlord's Option to Terminate. Notwithstanding the terms of Section 12.1 of this Lease, Landlord may elect not to restore the Premises, Building and/or Common Areas and instead terminate this Lease if one or more of the following conditions is present: (i) repairs cannot reasonably be completed within one hundred twenty (120) days after the date of such damage (when such repairs are made without the payment of overtime or other premiums); (ii) any Mortgagee or ground or underlying lessor with respect to the Project shall require that the insurance proceeds or any portion thereof be used to retire the Mortgage debt, or shall terminate the ground or underlying lease, as the case may be; (iii) such damage is not fully covered, except for deductible amounts, by Landlord's insurance policies; or (iv) such damage occurs during the last twelve (12) months of the Lease Term. Landlord shall notify Tenant in writing of any such termination within sixty (60) days after the date of the casualty, which termination shall be effective sixty (60) days after the date of such notice.

12.3 Abatement of Rent. In the event Landlord restores the Premises pursuant to the provisions of this Section 12, the Base Rent and Tenant's Share of Operating Expenses payable hereunder from the date of such damage and continuing until such restoration is complete shall be abated in proportion to the degree to which Tenant's normal and customary use of the Premises is impaired; however, if the damage is the result of the acts or omissions of Tenant and/or Tenant's Representatives, then Tenant shall not be entitled to such abatement.

12.4 Tenant's Termination Rights. Within sixty (60) days after the date of damage, Landlord shall notify Tenant ("**Damage Repair Estimate**") of Landlord's estimated assessment of the period of time in which such damage can be repaired, which assessment shall be based upon the opinion of a contractor reasonably selected by Landlord and experienced in comparable repairs of comparable buildings. If Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided in this Article 13, and the Damage Repair Estimate indicates that repairs cannot be completed within one hundred eighty (180) days after being commenced, Tenant may elect, not later than thirty (30) business days after Tenant's receipt of the Damage Repair Estimate, to terminate this Lease by written notice to Landlord effective as of the date Landlord receives such notice.

Furthermore, if neither Landlord nor Tenant have terminated this Lease, and the repairs are not actually completed as of the later to occur of (i) the last day of such one hundred eighty (180) day period, or (ii) the last day of the time period specified for the completion of such repairs in the Damage Repair Estimate, Tenant shall have the right to terminate this Lease within five (5) business days of the end of such period and thereafter during the first five (5) business days of each calendar month following the end of such period until such time as the repairs are complete, by notice to Landlord (the "**Damage Termination Notice**"), effective as of a date set forth in the Damage Termination Notice (the "**Damage Termination Date**"), which Damage Termination Date shall not be less than five (5) business days following the end of such period or each such month, as the case may be. Notwithstanding the foregoing, if Tenant delivers a Damage Termination Notice to Landlord, then Landlord shall have the right to suspend the occurrence of the Damage Termination Date for a period ending thirty (30) days after the Damage Termination Date set forth in the Damage Termination Notice by delivering to Tenant, within five (5) business days of Landlord's receipt of the Damage Termination Notice, a certificate of Landlord's contractor responsible for the repair of the damage certifying that it is such contractor's good faith judgment that the repairs shall be substantially completed within thirty (30) days after the Damage Termination Date. If repairs shall be substantially completed prior to the expiration of such thirty (30) day period, then the Damage Termination Notice shall be of no force or effect, but if the repairs shall not be substantially completed within such thirty (30) day period, then this Lease shall terminate upon the expiration of such thirty (30) day period.

12.5 Waiver. The provisions of this Section 12 constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building and/or the Common Areas, and any statute, regulation or case law of the State of California, including without limitation, §§1932(2) and 1933(4) of the California Civil Code, with respect to termination rights arising from damage or destruction shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building and/or the Common Areas.

13. CONDEMNATION.

13.1 Taking. If the whole or any part of the Premises, Building or Project shall be taken by the power of eminent domain or by a sale in lieu thereof (collectively, "**taking**" or "**taken**" as the case may be), Landlord shall have the option to terminate this Lease upon ninety (90) days' written notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. If more than twenty-five percent (25%) of the RSF of the Premises is taken, or if access to the Premises is substantially impaired, Tenant shall have the option to terminate this Lease upon ninety (90) days' notice, provided such notice is given no later than one hundred eighty (180) days after the date of such taking. Any award or payment in connection with such taking shall be allocated between Landlord and Tenant pursuant to all applicable state and federal laws, including without limitation, Title 7, Chapters 8 and 9 of the California Code of Civil Procedure. If any part of the Premises shall be taken, and this Lease is not terminated, then Base Rent and any other amount due hereunder based upon the RSF of the Premises, the Building or the Project shall be proportionately reduced, effective as of the date of such taking.

13.2 Waiver. The provisions of this Section 13 constitute an express agreement between Landlord and Tenant with respect to any taking of all or any part of the Premises, the Building and/or the Common Areas, and any statute, regulation or case law of the State of California, including without limitation, §1932 and §1933 of the California Civil Code, §1265.130 of the California Code of Civil Procedure, and/or any successor laws, with respect to termination rights arising from a taking shall have no application to this Lease or any taking of all or any part of the Premises, the Building and/or the Common Areas.

14. ASSIGNMENT AND SUBLETTING.

14.1 Landlord's Consent Required. Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or in the Premises, without Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Any attempted assignment, transfer, mortgage, encumbrance or sublease without such consent shall be void, and shall constitute a Default under this Lease without the need for notice to Tenant. A change of more than 25% of the ownership of Tenant (unless Tenant is a publicly traded corporation) shall be deemed an assignment for purposes of this provision.

14.2 Procedure. If Tenant desires Landlord's consent to an assignment of this Lease or a sublet of all or any portion of the Premises, Tenant shall notify Landlord in writing (the "**Transfer Notice**"), which notice shall include (i) the name of the proposed sublessee or assignee, (ii) the nature of the business of the proposed sublessee or assignee, (iii) a copy of the proposed sublease or assignment, including all terms and conditions thereof, (iv) Landlord's lease application form, completed by the proposed assignee or sublessee, including an Environmental Questionnaire in the form of Exhibit E or Landlord's then standard form, (v) financial statements for the proposed assignee or sublessee, which shall include, at a minimum, prior year and year to date (current to within six months) balance sheets, income and expense statements and sources and uses of cash statements, and (vi) such other financial information regarding such sublessee or assignee as Landlord shall reasonably request. Concurrent with the Transfer Notice, Tenant shall also submit an application fee of \$500.00 for reviewing and processing the requested transfer (the "**Review Fee**"). Within thirty (30) days after receipt of the Review Fee and Transfer Notice with all of the foregoing information, Landlord shall respond by either: (a) granting or refusing its consent to the proposed assignment or sublease; (b) as to an assignment, terminating this Lease on the date the assignment was to commence; or (c) as to a sublease, terminating this Lease with respect to the portion of the Premises to be subleased as of the date on which the sublease was to commence. Tenant shall remain liable for all payments due under this Lease through the date of termination even though such amounts may be billed subsequent to termination.

14.3 General Provisions Applicable to Both Assignment and Subletting.

(a) No sublessee or assignee shall further assign or sublet all or any part of the Premises without Landlord's prior written consent.

(b) The consent by Landlord to any assignment or sublease shall not constitute a consent to any subsequent assignment or sublease by Tenant or to any assignment or sublease by the sublessee or assignee.

(c) If Tenant subleases the Premises or any part thereof or assigns this Lease, all amounts paid by the sublessee or assignee (including any amounts paid to Tenant in connection with such sublease or assignment and any payment in excess of fair market value for services rendered by Tenant to the sublessee or assignee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to the sublessee or assignee in connection with such sublease or assignment) which are in excess of the amount of Base Rent and Additional Rent then payable by Tenant under this Lease shall be the property of and shall be paid to Landlord. The parties acknowledge that the provisions of this Section 14.3(c) are a material inducement for Landlord's execution of this Lease and Tenant hereby represents and warrants that its sole purpose for entering into this Lease is to obtain possession of the Premises and not to generate revenues from the subleasing of any portion of the Premises or the assigning of this Lease.

(d) Each and every consent required of Tenant under a sublease or assignment shall also require the consent of Landlord.

14.4 Attorneys' Fees. If Tenant shall request the consent of Landlord to any assignment or sublease, then, in addition to the Review Fee, Tenant shall pay Landlord's reasonable attorneys' fees incurred in connection therewith, such attorneys' fees not to exceed \$1,000.00 for each such request.

14.5 Continuing Liability of Tenant. No transfer permitted by this Section shall release Tenant from Tenant's primary liability to pay the rent and to perform all other obligations of Tenant under this Lease. Landlord's acceptance of rent from any other person is not a waiver of any provision of this Section.

14.6 Default by Assignee. If Tenant's assignee Defaults under this Lease, Landlord may proceed directly against Tenant without pursuing remedies against the assignee. Landlord may consent to subsequent modifications of this Lease without notifying Tenant or obtaining its consent and the same shall not relieve Tenant of its liability under this Lease.

14.7 Effect of Termination. In the event of Tenant's surrender of this Lease or the termination of this Lease in any other manner, Landlord may, at its option, either terminate any or all subtenancies or succeed to the interest of Tenant as sublessor thereunder. No merger shall result from Tenant's sublease of the Premises under this Section, Tenant's surrender of this Lease or the termination of this Lease in any other manner.

15. DEFAULT BY TENANT; REMEDIES.

15.1 Events of Default. A "Default" shall mean the occurrence of any of the following:

(a) Failure by Tenant to pay rent when due if the failure continues for seven (7) business days after written notice to Tenant that the rent is delinquent.

(b) Failure by Tenant to perform any provision of this Lease required of it other than clause (a) above, or any failure by Tenant to comply with the Rules and Regulations, if the failure is not cured within fifteen (15) business days after notice has been given to Tenant. If, however, the failure cannot reasonably be cured within such fifteen (15) business day period, Tenant shall not be in Default if Tenant commences to cure the failure within such fifteen (15) business day period and diligently and in good faith prosecutes the cure to completion.

(c) To the extent permitted by law, a general assignment by Tenant or any guarantor of this Lease (the "Guarantor") for the benefit of creditors, or the filing by or against Tenant or any Guarantor of any proceeding under any insolvency or bankruptcy law, unless in the case of a proceeding filed against Tenant or any Guarantor the same is dismissed within sixty (60) days, or the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any Guarantor, unless possession is restored to Tenant or such Guarantor within thirty (30) days, or any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty days.

15.2 Default Notices. Notices given under this Section will specify the alleged failure and shall demand that Tenant perform the provisions of this Lease or pay the rent that is delinquent, as the case may be, within the applicable period of time or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord so elects in the notice.

15.3 Landlord's Remedies. Upon the occurrence of a Default, Landlord shall have, in addition to any remedies available to Landlord at law or in equity, the right to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, and without any additional notice or demand whatsoever.

(a) **Termination Right.** Landlord may terminate this Lease and Landlord shall have the right to recover from Tenant: (i) the worth at the time of the award of the unpaid rent that had been earned at the time of termination of this Lease; (ii) the worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination of this Lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; (iii) intentionally omitted; and (iv) any other amount, including reasonable attorneys' fees and court costs, necessary to compensate Landlord for all detriment proximately

caused by a Default or which in the ordinary course of things would be likely to result therefrom. For the avoidance of doubt, (1) Tenant shall not be responsible for any amounts that would otherwise be due and payable after the date the unlawful detainer process is complete and Tenant is evicted from the Premises as evidenced by the changing of the locks by the county sheriff, and (2) in no event will Landlord have the right to accelerate the payment of any rent hereunder and, without limiting the generality of the foregoing, Landlord specifically waives its rights under California Civil Code section 1951.2(a)(3) to accelerate payment of rent in the event of Default by Tenant.

The phrase "worth at the time of the award" as used in clauses (i) and (ii) above is to be computed by allowing interest at the rate of twelve percent (12%) per annum, but not to exceed the then legal rate of interest.

(b) **Additional Remedies.** If any such Default by Tenant occurs, Landlord may terminate this Lease as set forth in Section 15.3(a) above or maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession irrespective of whether Tenant shall have abandoned the Premises (it being agreed that Landlord has the remedy provided in California Civil Code §1951.4, that is, Landlord may continue this Lease in full force and effect, and collect Base Rent and Additional Rent as they become due, so long as Tenant has the right to assign or sublease subject only to reasonable limitations). Unless and until Landlord elects to terminate this Lease as provided above, Tenant shall have the right to assign or sublet as otherwise provided in this Lease (and subject to Tenant curing such Default concurrent with or prior to the effective date of such assignment or sublease). Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord may at any time thereafter elect to terminate the Lease by virtue of any previous and continuing uncured Default by Tenant. In the event of any such termination, Landlord shall be entitled to recover from Tenant all damages set forth in Section 15.3(a) above (after taking into account, as set forth in 15.23(a)(ii) above, what Tenant can prove Landlord could have avoided if it had used reasonable efforts to mitigate its damages as provided in California Civil Code Section 1951.2(a)(2)).

(c) Landlord may, after expiration of any applicable cure period, unless there is an emergency or unless Tenant has failed to perform under Section 7.2 above (and in either case Landlord need not give notice or wait), correct or remedy any failure of Tenant not timely cured. Landlord's reasonable costs to correct or remedy any such Default will immediately become due and payable to Landlord. Tenant's reimbursement obligations under this Section 15.3(c) shall survive the expiration or earlier termination of this Lease.

15.4 Intentionally Omitted.

15.5 Mitigation. Any efforts by Landlord to mitigate damages caused by a Default shall not be construed as a waiver of Landlord's right to recover damages.

15.6 Right of Landlord to Re-Enter. In the event of any termination of this Lease, Landlord shall have the immediate right to enter upon and repossess the Premises, and all of Tenant's Property may be removed from the Premises and stored in any public warehouse at the risk and expense of Tenant.

15.7 Intentionally Omitted.

16. DEFAULT BY LANDLORD.

16.1 Landlord's Default. Landlord shall be in default if Landlord fails to perform any provision of this Lease required of it and the failure is not cured within thirty (30) days after written notice has been given to Landlord. If, however, the failure cannot reasonably be cured within such thirty (30) day period, Landlord shall not be in default of this Lease if Landlord commences to cure the failure within such thirty (30) day period and diligently and in good faith pursues the cure to completion. Notices given under this Section shall specify the alleged failure and the applicable Lease provisions. If Landlord shall at any time be in default beyond the applicable notice and cure period, Tenant may exercise any of its rights provided in law or at equity; provided, however, Tenant shall have no right to offset or abate rent in the event of any default by Landlord under this Lease, except to the extent offset rights are specifically provided to Tenant in this Lease (including in Section 7.4 above).

16.2 Notice to Mortgagee(s). Whenever Tenant serves notice on Landlord of Landlord's default, written notice shall also be served at the same time upon any Mortgagee, the name and address of whom Tenant has received in writing prior to the required notice. Such Mortgagee shall have the periods of time within which to cure Landlord's defaults as are provided in Section 16.1, which periods shall commence to run thirty (30) days after the commencement of the periods within which Landlord must cure its defaults under Section 16.1. If the nature of the default is such that the Mortgagee's possession is required to cure the default, then Tenant will not have the right to exercise any of the remedies set forth in Section 16.1 so long as such Mortgagee commences proceedings to obtain possession of the Premises within the period of time afforded to the Mortgagee to cure such default, and once the Mortgagee has obtained possession, diligently proceeds to cure the default. Nothing contained in this Lease shall be construed to impose any obligation on any Mortgagee to cure any default by Landlord under this Lease.

17. SUBORDINATION AND ESTOPPEL.

17.1 Subordination. Subject to the provisions of this Section 17, this Lease shall be subject, subordinate and inferior to the lien and charge of any mortgage, trust deed or other encumbrance, and all renewals, extensions or replacements thereof, now or hereafter imposed by Landlord upon the Building or Project (each, a "Mortgage"); provided, however, that this Lease shall not be subordinate to any Mortgage first arising after the date of this Lease, unless and until Landlord provides Tenant with an agreement from the holder of the Mortgage (the "Mortgagee") of the type normally provided by commercial lenders in southern California ("**Non-Disturbance Agreement**"), setting forth that so long as Tenant is not in Default hereunder, Landlord's and Tenant's rights and obligations hereunder shall remain in force and Tenant's right to possession shall be upheld. Notwithstanding the foregoing, should any

Mortgagee require that this Lease be prior rather than subordinate to its Mortgage, then in such event, this Lease shall become prior and superior to such Mortgage, upon notice to that effect to Tenant from such Mortgagee. Tenant shall, following a request by Landlord and after receipt of the Non-Disturbance Agreement (if applicable), execute and acknowledge any instruments or documents required to establish of record the priority of any such Mortgage over this Lease, so long as such instruments or documents do not increase Tenant's liability or obligations under this Lease or decrease Tenant's rights under this Lease.

17.2 Attornment. In the event of foreclosure of any Mortgage, whether superior or subordinate to this Lease, then, if so requested by the Mortgagee or the purchaser at any foreclosure sale, (i) this Lease shall continue in force; (ii) Tenant's quiet possession shall not be disturbed if Tenant is not in Default hereunder; (iii) Tenant shall, without any deductions or set-offs whatsoever, attorn to and recognize the Mortgagee or such purchaser ("**New Owner**") as Tenant's landlord for the remaining term of this Lease. At the request of the New Owner, Tenant shall execute a new lease for the Premises, setting forth all of the provisions of this Lease except that the term of the new lease shall be for the balance of the Term.

17.3 Estoppel Certificate. Tenant shall execute and deliver to Landlord or Landlord's designee, within ten (10) business days after receipt of Landlord's request, a written statement certifying: (i) that the Lease is in effect (or is in effect as modified and stating the modifications); (ii) the amount of Base Rent and the date to which Base Rent and Additional Rent have been paid in advance; (iii) the amount of any Security Deposit; and (iv) that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Landlord and, any purchaser, assignee or Mortgagee may rely upon any such statement.

17.4 Remedies. Failure of the Tenant to sign and deliver any statement or instrument delivered to Tenant to effectuate the provisions of this Section 17 within ten (10) business days after request to do so by Landlord shall constitute a Default under this Lease pursuant to which the terms of Section 15.3 above shall apply.

18. HAZARDOUS MATERIALS.

18.1 Tenant's Environmental Questionnaire. Concurrent with Tenant's execution and delivery of this Lease, Tenant shall deliver a completed environmental questionnaire, in the form attached hereto as Exhibit E. Tenant warrants and represents, and acknowledges that this Lease was entered into by Landlord in material reliance upon, the information set forth in such completed environmental questionnaire. If requested by Landlord during the Term, Tenant shall, within fifteen (15) business days of such request, deliver an updated, completed environmental questionnaire, in the form attached hereto as Exhibit E.

18.2 Tenant's Obligations.

(a) Except for supplies typically used in the ordinary course of the Permitted Use (e.g., cleaning solvents) in quantities that are typically used in the ordinary course of the Permitted Use and used in compliance with all Hazardous Materials Laws (as defined in Section 18.5), Tenant shall not cause or permit any Hazardous Materials (as defined in Section 18.4) to be brought, kept or used in or about the Project by Tenant and/or Tenant's Representatives. Tenant shall at all times comply with all Hazardous Materials Laws and prudent industry practices regarding management of all Hazardous Materials, and shall, at its own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses, and other governmental and regulatory approvals required for Tenant's use of the Premises, including, without limitation, discharge of (appropriately treated) Hazardous Materials into or through any sanitary sewer serving the Premises. Except as discharged into the sanitary sewer in strict conformity with all applicable Hazardous Materials Laws, Tenant shall cause all Hazardous Materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal thereof and upon Landlord's request Tenant shall promptly deliver to Landlord copies of manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises.

(b) Upon the expiration or earlier termination of this Lease, Tenant shall cause all Hazardous Materials brought, kept or used in or about the Premises by Tenant and/or Tenant's Representatives to be removed from the Premises in compliance with all applicable Hazardous Materials Laws. During the Term, if the presence of any Hazardous Materials at, in, on or under the Premises caused or permitted by Tenant results in any contamination of the Premises, Tenant shall promptly take all actions at its sole expense in accordance with all Hazardous Materials Laws to return the Premises to the condition existing prior to the time of such contamination, subject to Landlord's approval as set forth in Section 18.2(d) below.

(c) Tenant shall, within ten (10) business days of first learning of the same, notify Landlord in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Materials Laws; (ii) any claim made or threatened by any person against Tenant or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and (iii) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Tenant shall also supply to Landlord, within ten (10) business days after Tenant first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations, relating in any way to Hazardous Materials in the Premises or Tenant's use thereof. Upon the reasonable written request of Landlord, Tenant shall, using appropriately qualified and licensed professionals and at Tenant's cost, thoroughly investigate any suspected Hazardous Materials contamination of the Premises or the Project by Tenant and/or Tenant's Representatives.

(d) Tenant shall not take any remedial action in response to the presence of any Hazardous Materials in or about the Premises in violation of applicable Hazardous Materials Laws, nor enter into any settlement agreement, consent decree or other compromise with respect to any violation of Hazardous Materials Laws, without

first providing the notice required in Section 18.2(c) above and affording Landlord at least thirty (30) days to appear, intervene or otherwise appropriately assert and protect Landlord's interests with respect thereto.

(e) Tenant acknowledges that the Premises, the Building and/or the Project may contain asbestos-containing materials ("ACM").

18.3 Indemnity. With respect to Tenant's use and occupancy of the Premises and Project (including the Common Areas), Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect, and hold Landlord and each of Landlord's Representatives, free and harmless from and against any and all Losses for death of or injury to any person or damage to any property whatsoever (including, without limitation, diminution in value), related to, arising from or caused in whole or in part, directly, by (i) the presence in, on, under or about the Premises, or discharge in or from the Premises, of any Hazardous Materials during the Term of this Lease, excluding Hazardous Materials used, released or discharged by any previous tenant of the Premises (except as otherwise described below regarding any ACM in, on, under or about the Premises); (ii) the use, analysis, generation, manufacture, production, storage, release, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials to, in, on, under, about or from the Premises or Project caused or contributed to by Tenant; or (iii) Tenant's failure to comply with any Hazardous Materials Law. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable (a) all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises and/or Project, (b) the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and (c) any claims, liabilities, penalties, forfeitures, losses or expenses (including attorneys' fees and costs), however described, to the extent related to, arising from or caused in whole or in part, directly by any operations, work, or other acts or omissions of Tenant, including any Alterations, which damages, disturbs, makes friable, or otherwise adversely affects any ACM located in, on, under or about the Premises, and all such obligations shall survive the expiration or earlier termination of the this Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of Tenant and/or Tenant's Representatives or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Tenant.

18.4 "Hazardous Materials" shall mean any and all materials or substances which have been determined to be a nuisance or dangerous, toxic or hazardous or a pollutant or contaminant, including but not limited to any petroleum, including, without limitation, crude oil or any fraction thereof, hydrocarbon material, flammable explosives, asbestos, urea formaldehyde, mold, radioactive materials or waste, or other hazardous, toxic, contaminating or polluting materials, substances or wastes, including, without limitation, any "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under any Hazardous Materials Laws.

18.5 "Hazardous Materials Laws" shall mean all federal, state and local laws, ordinances and regulations relating to Hazardous Materials, including, but not limited to, the Federal Water Pollution Control Act (33 U.S.C. §1251, et seq.), Resource Conservation & Recovery Act (42 U.S.C. §6901, et seq.), Safe Drinking Water Act (42 U.S.C. §3000f, et seq.), Toxic Substances Control Act (15 U.S.C. §2601, et seq.), the Clean Air Act (42 U.S.C. §7401, et seq.), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601, et seq.), California Health & Safety Code (§25100, et seq., §39000, et seq.), California Safe Drinking Water & Toxic Enforcement Act of 1986 (California Health & Safety Code §25249.5, et seq.), California Water Code (§13000, et seq.) and all air quality and air pollution regulations of the regional air pollution control district.

18.6 Landlord's Representation. Landlord hereby represents that, to Landlord's current actual knowledge, without investigation, there are no Hazardous Materials present in the Premises in violation of Hazardous Materials Laws as of the date of this Lease.

19. NOTICE. All notices, demands or requests required under, or related to, this Lease from one party to the other shall be in writing. Notices may be personally delivered, sent by Federal Express or other reputable express delivery service, sent by facsimile with a copy sent by any other method set forth in this Section, or sent by certified mail, return receipt requested, postage prepaid, to the addresses set forth at Section 1.17 or 1.18, as applicable. Notices shall be deemed received upon actual delivery to or refusal by the addressee. Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this Section to the other party.

20. OTHER TERMS AND CONDITIONS.

20.1 Signage. Tenant shall not place or permit to be placed, any sign, advertisement, notice or other similar matter on the doors, windows, exterior walls, roof or other areas of the Premises which are open to the view of persons outside the Premises, except upon receipt of Landlord's prior written consent and then only in accordance with all applicable Laws and Landlord's signage criteria attached hereto as Exhibit D.

20.2 Parking. In connection with the Permitted Use, Tenant shall have the non-exclusive right to park in the parking areas of the Project, at no additional charge, on a non-reserved basis and subject to compliance with Landlord's rules and regulations therefor (including those set forth in Exhibit C), no more than the number of vehicles set forth in Section 1.16. The parking authorized by this Section shall be for personal transportation to and from the Premises only, and not for long-term storage of automobiles or for any storage of boats, trailers or recreational vehicles. Landlord reserves the right to designate certain parking areas in the Project as being for the exclusive use of other tenants of the Project.

20.3 Easements. Landlord reserves the right, from time to time, to grant such easements, rights and dedications as Landlord deems necessary or desirable, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with Tenant's normal conduct of its business on the Premises.

20.4 No Light, Air or View Easements. No diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Building shall in any way affect this Lease or impose any liability on Landlord.

20.5 Security Measures. Tenant acknowledges that Landlord does not intend to provide guard service or other security measures at the Project. Tenant assumes all responsibility for the protection of Tenant, Tenant's Representatives and Tenant's Property, and the property of Tenant's Representatives from acts of third parties. Nothing herein contained shall prevent Landlord, at Landlord's sole option, from providing security services at the Project, in which event the costs thereof shall be included within Operating Expenses.

20.6 Holding Over By Tenant. Tenant agrees upon the expiration or termination of this Lease, to immediately and peaceably yield up and surrender the Premises in the condition required under Section 7.2. Tenant shall be liable to Landlord for any and all damages incurred by Landlord as the result of any failure by Tenant to so timely surrender possession of the Premises. If Tenant shall hold over after the expiration of this Lease for any cause, such holding over shall be deemed a tenancy at sufferance or, at the sole discretion of Landlord, a tenancy from month-to-month; however, in any event such tenancy shall be upon the same terms, conditions and provisions set forth in this Lease, except that the Base Rent payable during such tenancy shall be in an amount equal to one hundred twenty-five percent (125%) of the Base Rent that was in effect immediately prior to the expiration or termination of this Lease.

Notwithstanding the foregoing, so long as Tenant is not in default under this Lease, Tenant shall have the right to holdover for up to three (3) months following the expiration of this Lease, by giving Landlord written notice thereof not less than six (6) months prior to the expiration of this Lease, in which case (1) Tenant shall have the right to holdover for the period of time set forth in Tenant's notice, not to exceed three (3) months (and if Tenant's notice does not specify the length of Tenant's elected holdover, Tenant shall be deemed to have elected to holdover for the entire three (3) months), and (2) the Base Rent payable during such elected holdover shall be in an amount equal to one hundred ten percent (110%) of the Base Rent that was in effect immediately prior to the expiration of this Lease.

20.7 Landlord's Right of Entry. Landlord, the Mortgagee and/or Landlord's Representatives may enter upon the Premises at any reasonable time and upon reasonable notice to make such repairs, additions or improvements as Landlord shall deem necessary; to post default notices and notices of nonresponsibility; to inspect and examine the Premises; and/or to exhibit the Premises to prospective tenants, lenders or purchasers. Notwithstanding the foregoing, no notice shall be required for any entry in the event of an emergency. Any such entries shall be without the abatement of rent, shall not be deemed an unlawful entry, or an actual or constructive eviction, and shall include the right to take such reasonable steps as required to accomplish the stated purposes.

20.8 Intentionally Omitted.

20.9 Furnishing of Financial Statements. If requested by Landlord, a current or prospective Mortgagee or a prospective purchaser of the Project, Tenant shall deliver to Landlord, within ten (10) days after request therefor, Tenant's current financial statements and financial statements for each of the two (2) preceding years. Such statements shall be prepared in accordance with GAAP and certified by an officer or owner of Tenant, or, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Landlord shall keep all such financial statements and the information contained therein confidential, except that Landlord may disclose the same to Landlord's legal and accounting consultants, property and asset managers, any current or prospective Mortgagee, any prospective purchaser of the Project or as required by Law or as may reasonably be required in the course of any judicial or governmental proceeding (including in response to a subpoena).

Notwithstanding the foregoing, Tenant shall not be required to provide financial statements under this Section 20.9 so long as Tenant's financial statements are available at www.sandiego.gov.

20.10 Auctions. No auction shall be conducted on the Premises or the Project, without first having obtained Landlord's prior written consent, which may be withheld in Landlord's sole discretion.

20.11 Keys. Ten (10) keys to the Premises will be furnished by Landlord. Additional keys will be furnished upon Tenant paying Landlord the cost thereof. No additional lock or locks shall be placed by Tenant on any door in the Building without Landlord's prior written consent. Tenant shall not allow the duplication of any keys to be made, and Tenant shall not allow any keys to be possessed by any person other than an authorized agent of Tenant. Tenant agrees, at the termination of the tenancy, to return all keys.

20.12 Other Tenancies. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord shall determine, in the exercise of its sole business judgment. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenants will or will not, during the Term of this Lease, occupy any space in the Project.

20.13 Brokers' Fees. Landlord has agreed to pay a fee for brokerage services rendered in connection with this Lease to the broker(s) identified in Section 1.15 (the "**Brokers**"), payable in accordance with the separate written agreement between Landlord and Landlord's broker, which alone shall govern the Brokers' entitlement to any commission. Landlord and Tenant each represent and warrant to the other that no broker, agent or finder, licensed or otherwise, has been engaged by it, respectively, in connection with this Lease, other than the Brokers. Each party agrees to indemnify and defend the other party against and hold the other party harmless for, from and against any and all Losses with respect to any fee or commission alleged to be owing on account of the indemnifying party's dealings with any broker other than the Brokers.

21. GENERAL PROVISIONS.

21.1 Exculpation. The obligations of Landlord under this Lease do not constitute personal obligations of Landlord's Representatives, and Tenant shall look solely to Landlord's interest in the Project for satisfaction of any liability with respect to this Lease, and agrees not to seek recourse against (i) any other property of Landlord, (ii) Landlord's Representatives, or (iii) any of Landlord's Representatives' personal assets, for such satisfaction. Further, in no event shall Landlord be liable to Tenant for any indirect, consequential, or punitive damages, including, without limitation, any damages based on lost profits.

21.2 Conveyance By Landlord. Landlord shall be free at all times, without need of consent or approval by Tenant, to transfer all or any portion of its interest in Project or Building and in this Lease. In the event of such transfer and provided the transferee assumes all of Landlord's obligations under this Lease first arising from and after the date of such transfer, (1) Landlord shall automatically be released from all remaining liability under this Lease first arising from and after the date of such transfer, and (2) Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder from and after the date of transfer. The term "Landlord" as used in this Lease, shall mean only the owner of the Project or Building at the time in question.

21.3 Quiet Enjoyment. Landlord agrees that, so long as Tenant is not in Default hereunder, Tenant shall have the quiet enjoyment of the Premises without hindrance on the part of Landlord, subject to the terms and conditions of this Lease and without interference by persons claiming by, through or under Landlord.

21.4 No Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction. Pursuant to California Code of Civil Procedure §1161.1, Landlord reserves the right to accept partial payments of rent and the acceptance of any rent or other charges hereunder shall not be deemed a waiver of any Default hereunder other than the payment of the amount accepted by Landlord.

21.5 Waiver. No delay or omission in the exercise of any right or remedy of Landlord for any failure to perform by Tenant hereunder shall impair such right or remedy or be construed as a waiver thereof. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent violation of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to render unnecessary Landlord's consent or approval to or of any subsequent similar act by Tenant. No violation of a covenant or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing signed by Landlord.

21.6 Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent. All conditions contained herein shall be deemed covenants.

21.7 Relationship of the Parties. Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

21.8 Force Majeure. If either party is delayed in the performance of any covenant of this Lease because of any of the following causes, then such performance shall be excused for the period of the delay and the period for such performance shall be extended for a period equivalent to the period of such delay: action of the elements; war, riot or civil insurrection; acts of terrorism; building moratoria, trip generation restrictions or other similar action by the City of San Diego or other governmental agency or entity; labor disputes; inability to procure or a general shortage of labor or materials in the normal channels of trade; delay in transportation; delay in inspections; or any other cause beyond the reasonable control of the party so obligated, whether similar or dissimilar to the foregoing, financial inability excepted; provided, however, that except as specifically set forth elsewhere in this Lease, no such events shall affect Tenant's obligation to pay Base Rent, Additional Rent or any other amount payable under this Lease, nor shall such events affect the length of the Term.

21.9 Intentionally Omitted.

21.10 Counterparts/Electronic Signing. This Lease may be executed in multiple counterparts, including both counterparts that are executed on paper and counterparts that are electronic records and signed electronically. This Lease and any counterpart which shall constitute one and the same instrument, may, at Landlord's option, be converted from a signed paper original to electronic form at any time and the paper original destroyed. Each true and correct electronic copy shall be deemed an "original."

21.11 Authority. If Tenant is a corporation, partnership, limited liability company or other entity, each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant. At Landlord's request, Tenant shall deliver reasonably satisfactory evidence of such authority to Landlord.

21.12 Recording. Tenant shall not record this Lease or any short form or memorandum version hereof without the prior written consent of Landlord, which may be withheld at Landlord's sole discretion.

21.13 Interpretation and Use of Pronouns. Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and the neuter genders.

21.14 Captions and Interpretations. Section titles or captions contained in this Lease are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Lease or any provision hereof. No provision in this Lease is to be interpreted for or against either party because that party or its legal representative drafted such provision. Any deletion of language from this Lease prior to its execution by Landlord and Tenant shall not be construed to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse of the deleted language.

21.15 Severability. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

21.16 Applicable Law. This Lease shall be governed by the laws of the State of California. Any action brought to enforce, interpret or nullify this Lease or the provisions hereof shall be brought in San Diego County, California, and in no other forum.

21.17 Waiver of Right of Redemption. Tenant hereby waives for Tenant and for all those claiming under Tenant all right now or hereafter existing to redeem, by statute or by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease as a result of a Default. Tenant hereby waives its rights under California Code of Civil Procedure §1179.

21.18 Attorneys' Fees. If either party commences litigation against the other for the specific performance of this Lease, for damages or otherwise for the enforcement of any remedy hereunder, the prevailing party shall recover from the non-prevailing party all costs and expenses incurred therein, including reasonable attorneys' fees and expenses incurred in enforcing any judgment.

21.19 Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant: (i) each of them is and shall be jointly and severally liable for the covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and (ii) the act or signature of, or notice from or to, any one or more of them with respect to this Lease shall be binding upon each and all of the persons and entities executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice and, in the event more than one person or entity comprising Tenant so acts, signs or gives or receives such notice, Landlord shall be entitled to rely on the first such act, signature, or giving or receiving of notice and any subsequent act, signature or giving or receiving of notice by any additional Tenant entity(ies) shall be null and void.

21.20 Successors and Assigns. The covenants and conditions herein contained shall, subject to the provisions of Section 14, apply to and bind the heirs, successors, executors, administrators and assigns of the respective parties hereof.

21.21 Time of the Essence; Business Days. Time is expressly declared to be of the essence of this Lease, and of all covenants and conditions herein contained. Any reference in this Lease to "business days" shall mean any weekday, Monday through Friday, except holidays on which United States post offices are closed.

21.22 No Third-Party Beneficiaries. The provisions of this Lease are solely for the benefit of the parties hereto, and no broker or other third party shall be entitled to any benefits hereof or hereunder.

21.23 Entire Agreement. This Lease sets forth all the terms, provisions, covenants, conditions, promises, agreements and understandings between Landlord and Tenant concerning the Premises. There are no warranties, representations, covenants, promises, agreements, conditions or understandings, either oral or written, between them other than set forth herein. No alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

21.24 Intentionally Omitted.

21.25 Federal Contractor/Subcontractor. To the extent Tenant is a federal contractor or subcontractor, then The Equal Opportunity Clause, 41 CFR 60-1.4, contained in § 202 of E.O. 11246; the Affirmative Action Clause, 41 CFR 60-250.4, contained in § 402 of the VEVRA of 1974; and the Affirmative Action Clause, 41 CFR 60-741.4, contained in § 503 of the Rehabilitation Act of 1973; are herein incorporated by reference.

21.26 Intentionally Omitted.

21.27 Exhibits. All exhibits attached hereto shall be part of this Lease and by this reference are expressly incorporated herein. This Lease contains the following Exhibits:

Exhibit A	Project Site Plan
Exhibit B	Tenant Work Letter
Exhibit C	Rules and Regulations
Exhibit D	Signage Criteria
Exhibit E	Environmental Questionnaire
Exhibit F	[INTENTIONALLY OMITTED]

21.28 Addendum. The Addendum attached hereto and specified in Section 1.19, if any, shall be part of this Lease and by this reference is expressly incorporated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Lease on the date(s) set forth by their respective signatures.

Landlord:

Date: 7/9/2018

H.G. FENTON PROPERTY COMPANY, a California corporation

BY: H. G. FENTON COMPANY, a California corporation
Authorized Agent

By [Signature]
Jeffrey R. Lutz, Director
Commercial Team Leadership

By [Signature]
Michael P. Neal
President & CEO

Tenant:

Date: _____

THE CITY OF SAN DIEGO

By [Signature]

By _____

Approved As To Form

Mara W. Elliott

BY: [Signature] Date: 8/28/18

NAME: Hilda R. Mendoza

TITLE: Deputy City Attorney

ADDENDUM TO LEASE

The following additional provisions are a part of, and incorporated in, the Lease to which this Addendum is attached. In the event of any conflict between the provisions of this Addendum and the body of the Lease, this Addendum shall control.

22. TERMINATION OF PREVIOUS LEASE WITH LIFECARE SOLUTIONS, INC. Landlord entered into that certain lease dated March 23, 2009 with LIFECARE SOLUTIONS, INC., a Delaware corporation ("**Previous Tenant**") in which Landlord leased to the Premises to Previous Tenant ("**Previous Lease**"). The Previous Lease is scheduled to expire on November 30, 2019. The parties acknowledge that in addition to the provisions expressly set forth in Section 21.23, this Lease shall be contingent upon Landlord executing an agreement with the Previous Tenant which allows for the vacation of the Premises on or before the Commencement Date of this Lease.

23. ABATEMENT OF MONTHLY BASE RENT. Subject to the satisfaction of the conditions precedent set forth below, the obligation of Tenant to pay monthly Base Rent pursuant to Section 4.1 of the Lease shall be abated for the second (2nd), thirteenth (13th), twenty-fifth (25th), thirty-seventh (37th), forty-ninth (49th), and sixty-first (61st) full calendar months of the Term on the terms and conditions set forth below. The abatement of Base Rent shall not include abatement of any Additional Rent, as such term is defined in Section 4.1 of the Lease.

(a) The Lease shall be in effect and Tenant shall not be in Default of any material provision thereof; and

(b) In the event that Landlord elects to terminate this Lease pursuant to Section 15 following Tenant's Default, the monthly Base Rent so abated shall be deemed an element of Recapturable Expenses for purposes of Section 15.7 of the Lease.

24. OPTION TO EXTEND. Subject to satisfaction of the conditions precedent set forth below, Tenant shall have one (1) option to extend the Term ("**Extension Option**") for one (1) period of sixty (60) months ("**Extension Term**"), on the following terms and conditions:

24.1 Tenant's Extension Option shall be subject to satisfaction of each of the following conditions precedent, which are solely for the benefit of, and may be waived unilaterally by, Landlord:

(a) The Extension Option shall be exercised by written notice delivered by Tenant to Landlord not earlier than twelve (12) months and not later than six (6) months prior to the end of the Term;

(b) Tenant shall be in occupancy of at least one hundred percent (100%) of the area of the Premises directly or through a wholly owned subsidiary (at any tier), and not through an unaffiliated assignee or sublessee; and

(c) The Lease shall be in effect and Tenant shall not be in default of any material provision thereof both on the day such written notice is delivered to Landlord and on the last day of the Term; provided, however, if Tenant is in default but the cure period has not run, this condition shall be deemed satisfied if Tenant cures the default within the applicable cure period.

24.2 In the event the Term shall be extended following exercise by Tenant of the Extension Option, then all of the terms, covenants and conditions of this Lease shall remain in full force and effect during the Extension Term, except that the initial monthly Base Rent (including subsequent annual increases in Base Rent) during the Extension Term shall be adjusted to the then-effective market rate as reasonably determined by Landlord for new leases for comparable space in the Kearny Mesa area provided, however, that in no event shall the Base Rent payable for any Lease Year be less than the Base Rent payable for the immediately preceding Lease Year.

24.3 The increase in Base Rent provided by this Section shall be in addition to any increase in Operating Expenses as described in Section 4.2 of this Lease.

25. ROOFTOP EQUIPMENT. Subject to the provisions of this Section 25, Tenant and Tenant's contractors (which shall first be reasonably approved by Landlord) shall have the right and access to install, repair, replace, remove, operate and maintain a satellite dish (or other similar device, such as an antenna) and/or supplemental HVAC equipment, together with all cable, wiring, conduits and related equipment (collectively, "**Rooftop Equipment**"), reasonably required by Tenant in connection with Tenant's use of the Premises, at a location on the roof of the Building designated by Landlord and reasonably acceptable to Tenant. Such use of the roof for Rooftop Equipment shall be at no additional charge to Tenant during the Term and any extensions thereof. Tenant shall ensure that any Rooftop Equipment installed by Tenant does not interfere with any equipment installed on the roof of the Building prior to Tenant's installation of its Rooftop Equipment. Subject to Tenant's procurement procedures, Tenant shall use a contractor reasonably approved by Landlord to make any necessary penetrations and associated repairs to the roof (it being agreed that it shall be reasonable for Landlord to withhold approval of any contractor whose work will result in the voiding of Landlord's roof warranty) and shall comply with all applicable provisions of Section 7.6 of this Lease when installing the Rooftop Equipment (and if there is an inconsistency between this Section 25 and the provisions of Section 7.6, the provisions of this Section 25 shall control). Tenant's installation and operation of the Rooftop Equipment shall be governed by the following terms and conditions:

(i) Tenant's right to install, replace, repair, remove, operate and maintain the Rooftop Equipment shall be subject to all Laws and Landlord makes no representation that such Laws permit such installation and operation. Further, Tenant's Rooftop Equipment shall not cause the Building rooftop to violate any Laws and Tenant shall be responsible for ensuring that its use does not cause such a violation.

(ii) All plans and specifications for the Rooftop Equipment shall be subject to Landlord's reasonable approval and shall include any screening reasonably requested by Landlord.

(iii) All costs of installation, operation, maintenance, repair and replacement of the Rooftop Equipment and any necessary related equipment (including, without limitation, costs of obtaining any necessary permits and connections to the Building's electrical system) shall be borne by Tenant. Landlord agrees to cooperate (at no expense to Landlord) with Tenant in obtaining such permits and connections. For the avoidance of doubt, if the Rooftop Equipment includes any supplemental HVAC units or equipment, the provisions of this Section 25 shall (and not the provisions of Section 7.1 of the Lease) control with respect to the maintenance, repair and replacement of such supplemental HVAC units or equipment.

(iv) It is expressly understood that Landlord retains the right to use the roof of the Building for any purpose whatsoever provided that Landlord shall not unduly interfere with Tenant's use of the Rooftop Equipment.

(v) Tenant shall use the Rooftop Equipment so as not to cause any interference or danger to other tenants in the Building or with any other tenant's or licensee's equipment installed on the roof prior to Tenant's installation of its Rooftop Equipment, and not to damage the Building or interfere with the normal operation of the Building.

(vi) Landlord shall not have any obligations with respect to the Rooftop Equipment and Landlord makes no representation or warranty with respect to the Rooftop Equipment.

(vii) Tenant shall (i) be solely responsible for any damage caused as a result of the Rooftop Equipment, (ii) promptly pay any tax, license or permit fees charged pursuant to any Laws in connection with the installation, maintenance or use of the Rooftop Equipment and comply with all precautions and safeguards recommended by all governmental authorities, and (iii) be responsible for any necessary repairs, replacements to or maintenance of the Rooftop Equipment.

(viii) The Rooftop Equipment shall remain the sole property of Tenant. Tenant shall remove the Rooftop Equipment and related equipment at Tenant's sole cost and expense upon the expiration or sooner termination of this Lease or upon the imposition of any governmental Law which may require removal, and shall repair the Building upon such removal to the extent required by such work of removal. If Tenant fails to remove the Rooftop Equipment and repair the Building within sixty (60) days after the expiration or earlier termination of this Lease, Landlord may do so at Tenant's expense. The provisions of this subsection (viii) shall survive the expiration or earlier termination of this Lease.

(ix) The Rooftop Equipment shall be deemed to constitute a portion of the Premises for purposes of Articles 10 and 11 of this Lease.

(x) Tenant shall be entitled, at no additional charge, to use its pro rata share of any existing risers of the Building to install its Rooftop Equipment; provided that Landlord makes no representation regarding the capacity of such risers. In the event additional capacity is needed, Tenant shall have the right to provide such additional capacity, subject to Landlord's prior written approval of the methods and manner of providing such additional capacity, which consent may be withheld in Landlord's reasonable discretion.

26. TENANT'S APPROVALS AND CONSENTS. At all times that the "Tenant" under this Lease is the City of San Diego, Tenant's consent or approval under this Lease will mean the written consent or approval of the Mayor of San Diego, or his or her designee ("**Mayor**"), unless otherwise expressly provided in this Lease or as required by Law. Tenant's discretionary acts pursuant to this Lease will be made in the Mayor's discretion, unless otherwise expressly provided in this Lease.

27. REQUIRED CITY COUNCIL APPROVAL. Notwithstanding anything to the contrary in this Lease, Landlord acknowledges this Lease is expressly conditioned on the San Diego City Council's prior authorization to enter into and execute this Lease ("**Council Authorization**"), which may or may not be granted in the City Council's sole discretion. Tenant shall not be liable or obligated for any burden or loss, financial or otherwise, incurred by Landlord as a result of the City Council's modification of the final terms and conditions of this Lease, or the City Council's failure to grant the Council Authorization.

[SIGNATURES FOLLOW ON NEXT PAGE]

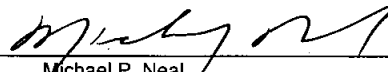
Landlord:

Date: 7/9/2018

H.G. FENTON PROPERTY COMPANY, a California corporation

BY: H. G. FENTON COMPANY, a California corporation
Authorized Agent

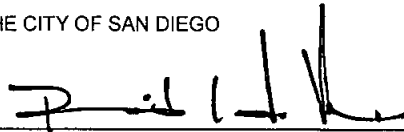
By 
Jeffrey R. Ditz, Director
Commercial Team Leadership

By 
Michael P. Neal
President & CEO

Tenant:

Date: _____

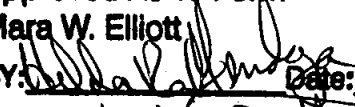
THE CITY OF SAN DIEGO

By 

By _____

Approved As To Form

Mara W. Elliott

BY:  Date: 8/28/18

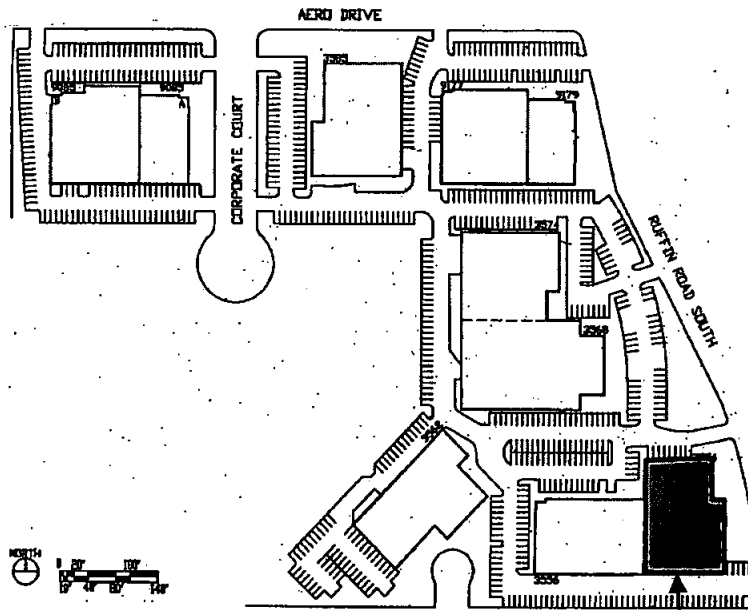
NAME: Hilda R. Mendoza

TITLE: Deputy City Attorney

7-311952

EXHIBIT A

SITE PLAN



SAN DIEGO BUSINESS CENTER
9085, 9177, 9179, AERO DRIVE
3585 CORPORATE COURT
3554, 3556, 3562, 3568, 3574 RUFFIN RD. SOUTH
SAN DIEGO, CALIFORNIA 92123

PREMISES

EXHIBIT B

TENANT WORK LETTER **(Turnkey: Space Plan and Cost Estimate Pre-Approved)**

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of tenant improvements in the Premises. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All capitalized terms used but not defined herein shall have the meanings given such terms in this Lease. All references in this Tenant Work Letter to Articles or Sections of "this Lease" shall mean the relevant portion of the Lease to which this Tenant Work Letter is attached as Exhibit B and of which this Tenant Work Letter forms a part, and all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portion of this Tenant Work Letter.

SECTION 1

CONSTRUCTION DRAWINGS FOR THE PREMISES

Landlord and Tenant have approved and signed off on (i) the space plan for the Premises prepared by Avent Design dated February 1, 2018 and the notes and specifications set forth thereon (the "**Space Plan**"); a copy of which is attached hereto as Exhibit B-1, and (ii) the information, including the assumptions, specifications, pricing, fees and quantities set forth in the construction estimate for the Premises prepared by White Construction dated March 22, 2018 (the "**Cost Estimate**"), a copy of which is attached hereto as Exhibit B-2. Promptly after the full execution of this Lease, Landlord shall cause its architects and engineers to complete the architectural and engineering drawings for the Premises in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits and in a manner consistent with the Space Plan and Cost Estimate (collectively, the "**Working Drawings**"). Upon completion of the Working Drawings, Landlord shall deliver the same to Tenant and Tenant shall have seven (7) business days to approve or reasonably disapprove the Working Drawings. Tenant's failure to approve or reasonably disapprove the Working Drawings within such seven (7) business day period, shall be deemed to be Tenant's approval of the Working Drawings. Upon Tenant's approval (or deemed approval) of the Working Drawings, the Working Drawings shall be referred to as the "**Approved Working Drawings**." Notwithstanding that Landlord has retained the architect and engineers to prepare the Space Plan, Working Drawings and Approved Working Drawings (collectively, the "**Construction Drawings**"), Landlord shall have no liability in connection therewith and shall not be responsible for any claims arising from any omissions or errors contained in the Construction Drawings. Landlord shall construct, at Landlord's cost and utilizing a contractor of Landlord's selection, the improvements in the Premises (the "**Improvements**") pursuant to the Approved Working Drawings, except that all cabling work shown on the Space Plan or Approved Working Drawings shall be performed by Tenant at Tenant's sole cost and expense. Tenant shall make no changes or modifications to the Approved Working Drawings without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion if such change or modification would directly or indirectly delay the substantial completion (as defined in Section 3.1 below) of the Premises or increase the cost of designing or constructing the Improvements. Unless specifically noted to the contrary on the Space Plan, the Cost Estimate, the Working Drawings or the Approved Working Drawings, the Improvements shall be constructed using Landlord's Building-standard specifications and materials. The Improvements shall be deemed Landlord's property under this Lease.

SECTION 2

EXCESS COSTS

In the event that after Tenant's execution of this Lease, any revisions, changes, or substitutions shall be made to the Space Plan, the Cost Estimate, the Working Drawings, the Approved Working Drawings or the Improvements at the request of Tenant, any additional costs which arise in connection with such revisions, changes or substitutions shall be paid by Tenant to Landlord within thirty (30) days after Landlord's request as "**Excess Costs**." Notwithstanding anything to the contrary in this Tenant Work Letter, if (1) ACM is discovered in the Premises during the performance of the Improvements, and (2) such ACM will be disturbed or made friable as the result of the Improvements, then Landlord shall, as and to the extent required by applicable local, state and federal laws, remove, encapsulate or otherwise remediate such ACM at Landlord's sole cost and expense.

SECTION 3

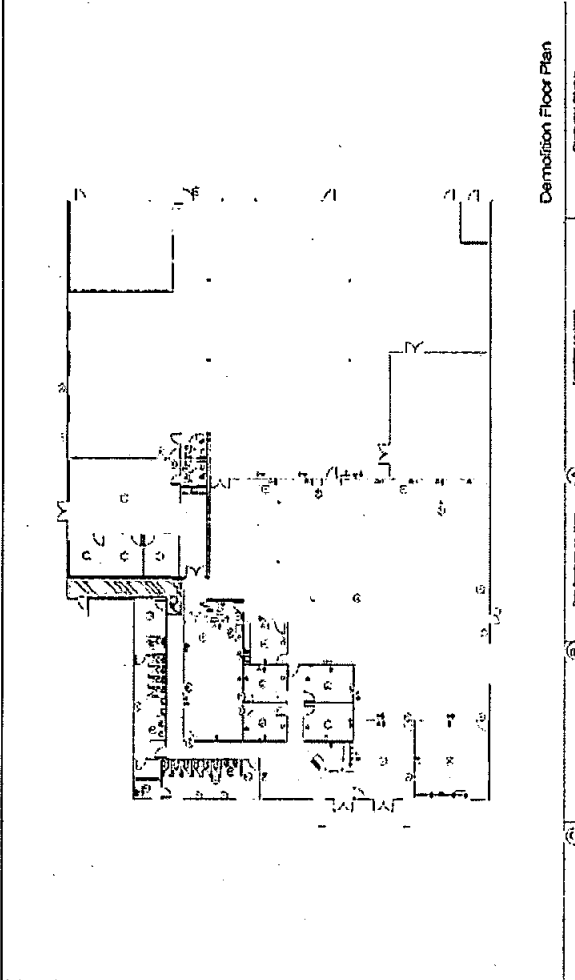
MISCELLANEOUS

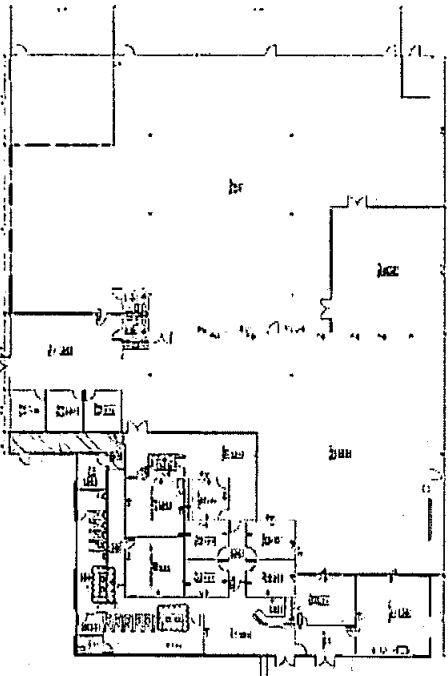
3.1 **Substantial Completion.** For purposes of this Lease, "**substantial completion**" or "**substantially complete**" shall mean the completion of construction of the Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punch list items and any Tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant.

3.2 **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in this Lease, if a Default as described in Section 15 of this Lease, or a default by Tenant under this Tenant Work Letter, has occurred at any time on or before the substantial completion of the Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to cause its Contractor to cease the construction of the Premises (in which case, any delay in the substantial completion of the Premises caused by such work stoppage shall be a Tenant Delay), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be suspended until such time as such default is cured pursuant to the terms of this Lease.

EXHIBIT B-1

SPACE PLAN

	AVIATION		Demolition Floor Plan	SP1
			Demolition Floor Plan	SP1

		DAVE L. DESIGN 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM		Construction Floor Plan 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM		SP1 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM	
				Construction Schedule 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM		Construction Schedule 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM	
Construction Schedule 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM				Construction Schedule 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM		Construction Schedule 10000 KAY AVENUE SAN DIEGO, CA 92121 (619) 581-1234 FAX (619) 581-1235 WWW.DAVEDESIGN.COM	

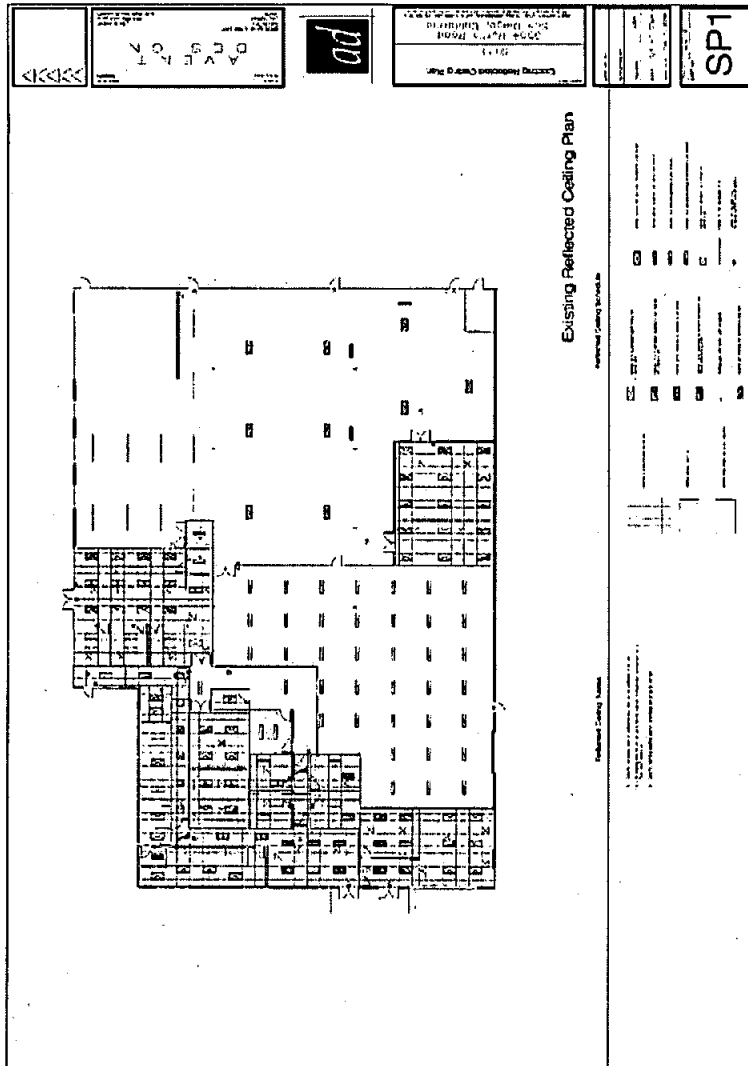


EXHIBIT B-2

PROPOSED SCOPE OF WORK**PROPOSAL**

HG Fenton Company
 7577 Mission Valley Road
 Suite 200
 San Diego CA 92108
 Attention: Linda Kaufman

Prepared By: Gregg Hartness
 Date: 03/22/2018
 Project: San Diego Police Department
 3554 Ruffin Road
 San Diego CA
 Project Number: 12651

CSI CODE	DESCRIPTION	Sub
1035.000	General Conditions Budget for General Conditions includes: - Part time supervision for approximately 6 weeks of estimated construction duration. - Temporary toilets	
1595.000	Design/Plans/Permits Excluded	
1630.000	Trash Removal/Clean-Up Includes rough and final construction clean.	
2050.000	Demolition Budget for Demo includes: - Remove base, upper cabinets at break area only. All other to remain. - Remove counter tops at restrooms and at storage 120. - Remove sinks at restrooms and break area only. All other to remain. - Remove toilets at single user restrooms and at handicapped stalls only. - All other plumbing fixtures and partitions to remain at restrooms. - Remove doors and frames per plan. - Cut out openings for new door ways per plan. - Remove carpet at storage 120, office 123,101,102,112,115,114,113. - Remove VCT/ sheet vinyl at office 104,103, and at restrooms. Note: Ceramic tile and Reception desk at lobby	
6220.000	Cabinetry Budget for Countertops includes: - Solid Surface countertops per plan. - Corian Group B included - Support Frames as needed	

2524 Gateway Rd | Carlsbad, CA 92009 | P: 760.931.1130 | Lic. #1023858 | whiteconstructioninc.com



Continued

CSI CODE	DESCRIPTION	Sub
7200.000	Fiberglass Insulation Budget for Insulation includes: - 3.5" sound attenuation batt insulation at new interior walls	
7950.000	Roof Repairs Allowance to patch roof at (1) exhaust fan	
8100.000	Doors/Frames/Hardware Budget for doors include: - New doors packages per plans at 121, 100, 109 107 and (4) relocated doors. - Relocated doors for 103 and 104 are not shown on plans but are included in this proposal.	
8800.000	Glass and Glazing Excluded	
9250.000	Framing and Drywall Budget for Framing and Drywall includes: - Build full height walls, includes drywall to 11' and 3/4" x 13ga expanded metal from 11' to deck on one side - Build 9' 6" penetration walls - Cut-in and frame for (6) 3-0 x 7-0 door openings - In-fill (7) 3-0 x 7-0 door openings - In-fill exterior window, includes framing, 3/4" x 13ga expanded metal and 3/4" plywood - Lift rental - Miscellaneous Patching at exterior walls to receive paint	
9500.000	Acoustical Ceilings Budget for Acoustic Ceilings includes: - Furnish labor and equipment to cut existing ceiling tiles over new walls. - Furnish labor and material to replace damaged ceiling tiles. - Not to exceed 3 cartons of tiles.	
9680.000	Flooring Budget for flooring includes: - Approximately 385 square yards of carpet per plans - 4" rubber base per plans - VCT per plans. SEE ALTERNATE FOR MOISTURE BARRIER	

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Continued

CSI CODE	DESCRIPTION	Sub
	- Minor floor prep and general cleaning of flooring - Moisture Testing - Includes \$1,500 ALLOWANCE to patch epoxy per plans. Further work may be needed to establish a firm price - Includes moisture barrier at new VCT.	
9900.000	Painting Budget for Painting includes: - Apply two coats of finish to offices with existing flooring to remain. - Apply two coats of finish to offices with new flooring. - Paint hardlids in two small restrooms - Paint (2) existing hollow metal frames at offices. - Paint (5) existing wood doors Please see alternates for additional painting items	
10525.000	Fire Extinguishers Excluded	
10000.000	Monokote Patch - ALLOWANCE Allowance to repair monokote at installation of new walls.	
10610.000	Toilet Partitions and Accessories Allowance to replace dispenser per plan	
10750.000	Tel/Data Cabling Excluded	
12000.000	Window Covering Excluded	
15300.000	Fire Sprinklers Budget for Fire Sprinklers includes: - Add and relocate fire sprinklers as required for new walls only. - All work to be performed during normal working hours.	



Continued

CSI CODE	DESCRIPTION	Sub
NOTE: Cost will increase by \$2,400.00 should permits be pulled on this project. This would include design, permits and fees.		
15400.000	Plumbing Budget for Plumbing includes: - Safe off of existing plumbing as required for demo and removal by others - (2) ADA approved tank-type water closets for #M - (1) Standard tank-type water closets for #Q - (4) Under mount lav with ADA approved faucets for #G - (2) ADA approved lav faucet for #8 - (2) New instantaneous water heaters for #4 & #5 replacement	
15800.000	Heating, Ventilating and Air Conditioning Budget for HVAC includes: - Roof top exhaust fan for the locker rooms - (3) new supply ducts with diffusers - (3) new return ducts with diffusers - Comfort balance area of work only	
16000.000	Electrical Budget for Electrical includes: - RM 123 REWORK LIGHTING SWITCHLEG 1 EA - RM 123 RELOCATE A/B LINE VOLTAGE SWITCHES 1 EA - RM 123 ADD MOTION SENSOR 1 EA - RM 103 RELOCATE A/B LINE VOLTAGE SWITCHES 1 EA - RM 104 RELOCATE A/B LINE VOLTAGE SWITCHES 1 EA - RM 106 RELOCATE A/B LINE VOLTAGE SWITCHES 1 EA - RM 106 REWORK LIGHTING SWITCHLEG 1 EA - RM 107 REWORK LIGHTING SWITCHLEG 1 EA - RM 107 ADD MOTION SENSOR 1 EA - RM 121 RELOCATE A/B LINE VOLTAGE SWITCHES 1 EA - HW 107 REWORK LIGHTING SWITCHLEG 1 EA - HW 107 ADD A/B LINE VOLTAGE SWITCHES 1 EA - HW 107 ADD MOTION SENSOR 2 EA; REWORK LIGHTING SWITCHLEG TO ACCOMMODATE - RM 118 NEW NE WALL 1 EA Branch Circuit and Devices Note. 2 - REPLACE DAMAGED COVER PLATE 3 EA Note 5 - 30A 208V CIRCUIT FOR DAMAGED INSTA HOT 1 EA Note N - DEMO EXISTING ELECTRICAL POWER POLE 1 EA	



Continued

CSI CODE	DESCRIPTION	Sub
	Please see Alternates for Lighting Options. Once light fixtures and scope are finalized, a meeting should be held to review pricing.	
16400.000	Fire Alarms Excluded	
17008.000	Builder's Insurance \$10,000,000 general liability insurance coverage	
17002.000	Builder's Overhead/Profit Office overhead Project management Profit	
18003.000	Contingency Recommended client contingency given preliminary status of the plan.	

Bid Total: _____

EXCLUSIONS:

Permit fees, space planning fees, structural engineering fees, special inspections, bonds, off-hour labor, temporary power, utility company fees, fire alarm/security systems and wiring, on-site welding, major floor prep (including moisture barrier), union labor, keying new and existing door hardware, signage, appliances, window covering, phone/data systems and wiring, x-ray of concrete, work to existing equipment/devices not shown on plan, work caused by unforeseen conditions, ADA/T-24 upgrades if required, code compliance upgrades if required, and any work not specifically addressed in the proposal.

NOTES:

1. Please note this pricing is preliminary and should be used for budgetary purposes only.
2. Items indicated as an "ALLOWANCE" or a "BUDGET" are not firm numbers - further clarification and/or investigation may be needed to provide firm pricing on such items.



Continued

CSI CODE	DESCRIPTION	Sub
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EPOXY FLOORING:

In our experience, some epoxy floors are difficult to finish in a manner that meets the client's aesthetic expectations. While the functionality of the floor is usually sound in these cases, it is recommended that the client, the designer/architect and the general contractor engage in detailed discussions about the desired performance and look of the epoxy floor during the design phase of the project.

EXHIBIT C

RULES AND REGULATIONS

In the event of any conflict between the provisions of this Lease and the Rules and Regulations, the provisions of this Lease will govern.

A. The plumbing facilities shall not be used for any purpose other than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne by Tenant who shall, or whose Tenant's Representatives shall, have caused it.

B. Except for Tenant's customary wall hangings, Tenant shall not deface wall, ceilings, glass, partitions, floors, doors, wood, paint, stone or metal work of the Premises or the Project by marking, nailing, drilling or otherwise defacing.

C. The Building and Project is a non-smoking facility. Tenant shall not use, keep or permit to be used or kept, any foul or obnoxious gas or substance, including smoking of any kind in the Premises, or permit or suffer the Premises to be used or occupied in any manner offensive or objectionable to Landlord or other occupants of the Building or Project by reason of any noise, odors and/or vibrations. Tenant's violation of the foregoing shall be a breach of the Lease, entitling Landlord to exercise all remedies available under the Lease, at law or in equity, and shall also be grounds for Landlord to void Tenant's exercise of any renewal option granted to Tenant.

D. Tenant, or Tenant's Representatives, shall not play any musical instrument or make or permit any improper noises in the Project.

E. Tenant and Tenant's Representatives shall not bring into nor keep within the Premises any animal or bird. In certain circumstances, Landlord may permit Tenant to bring Tenant's dog to the Premises provided however, Landlord shall have the absolute right to ask Tenant to cease doing so, for any reason, including, but not limited to, Tenant's dog is creating a nuisance, interfering with other tenants, causing damage to the Property or common areas, creating safety issues, or in any such other circumstances as Landlord deems reasonable. In no event shall this rule apply to dogs trained to assist individuals with a disability.

F. Tenant, or Tenant's Representatives, shall not loiter in the entrance or corridors of the Building or Project, or in any way obstruct the sidewalks, hallways and stairways and shall use the same only as a means of access to and from the Premises.

G. Landlord may limit weight, size and position of all safes, fixtures and other equipment used in the Premises. In the event Tenant shall require extra heavy equipment, Tenant shall notify Landlord of such fact and shall pay the cost of structural bracing to accommodate same. All damage done to the Premises or the Project by putting in, or taking out, or maintaining extra heavy equipment shall be repaired at the expense of Tenant.

H. Tenant shall not use any machinery therein, even though its installation may have been permitted, which may cause any unreasonable noise, or jar or tremor to the floor or walls, or which by its weight might injure the floors of the Premises.

I. No personnel shall enter or remain in the Project while intoxicated or under the influence of liquor or drugs. Landlord shall have the right to exclude or expel any person who, in the absolute discretion of Landlord, is under the influence of liquor or drugs.

J. Tenant and Tenant's Representatives shall not throw refuse or other substances or litter of any kind in or about the Project, except in receptacles placed therein for such purposes by Landlord or governmental authorities.

K. Tenant shall not install any form of window covering or ventilators or similar devices visible from the outside of the Premises without the prior written consent of Landlord.

L. All freight must be moved into, within and out of the premises only during such hours and according to such regulations as may be posted from time to time by Landlord.

M. No aerial, antenna or dish shall be erected on the roof or exterior walls of the Premises or on the grounds, without in each instance the written consent of Landlord. Any aerial, antenna or dish so installed without such written consent shall be subject to removal without notice at any time.

N. Tenant shall use, at its cost, such pest extermination at such intervals as Landlord may require.

O. No waiver of any rule or regulation by Landlord shall be effective unless expressed in writing and signed by Landlord or its authorized agent.

P. Tenant shall abide by any additional rules or regulations which are ordered or requested by any governmental or military authority.

Q. Tenant shall not clean, wash, repair or otherwise perform any maintenance or service on any vehicle owned or utilized by Tenant in any of the Common Areas of the Project or any other area in plain view of the public.

EXHIBIT D

SIGNAGE CRITERIA

A. Interior Signs. Tenant shall not affix or maintain upon the glass panes and supports of the storefront windows and doors, or within 18" of the storefront windows and doors, any signs, advertising placards, names, insignia, trademarks, descriptive material or any other such like item or items, except such as have first received the written approval of Landlord (which shall not be unreasonably withheld, conditioned or delayed) as to size, type, color, location, copy, nature and display qualities.

B. Exterior Signs. Tenant shall be entitled to Building-exterior signage and signage on the Project's monument (if any). All signage shall be designed and installed, at Tenant's sole cost and expense, in locations mutually agreed by Landlord and Tenant. Any Building-exterior signage shall have first received the written approval of Landlord (which shall not be unreasonably withheld or delayed) as to size, type, color, location, copy, nature and display qualities.

C. Tenant shall not erect, place, paint or maintain in or on the Premises any sign, exterior advertising medium or any other object of any kind whatsoever, whether an advertising device or not, visible or audible from outside the Premises. Nor shall Tenant change the color, size, location, composition, wording or design of any sign or advertisement on the Premises that may have been theretofore approved by Landlord and governmental authorities without the prior written approval of Landlord and said authorities. Tenant shall, at its own expense, maintain and keep in good repair all installations, signs and advertising devices which it is permitted by Landlord to maintain, and shall pay all charges required to keep them in good repair. Tenant's sign shall be deemed real property once installed.

EXHIBIT E

ENVIRONMENTAL QUESTIONNAIRE



SAN DIEGO REGIONAL HAZARDOUS MATERIALS QUESTIONNAIRE

OFFICE USE ONLY	
RECORD ID #	
PLAN CHECK #	
BP DATE / /	

Business Name		Business Contact		Telephone #	
Project Address		City	State	Zip Code	APN#
Mailing Address		City	State	Zip Code	Plan File#
Project Contact		Applicant E-mail		Telephone #	

The following questions represent the facility's activities, NOT the specific project description.

PART I: FIRE DEPARTMENT - HAZARDOUS MATERIALS DIVISION: OCCUPANCY CLASSIFICATION: (not required for projects within the City of San Diego). Indicate by circling the item, whether your business will use, process, or store any of the following hazardous materials. If any of the items are circled, applicant must contact the Fire Protection Agency with jurisdiction prior to plan submittal.

Occupancy Rating:	Facility's Square Footage (including proposed project):
1. Explosive or Blasting Agents	5. Organic Peroxides
2. Compressed Gases	6. Oxidizers
3. Flammable/Combustible Liquids	7. Pyrophorics
4. Flammable Solids	8. Unstable Reactives
	9. Water Reactives
	10. Cryogenics
	11. Highly Toxic or Toxic Materials
	12. Radioactives
	13. Corrosives
	14. Other Health Hazards
	15. None of These.

PART II: SAN DIEGO COUNTY DEPARTMENT OF ENVIRONMENTAL HEALTH - HAZARDOUS MATERIALS DIVISION (HMD): If the answer to any of the questions is yes, applicant must contact the County of San Diego Hazardous Materials Division, 5500 Overland Avenue, Suite 110, San Diego, CA 92123. Call (658) 505-0700 prior to the issuance of a building permit.

FEES ARE REQUIRED	Project Completion Date:	Expected Date of Occupancy:	☐ CalARP Exempt
YES NO	(for new construction or remodeling projects)		Date / Initials
1. ☐ ☐	Is your business listed on the reverse side of this form? (check all that apply).		☐ CalARP Required
2. ☐ ☐	Will your business dispose of Hazardous Substances or Medical Waste in any amount?		Date / Initials
3. ☐ ☐	Will your business store or handle Hazardous Substances in quantities greater than or equal to 55 gallons, 500 pounds and/or 200 cubic feet?		☐ CalARP Complete
4. ☐ ☐	Will your business store or handle carcinogens/reproductive toxins in any quantity?		Date / Initials
5. ☐ ☐	Will your business use an existing or install an underground storage tank?		
6. ☐ ☐	Will your business store or handle Regulated Substances (CalARP)?		
7. ☐ ☐	Will your business use or install a Hazardous Waste Tank System (Title 22, Article 10)?		
8. ☐ ☐	Will your business store petroleum in tanks or containers at your facility with a total facility storage capacity equal to or greater than 1,320 gallons? (California's Aboveground Petroleum Storage Act).		

PART III: SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT (APCD): The following questions are intended to identify the majority of air pollution issues at the planning stage. Your project may require additional measures not identified by these questions. Some residential projects may be exempt from APCD requirements. For more comprehensive requirements, please contact APCD at apcdcomp@sdcounty.ca.gov; (658) 586-2850; or 10124 Old Grove Road, San Diego, CA 92131.

YES NO	
1. ☐ ☐	Will the project disturb 160 square feet or more of existing building materials?
2. ☐ ☐	Will any load supporting structural members be removed? If yes, contact APCD prior to issuance of a building or demolition permit. A notification may be required at least 10 working days prior to commencing demolition.
3. ☐ ☐	(ANSWER ONLY IF QUESTION 1 OR 2 IS YES) Has an asbestos survey been performed?
4. ☐ ☐	(ANSWER ONLY IF QUESTION 1 OR 2 IS YES) Based on the survey results, will the project disturb any asbestos containing material? If yes, contact APCD prior to the issuance of a building or demolition permit. A notification may be required at least 10 working days prior to commencing asbestos removal.
5. ☐ ☐	Will the project or associated construction equipment emit air contaminants? See the reverse side of this form or the APCD factsheet (www.sdapcd.org/info/facts/permits.pdf) for typical equipment requiring an APCD permit. If yes, contact APCD prior to the issuance of a building permit.
6. ☐ ☐	(ANSWER ONLY IF QUESTION 5 IS YES) Will the project or associated construction equipment be located within 1,000 feet of a school boundary?

Briefly describe business activities: _____ Briefly describe proposed project: _____

I declare under penalty of perjury that to the best of my knowledge and belief the responses made herein are true and correct.

Name of Owner or Authorized Agent _____ Signature of Owner or Authorized Agent _____ Date / /

FOR OFFICIAL USE ONLY:

FIRE DEPARTMENT OCCUPANCY CLASSIFICATION:		DATE: / /			
BY: _____					
EXEMPT OR NO FURTHER INFORMATION REQUIRED	RELEASED FOR BUILDING PERMIT BUT NOT FOR OCCUPANCY	RELEASED FOR OCCUPANCY			
COUNTY-HMD*	APCD	COUNTY-HMD	APCD	COUNTY-HMD	APCD

*A stamp in this box only exempts businesses from completing or updating a Hazardous Materials Business Plan. Other permitting requirements may still apply.
HMD-0171 (08/15) County of San Diego - DEH - Hazardous Materials Division

**LIST OF BUSINESSES WHICH REQUIRE REVIEW AND APPROVAL FROM THE COUNTY OF SAN DIEGO
DEPARTMENT OF ENVIRONMENTAL HEALTH – HAZARDOUS MATERIALS DIVISION**

Check all that apply:

AUTOMOTIVE

- ☐ Battery Manufacturing/Recycling
- ☐ Boat Yard
- ☐ Car Wash
- ☐ Dealership Maintenance/Painting
- ☐ Machine Shop
- ☐ Painting
- ☐ Radiator Shop
- ☐ Rental Yard Equipment
- ☐ Repair/Preventive Maintenance
- ☐ Spray Booth
- ☐ Transportation Services
- ☐ Wrecking/Recycling

CHEMICAL HANDLING

- ☐ Agricultural supplier/distributor
- ☐ Chemical Manufacturer
- ☐ Chemical Supplier/Distributor
- ☐ Coatings/Adhesive
- ☐ Compressed Gas Supplier/Distributor
- ☐ Dry Cleaning
- ☐ Fiberglass/Resin Application
- ☐ Gas Station
- ☐ Industrial Laundry
- ☐ Laboratory
- ☐ Laboratory Supplier/Distributor
- ☐ Oil and Fuel Bulk Supply
- ☐ Pesticide Operator/Distributor

CHEMICAL HANDLING

- ☐ Photographic Processing
- ☐ Pool Supplies/Maintenance
- ☐ Printing/Blue Printing
- ☐ Road Coatings
- ☐ Swimming Pool
- ☐ Toxic Gas Handler
- ☐ Toxic Gas Manufacturer

METAL WORKING

- ☐ Anodizing
- ☐ Chemical Milling/Etching
- ☐ Finish-Coating/Painting
- ☐ Flame Spraying
- ☐ Foundry
- ☐ Machine Shop-Drilling/Lathes/Mills
- ☐ Metal Plating
- ☐ Metal Prepping/Chemical Coating
- ☐ Precious Metal Recovery
- ☐ Sand Blasting/Grinding
- ☐ Steel Fabricator
- ☐ Wrought Iron Manufacturing

AEROSPACE

- ☐ Aerospace Industry
- ☐ Aircraft Maintenance
- ☐ Aircraft Manufacturing

OTHERS AND

- ☐ Asphalt Plant
- ☐ Biotechnology/Research
- ☐ Chiropractic Office
- ☐ Co-Generation Plant
- ☐ Dental Clinic/Office
- ☐ Dialysis Center
- ☐ Emergency Generator
- ☐ Frozen Food Processing Facility
- ☐ Hazardous Waste Hauler
- ☐ Hospital/Convalescent Home
- ☐ Laboratory/Biological Lab
- ☐ Medical Clinic/Office
- ☐ Nitrous Oxide (NO₂) Control System
- ☐ Pharmaceuticals
- ☐ Public Utility
- ☐ Refrigeration System
- ☐ Rock Quarry
- ☐ Ship Repair/Construction
- ☐ Telecommunications Cell Site
- ☐ Veterinary Clinic/Hospital
- ☐ Wood/Furniture Manufacturing/Refinishing

ELECTRONICS

- ☐ Electronic Assembly/Sub-Assembly
- ☐ Electronic Components Manufacturing
- ☐ Printed Circuit Board Manufacturing

NOTE: THE ABOVE LIST INCLUDES BUSINESSES, WHICH TYPICALLY USE, STORE, HANDLE, AND DISPOSE OF HAZARDOUS SUBSTANCES. ANY BUSINESS NOT INCLUDED ON THIS LIST, WHICH HANDLES, USES OR DISPOSES OF HAZARDOUS SUBSTANCES MAY STILL REQUIRE HAZARDOUS MATERIALS DIVISION (HMD) REVIEW OF BUSINESS PLANS. FOR MORE INFORMATION CALL (858) 505-8880.

LIST OF AIR POLLUTION CONTROL DISTRICT PERMIT CATEGORIES

Businesses, which include any of the following operations or equipment, will require clearance from the Air Pollution Control District.

CHEMICAL

- 47 – Organic Gas Sterilizers
- 32 – Acid Chemical Milling
- 33 – Can & Coil Manufacturing
- 44 – Evaporators, Dryers & Still Processing Organic Materials
- 24 – Dry Chemical Mixing & Detergent Spray Towers
- 35 – Bulk Dry Chemicals Storage
- 55 – Chrome Electroplating Tanks

COATINGS & ORGANIC SOLVENTS

- 27 – Coating & Painting
- 37 – Plasma Arc & Ceramic Deposition Spray Booths
- 38 – Paint, Stain & Ink Mfg
- 27 – Printing
- 27 – Polyester Resin/Fiberglass Operations

METALS

- 18 – Metal Melting Devices
- 19 – Oil Quenching & Salt Baths
- 32 – Hot Dip Galvanizing
- 39 – Precious Metals Refining

**ORGANIC COMPOUND MARKETING
(GASOLINE, ETC)**

- 25 – Gasoline & Alcohol Bulk Plants & Terminals
- 25 – Intermediate Refuelers
- 26 – Gasoline & Alcohol Fuel Dispensing

COMBUSTION

- 34 – Piston Internal – Combustion Engines
- 13 – Boilers & Heaters (1 million BTU/hr or larger)
- 14 – Incinerators & Crematories
- 15 – Burn Out Ovens
- 16 – Core Ovens
- 20 – Gas Turbines, and Turbine Test Cells & Stands
- 48 – Landfill and/or Digester Gas Flares

ELECTRONICS

- 29 – Automated Soldering
- 42 – Electronic Component Mfg

FOOD

- 12 – Fish Canneries
- 12 – Smoke Houses
- 50 – Coffee Roasters
- 35 – Bulk Flour & Powered Sugar Storage

SOLVENT USE

- 28 – Vapor & Cold Degreasing
- 30 – Solvent & Extract Driers
- 31 – Dry Cleaning

ROCK AND MINERAL

- 04 – Hot Asphalt Batch Plants
- 05 – Rock Drills
- 06 – Screening Operations
- 07 – Sand Rock & Aggregate Plants
- 08 – Concrete Batch, CTB, Concrete Mixers, Mixers & Silos
- 10 – Brick Manufacturing

OTHER

- 01 – Abrasive Blasting Equipment
- 03 – Asphalt Roofing Kettles & Tankers
- 46 – Reverse Osmosis Membrane Mfg
- 51 – Aqueous Waste Neutralization
- 11 – Tire Buffers
- 17 – Brake Debonders
- 23 – Bulk Grain & Dry Chemical Transfer & Storage
- 45 – Rubber Mixers
- 21 – Waste Disposal & Reclamation Units
- 36 – Grinding Booths & Rooms
- 40 – Asphalt Pavement Heaters
- 43 – Ceramic Slip Casting
- 41 – Perlite Processing
- 40 – Cooling Towers – Registration Only
- 91 – Fumigation Operations
- 56 – WWTP (1 million gal/day or larger) & Pump Station

NOTE: OTHER EQUIPMENT NOT LISTED HERE THAT IS CAPABLE OF EMITTING AIR CONTAMINANTS MAY REQUIRE AN AIR POLLUTION CONTROL DISTRICT PERMIT. IF THERE ARE ANY QUESTIONS, CONTACT THE AIR POLLUTION CONTROL DISTRICT AT (858) 588-2600.

HMP-9171 (09/15)

County of San Diego – DEH – Hazardous Materials Division

EXHIBIT F
GUARANTY
[INTENTIONALLY OMITTED]

RESOLUTION NUMBER R- 311952

DATE OF FINAL PASSAGE AUG 20 2018

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE EXECUTION OF THE
STANDARD INDUSTRIAL LEASE-NET WITH H.G. FENTON
PROPERTY COMPANY, FOR THE PROPERTY LOCATED AT
3554 RUFFIN ROAD SOUTH, SUITE A, SAN DIEGO,
CALIFORNIA.

WHEREAS, H.G. Fenton Property Company (Fenton), a California corporation, owns a large business park which includes the property located at 3554 Ruffin Road South, San Diego, California; and

WHEREAS, the City of San Diego (City) desires to lease Suite A of 3554 Ruffin Road South, San Diego, California (Premises), an approximately 22,428-square foot suite, for the purpose of administrative use and associated storage for the Special Events Unit and the Property Room Unit of the San Diego Police Department; and

WHEREAS, the Special Events Unit and the Property Room Unit of the San Diego Police Department are working in areas insufficient in size to accommodate the tasks required of them while serving the citizens of City and other units at the same locations are restricted in the efficient use of space; and

WHEREAS, the proposed lease (Lease) is for a term of 10 years and 6 months, with 1 option to extend the lease for 5 years; tenant improvements in the amount of approximately \$108,425.00 will be completed and paid entirely by Fenton; an annual base rent for the first year in the amount of \$320,716.00 will increase annually by 2 ½%; rent will be abated for 6 months throughout the term of the Lease; and annual operating expenses will be in the amount of \$61,901.28; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor, or his designee, is authorized and directed to execute the Standard Industrial Lease-Net with H.G. Fenton Property Company, the terms of which are more fully set forth therein, and which is on file in the Office of the City Clerk as Document No. RR- 311352.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to appropriate an amount not to exceed \$279,673.96 in Fiscal Year 2019 and to expend an amount not to exceed \$4,707,401.00, for rent and operating expenses, from the General Fund No. 100000, contingent upon adoption of funds for the applicable fiscal year and upon the Chief Financial Officer furnishing one or more certificates certifying that the funds necessary for the expenditure are, or will be, on deposit with the City Treasurer.

APPROVED: MARA W. ELLIOTT, City Attorney

By


Hilda R. Mendoza
Deputy City Attorney

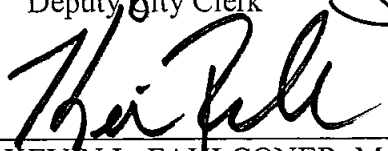
HRM:nja
07/13/18
Or. Dept: READ
Doc. No.: 1791616

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of AUG 07 2018.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 8/20/18
(date)


KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego, on AUG 07 2018, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Barbara Bry	☒	☐	☐	☐
Lore Zapf	☒	☐	☐	☐
Chris Ward	☐	☐	☒	☐
Myrle Cole	☒	☐	☐	☐
Mark Kersey	☒	☐	☐	☐
Chris Cate	☐	☐	☒	☐
Scott Sherman	☒	☐	☐	☐
David Alvarez	☐	☐	☒	☐
Georgette Gomez	☒	☐	☐	☐

Date of final passage AUG 20 2018

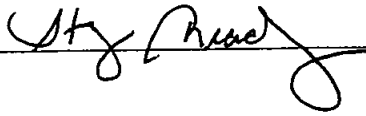
(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

(Seal)

By , Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 311952

Passed by the Council of The City of San Diego on August 7, 2018, by the following vote:

YEAS: BRY, ZAPF, COLE, KERSEY, SHERMAN, GÓMEZ.

NAYS: NONE.

NOT PRESENT: WARD, CATE, ALVAREZ.

RECUSED: NONE.

AUTHENTICATED BY:

KEVIN L. FAULCONER

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

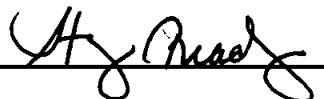
By: Stacy D. Ready, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. R-311952, approved on August 7, 2018. The date of final
passage is August 20, 2018.

ELIZABETH S. MALAND

City Clerk of the City of San Diego, California

(Seal)

By: , Deputy