THE CITY OF SAN DIEGO

May 8, 2017

SENT VIA EMAIL AND CERTIFIED MAIL #7005 0390 0004 7280 8580

Pier 1 Imports (U.S.), Inc.
Attention: Director of Real Estate
P.O. Box 961020
Fort Worth, TX 76161-0020

Reference: Flat Rate Lease between City of San Diego and Pier 1 Imports (U.S.), Inc., filed with the City Clerk on July 13, 1992, as Document RR-280329, and as amended by the First Amendment to Lease Agreement, filed with the City Clerk on July 26, 1999, as Document RR-291976, and the Second Amendment to Lease Agreement, filed with the City Clerk on October 6, 2009, as Document RR-305281, all concerning the property and premises located at 3220 Sports Arena Boulevard, San Diego, California 92110 (referred to hereinafter as the "Lease")

Dear Director of Real Estate,

Pursuant to Section 2.03 Holdover of the above-referenced Lease, this letter shall serve as the City of San Diego's thirty (30) days prior written notice to Pier 1 Imports (U.S.), Inc., as Lessee under the Lease, that:

a) Pier 1 Imports (U.S.), Inc.'s, holdover tenancy of the premises (as that term is defined within the Lease) is hereby terminated as of a date which is no later than June 9, 2017 ("Termination Date"); and

b) that Pier 1 Imports (U.S.), Inc., is required to vacate the premises, removing itself and all of its personal property from the premises, on or before the Termination Date.

Further, as provided for in Section 6.10, Ownership of Improvements and Personal Property, of the Lease:

a) the City of San Diego elects to have all improvements, structures, and installations or additions to the premises be deemed to be part of the premises, and the same must become the property of the City of San Diego free of all liens and claims upon the Termination Date; and

b) Pier 1 Imports (U.S.), Inc., is required to remove all of its machines, appliances, equipment, trade fixtures, and other items of personal property (collectively referred to hereinafter as "Personal Property") on or before the Termination Date; and

Real Estate Assets Department
1200 Third Avenue, Suite 1700, MS 51A • San Diego, CA 92101-4199
Tel (619) 236-6020 Fax (619) 236-6706

c) any and all damages to the premises caused by the removal of the Personal Property shall be repaired by Pier I Imports (U.S.), Inc., at Pier 1 Imports (U.S.), Inc.'s, sole cost and expense, on or before the Termination Date; and

d) any Personal Property left at the premises after the Termination Date shall be considered abandoned and become the City of San Diego's property, or the City of San Diego may, at its sole option, cause the removal of said Personal Property from the premises at Pier 1 Imports (U.S.), Inc.'s, sole cost and expense.

Further, pursuant to Section 2.04 Quitclaim and Surrender of LESSEE's Interest of the Lease:

a) Pier 1 Imports (U.S.), Inc., is required to execute, acknowledge, and deliver to City, within five (5) days after written City demand, a valid and recordable quitclaim deed covering all of the premises under the Lease. The City of San Diego hereby demands that Pier 1 Imports (U.S.), Inc., execute, acknowledge and deliver such a quitclaim deed to the City of San Diego. As a curtesy, a fully prepared quitclaim deed is enclosed for Pier 1 Imports (U.S.), Inc.'s execution; and

b) Pier 1 Imports (U.S.), Inc., is required to deliver the premises, on or before the Termination Date, free and clear of all liens and encumbrances, in a decent, safe and sanitary condition, ordinary wear, tear, and casualties excepted.

Finally, Pier 1 Imports (U.S.), Inc. is the party responsible for notifying sublessees located on the premises of the City's thirty (30) day notice to vacate.

If you have any questions, please feel free to contact the undersigned at hfarst@sandiego.gov or (619) 236-6727.

Sincerely,

Heide E Farst

Heide E. Farst, CSM
Property Agent

Enclosure: Quitclaim Deed for execution by Pier 1 Imports (U.S.), Inc.

cc: Cybele Thompson, City of San Diego, READ Director
Patti Phillips, City of San Diego, READ Asset Manager
Pier 1 Imports (U.S.), Inc.
Attention: Legal Department
100 Pier 1 Place
Fort Worth, TX 76102-2600

Requested By
After recording mail to:

City of San Diego
Real Estate Assets Dept.
Mail Station 51A
1200 Third Ave Suite 1700
San Diego, CA 92101

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby
acknowledged,

Pier 1 Imports (U.S.), Inc.,
a Delaware Corporation ("Transferor"),

HEREBY RELEASES, REMISES AND FOREVER QUITCLAIMS TO

THE CITY OF SAN DIEGO,
a California municipal corporation ("Transferee"),

all of the right, title and interest of Transferor in and to the following described real property, along with all improvements thereon and appurtenances thereto, situated in the City of San Diego, County of San Diego, State of California, described as follows:

See **Exhibit "A"** attached hereto for legal description of premises

IN WITNESS WHEREOF, this Quitclaim Deed is executed to be effective upon this _____ day of _____, 2017.

Pier 1 Imports, (U.S.), Inc., a Delaware corporation

BY: _____

Name: _____
Title: _____
Date: _____

Exhibit A: Legal Description of Premises

That portion of Pueblo Lot 337 of the Pueblo Lands of San Diego, in the City of San Diego, County of San Diego, State of California, according to the map thereof made by James Pascoe recorded in the office of the County Recorder of said county as Miscellaneous Map no. 36, described as follows:

Beginning at a point in the Southeasterly line of said lot distant South 35°56'45" West along said line 7.00 feet from the Northeast corner of said lot, said point being also a point in the Southwesterly line of Kurtz Street as said street was widened to 57.00 feet by Ordinance No. 7527 passed and adopted by said City of San Diego July 25, 1957; thence along said Southwesterly line North 53°58'40" West 80 feet; thence leaving said Southwesterly line South 35°56'45" West 147.26 feet; thence North 54°03'15" West 50.00 feet; thence South 35°56'45" West 93.80 feet; thence North 75°04'35" West 30.00 feet; thence South 35°56'45" West 182.83 feet to a point in that certain curve in the Northeasterly line of Sports Arena Boulevard (formerly Frontier Street), 115.00 feet wide, having a radius of 1,019.93 feet and being concave Northeasterly, a radial line of said curve through said point bears North 18°04'01" East; thence Southeasterly along said curve through a central angle of 9°07'51" an arc distance of 162.54 feet to the intersection of said curve with the Southeasterly line of said lot, a radial line of said curve through said intersection bears North 27°11'52" East; thence leaving said Northeasterly line non-tangent to said curve along said Southeasterly line North 35°56'45" East 397.15 feet to the point of beginning, containing 1.173 acres, more or less.

RECORDED AT THE REQUEST OF
CHICAGO TITLE CO.

5507 DOC # 1999-0656655

Sep 27, 1999 3:28 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
GREGORY J. SMITH, COUNTY RECORDER
FEES: 17.00
DC: NA

1999-0656655

Recorded, Requested By and When Recorded Return To:

Pier 1 Imports
301 Commerce Street, Suite 600
Fort Worth, TX 76102
Attn: Christopher L. Mabe, Esq.

93048176-416

APN: 441 590 04

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1 COM

MEMORANDUM OF LEASE

This Memorandum of Lease dated as of July 29, 1999, is entered into between CITY OF SAN DIEGO, a municipal corporation ("City"), and PIER 1 IMPORTS (U.S.), INC., a Delaware corporation ("Lessee").

A. City and Lessee are parties to that certain City of San Diego Flat Rate Lease filed in the office of the City Clerk, San Diego, California on July 13, 1992 as Document No. RR-280329, as amended by that certain First Amendment to Lease Agreement ("Amendment") approved by the City Council on July 26, 1999 (as amended, the "Lease"), pursuant to which the City leased to Lessee and Lessee leased from the City real property, more particularly described in Exhibit A, attached hereto and made a part hereof (the "Premises").

B. The City and Lessee desire to execute this Memorandum to provide constructive notice of Lessee's rights under the Lease to all third parties.

1. TERM

The City is leasing the Premises to Lessee for a term commencing on November 1, 1990 and ending on July 31, 2009. Provided that Lessee is not in default in payment of monetary obligations pursuant to the Lease beyond applicable cure periods, Lessee has the right to extend the Term of the Lease for one (1) additional five (5) year term, subject to all original agreements, considerations, covenants and conditions contained in the Lease, and Amendment except for payment of rent.

2. LEASE TERMS

This lease of the Premises to Lessee is pursuant to the Lease, which is incorporated in this Memorandum by reference.

3. SUCCESSORS AND ASSIGNS

This Memorandum and the Lease shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.

4. GOVERNING LAW

This Memorandum and the Lease are governed by California law.

Executed as of the date first written above.

CITY

CITY OF SAN DIEGO,

By: Linda M. Fiero
for the City Manager

LESSEE

PIER 1 IMPORTS (U.S.), INC., a Delaware corporation

By: _____
Name: Richard T. Blackwelder
Title: Vice President
Real Estate/Development

APPROVED AS TO FORM AND LEGALITY THIS 3rd DAY OF August, 1999.

CASEY GWINN, CITY ATTORNEY

By: Priscilla Dugard
Deputy City Attorney

MEMOLSE

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

THAT PORTION OF PUEBLO LOT 337 OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF MADE BY JAMES PASCOE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS MISCELLANEOUS MAP NO. 36, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF SAID LOT DISTANT SOUTH 35°56'45" WEST ALONG SAID LINE 7.00 FEET FROM THE NORTHEAST CORNER OF SAID LOT, SAID POINT BEING ALSO A POINT IN THE SOUTHWESTERLY LINE OF KURTZ STREET AS SAID STREET WAS WIDENED TO 57.00 FEET BY ORDINANCE NO. 7527 PASSED AND ADOPTED BY SAID CITY OF SAN DIEGO JULY 25, 1957; THENCE ALONG SAID SOUTHWESTERLY LINE NORTH 53°58'40" WEST 80 FEET; THENCE LEAVING SAID SOUTHWESTERLY LINE SOUTH 35°56'45" WEST 147.26 FEET; THENCE NORTH 54°03'15" WEST 50.00 FEET; THENCE SOUTH 35°56'45" WEST 93.80 FEET; THENCE NORTH 75°04'35" WEST 30.00 FEET; THENCE SOUTH 35°56'45" WEST 182.83 FEET TO A POINT IN THAT CERTAIN CURVE IN THE NORTHEASTERLY LINE OF SPORTS ARENA BOULEVARD (FORMERLY FRONTIER STREET), 115.00 FEET WIDE, HAVING A RADIUS OF 1,019.93 FEET AND BEING CONCAVE NORTHEASTERLY, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT BEARS NORTH 18°04'01" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9°07'51" AN ARC DISTANCE OF 162.54 FEET TO THE INTERSECTION OF SAID CURVE WITH THE SOUTHEASTERLY LINE OF SAID LOT, A RADIAL LINE OF SAID CURVE THROUGH SAID INTERSECTION BEARS NORTH 27°11'52" EAST; THENCE LEAVING SAID NORTHEASTERLY LINE NON-TANGENT TO SAID CURVE ALONG SAID SOUTHEASTERLY LINE NORTH 35°56'45" EAST 397.15 FEET TO THE POINT OF BEGINNING, CONTAINING 1,173 ACRES, MORE OR LESS.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN DIEGO)

On July 29, 1999 before me, Stephen L. Getz, Notary Public, personally appeared Linda M. Fierro personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person whose name(s) ~~are~~/is subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity, and that by ~~his~~/her/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Stephen L. Getz (SEAL)

STEPHEN L. GETZ
Commission # 1106331
Notary Public — California
San Diego County
My Comm. Expires Jul 18, 2000

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

On June 28, 1999 before me, Joan Ott, personally appeared **Richard T. Blackwelder** personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Joan Ott (SEAL)

NOTARY PUBLIC STATE OF TEXAS
JOAN OTT
Notary Public
STATE OF TEXAS
My Comm. Exp. 12/09/00



This is a true certified copy of the record
if it bears the seal, imprinted in purple ink

SEP 14 2009

DAVID BUTLER
Assessor/Recorder/Clerk
San Diego County, California