

**SECOND AMENDMENT TO OFFICE BUILDING LEASE
(451 A Street: Suite 1410)**

This **SECOND AMENDMENT TO OFFICE BUILDING LEASE** ("**Second Amendment**") is entered into as of November 10, 2021 ("**Effective Date**"), by and between **450 B STREET INVESTORS LLC**, a Delaware limited liability company ("**Landlord**"), and **THE CITY OF SAN DIEGO**, a municipal corporation ("**Tenant**"), with reference to the facts set forth in the Recitals below.

RECITALS

A. Landlord and Tenant are parties to that certain Office Building Lease dated January 1, 2020 ("**Original Lease**"), as amended by that certain First Amendment to Office Building Lease dated on or around November 20, 2020 ("**First Amendment**") for certain premises consisting of approximately 2,325 Rentable Square Feet and known as Suite 780 ("**Original Premises**") in the building located at 450 B Street, San Diego, California 92101, as more specifically described in the Original Lease. The Original Lease as amended by the First Amendment is sometimes referred to in this Second Amendment as the "**Lease**."

B. Landlord and Tenant have agreed to make certain modifications to the Lease including, among other things, relocating the Leased Premises and extending the Term of the Lease, as more fully set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the Recitals above, the mutual covenants and conditions below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Relocation of Leased Premises. Effective as of the Relocation Commencement Date (as defined below), Tenant shall lease approximately 3,767 Rentable Square Feet known as Suite 1410 ("**Relocation Premises**") located on the fourteen (14th) floor of the Building (defined in Section 3). The Relocation Premises are depicted on the floor plan attached hereto as Exhibit A-I. Beginning on the Relocation Commencement Date, the term "**Leased Premises**", as used in the Lease, shall mean only the Relocation Premises. As of the Relocation Commencement Date, Tenant shall have no obligations relating to the Original Premises, provided that the Original Premises are surrendered in accordance with Article 31 of the Lease. No later than the date immediately prior to the Relocation Commencement Date, Tenant shall vacate the Original Premises in accordance with Article 31 of the Lease. As used in this Second Amendment, the "**Relocation Commencement Date**" shall mean the date that is 45 days after Landlord notifies Tenant in writing that the Landlord's Work (defined in Section 6) is complete.

2. Relocation Term. The Term of the Lease for the Relocation Premises ("**Relocation Term**") shall be for thirty-six (36) months, beginning on the Relocation Commencement Date and ending on the last day of the thirty-sixth (36th) full calendar month thereafter ("**Expiration Date**"), on all of the same terms and conditions of the Lease, except as otherwise specifically set forth in this Second Amendment. Beginning on the Relocation Commencement Date, the "**Term**" of the Lease shall mean and refer to the Relocation Term.

3. Building and Project. Tenant acknowledges that Landlord has expanded and made other changes to the Building and the Project, including, without limitation, construction of a new six-story tower on the southern portion of the Project Site, which new tower is known as 450 B Street (“**450 B Tower**”). In connection therewith, the address for the “**Building**” is now 451 A Street (“**451 A Tower**”), and the “**Project**,” which is known as “Twenty by Six,” shall include, without limitation, the Building, the 450 B Tower, the Common Areas (as defined below), and all other real property and common areas used in connection therewith, as depicted on the “**Project Site Plan**” attached hereto as Exhibit A-II.

4. Common Areas. Tenant and its employees, invitees and agents shall have the nonexclusive right to use in common with Landlord and other tenants or occupants of the Project and their respective employees, invitees and agents, subject to the Rules and Regulations referred to in Section 35.1 of the Lease and all covenants, conditions and restrictions affecting the Project, the following areas within the Project (collectively, the “**Common Areas**”): the 451 A Tower’s and 450 B Tower’s common entrances, lobbies, shared entry lobbies and corridors, shared restrooms, service areas, elevators, stairways, accessways and ramps, and the common pipes, wires and appurtenant equipment serving the Relocation Premises; loading and unloading areas, trash areas, service areas, parking areas, roadways, sidewalks, walkways, plazas, parkways, driveways, landscaped areas and similar areas and facilities situated within the Project; and the Parking Facility.

5. Basic Rent. During the Relocation Term, Tenant shall pay Basic Rent for the Relocation Premises, subject to the Basic Rent Credit (defined in Section 9), pursuant to the following schedule:

Months of Relocation Term	Monthly Installments of Basic Rent	Monthly Basic Rental Rate per Rentable Square Foot of the Relocation Premises
1-12	\$11,187.99	\$2.97
13-24	\$11,489.35	\$3.05
25-36	\$11,828.38	\$3.14

6. Condition of Relocation Premises. Landlord, at Landlord’s sole cost and expense, shall provide (i) new paint throughout the Relocation Premises utilizing Building standard materials and finishes, to be selected by Tenant within five (5) business days after written request from Landlord, (ii) deeply cleaned carpet, and (iii) a mid-height wall at the suite entrance utilizing Building standard materials and finishes (collectively, “**Landlord’s Work**”). Except with respect to Landlord’s Work or as otherwise expressly provided in this Second Amendment, Tenant accepts the Relocation Premises “as is” without any agreements, representations, understandings or obligations on the part of Landlord relative to the condition of the Relocation Premises or to perform any alterations, repairs or improvements to the Relocation Premises.

7. No Option to Extend Term. Tenant acknowledges and agrees that it has no additional option to extend the Term of the Lease beyond the Relocation Term.

8. Tenant Annual Fiscal Year Budget Condition. Notwithstanding anything to the contrary in the Lease, Tenant's obligation to pay Rent and Tenant's associated right to occupy the Relocation Premises after June 30, 2022, are subject to the City Council of Tenant ("City Council") appropriating money to pay Rent under the Lease in Tenant's fiscal years following Tenant's 2021-2022 fiscal year (July 1, 2021 – June 30, 2022), in the City Council's sole and absolute discretion. Tenant agrees to annually take all necessary action to include Rent payments under the Lease in Tenant's future proposed annual budgets for all Tenant fiscal years following Tenant's 2021-2022 fiscal year in which any part of the Relocation Term occurs, subject to the reserved sole and absolute discretion of the City Council to approve each such budget, with or without appropriating money for Rent payments under the Lease. The parties acknowledge that the City Council adopts an annual fiscal year budget for Tenant before the end of each fiscal year. If the City Council does not appropriate money to pay Rent under the Lease in a Tenant annual budget for a fiscal year in which any part of the Relocation Term occurs, Tenant may terminate the Lease effective as of the end of its then current fiscal year by delivering written notice to Landlord within three (3) days of such budget adoption by the City Council, in which event Tenant shall vacate the Relocation Premises on or before the end of its then current fiscal year. Tenant will notify Landlord in writing when any Tenant budget item is noticed for consideration at a public City Council meeting during the months of April, May or June of each Tenant fiscal year during the Relocation Term after Tenant's 2021-2022 fiscal year.

9. Basic Rent Credit. Notwithstanding anything in the Lease or this Second Amendment to the contrary, as an incentive to Tenant to appropriate money to pay Rent under the Lease in each Tenant fiscal year during the Relocation Term, Landlord agrees that if Tenant does not terminate the Lease pursuant to Section 8 Landlord shall provide Tenant with a credit in the amount of seventeen cents (\$0.17) per square foot of the Relocation Premises (agreed to be 3,767 square feet for purposes of this Section 9) for each of months 1 through 34 of the Relocation Term for which Landlord receives a payment of Basic Rent from Tenant (i.e., \$640.39 per month and \$21,773.26 total if Tenant pays Basic Rent in full for each of months 1 through 34 of the Relocation Term) ("**Basic Rent Credit**"). If applicable pursuant to this Section 9, the Basic Rent Credit shall be applied to the Basic Rent for months 35 and 36 during the Relocation Term. Application of the Basic Rent Credit for month 35 or 36 is subject to Tenant not being in Default on the first day of month 35 or 36, respectively. Tenant shall be entitled to receive any accumulated and unapplied amount of the Basic Rent Credit as a payment from Landlord, rather than as a credit, if the Lease or Tenant's occupancy of the Relocation Premises is terminated before the scheduled end of the Relocation Term for a reason other than a Tenant termination pursuant to Section 8 or a Tenant Default.

10. Amendment of Section 23.3. Section 23.3 of the Lease is amended to provide in its entirety as follows:

23.3 Rent Abatement: Notwithstanding any provision of this Lease to the contrary, during any period in which damage or destruction substantially interferes with Tenant's use or occupancy of all or a substantial portion of the Leased Premises, Rent payments due under this Lease shall be abated. The amount of Rent abatement shall be such that the resulting Rent payments represent fair consideration for the use and occupancy of the usable portions of the Leased Premises. The period of such Rent abatement shall commence with the date of the damage or destruction

and end with substantial completion of the work of repair or replacement making all the Leased Premises usable by Tenant again or termination of this Lease in accordance with its terms or applicable law. Notwithstanding the foregoing, there shall be no abatement of Rent if such damage or destruction is caused primarily by Tenant's negligence or intentional wrongdoing. Other than the Rent abatement provided for above in this section, Tenant shall not be entitled to any compensation or damages for loss in the use of the whole or any part of the Leased Premises and/or any inconvenience or annoyance occasioned by a casualty or other peril covered by Landlord's insurance. If Landlord is obligated to or elects to repair or restore as provided in this Article 23, Landlord shall be obligated to repair or restore only those portions of the Building and the Leased Premises that were originally provided at Landlord's expense.

11. CASp Disclosure. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant that the Relocation Premises, as of the date of this Second Amendment, have not been inspected by a Certified Access Specialist (CASp), as that term is defined in California Civil Code Section 55.52. In accordance with subsection (e) of Section 1938 of the California Civil Code, Tenant is further notified as follows:

A Certified Access Specialist (CASp) 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 the 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.

12. Brokers. Landlord and Tenant each: (a) warrants to the other that it had no dealings with any real estate broker, finder or agent in connection with this Second Amendment and that it knows of no real estate broker, finder or agent who is or might be entitled to a commission in connection with this Second Amendment; and (b) shall hold the other free and harmless against any claim for liability to the extent resulting from a breach of the warranty provided in clause "(a)" of this Section 11.

13. Landlord's Address. Notwithstanding any provision of the Lease to the contrary, Landlord's Address shall be as follows:

For Notices:

450 B Street Investors LLC
c/o LeBeau Realty & Associates
451 A Street, Suite 100
San Diego, California 92101

All Notices sent to Landlord under the Lease shall be sent to the above address, with simultaneous copies to:

UBS Realty Investors LLC
Ten State House Square, 15th Floor
Hartford, Connecticut 06103-3604
Attention: General Counsel

UBS Realty Investors LLC
455 Market Street, Suite 1000
San Francisco, California 94105-2443
Attention: Asset Manager, 450 B St./San Diego

For payments made via regular U.S. Mail, Express Mail and overnight delivery:

450 B Street Investors LLC
c/o LeBeau Realty & Associates
451 A Street, Suite 100
San Diego, California 92101

For wire transfers/ACH payments:

Wire Transfers – Bank Routing Number: 026009593
ACH Transactions – Bank Routing Number: 011900254
Entity: 450 B Street Investors LLC

14. Defined Terms. Unless otherwise specifically defined in this Second Amendment, terms with initial capital letters in this Second Amendment shall have the same meaning as such terms have in the Lease.

15. No Construction Against Party Drafting Amendment. Landlord and Tenant acknowledge and agree that each of them, and their respective professional advisors, have reviewed this Second Amendment and that the provisions of this Second Amendment shall not be construed against either party. The rule of construction that ambiguities are to be construed against the party drafting the agreement shall not apply to the interpretation of this Second Amendment and is waived.

16. Counterpart Execution. This Second Amendment may be executed in multiple counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which together shall constitute one instrument.

17. Continued Effect. Except as specifically modified by this Second Amendment, all of the terms, conditions and provisions of the Lease shall remain in full force and effect.

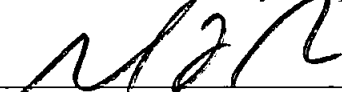
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**SIGNATURE PAGE
TO
SECOND AMENDMENT TO OFFICE BUILDING LEASE
(451 A Street: Suite 1410)**

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Office Building Lease as of the Effective Date.

“LANDLORD”

450 B STREET INVESTORS LLC,
a Delaware limited liability company

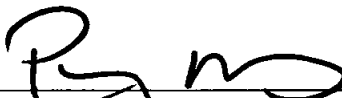
By: 

Name: Paul LeBeau

Title: Managing Member

“TENANT”

THE CITY OF SAN DIEGO,
a municipal corporation

By: 

Penny Maus
Director
Real Estate Assets Department

Approved as to form on
November 10, 2021:

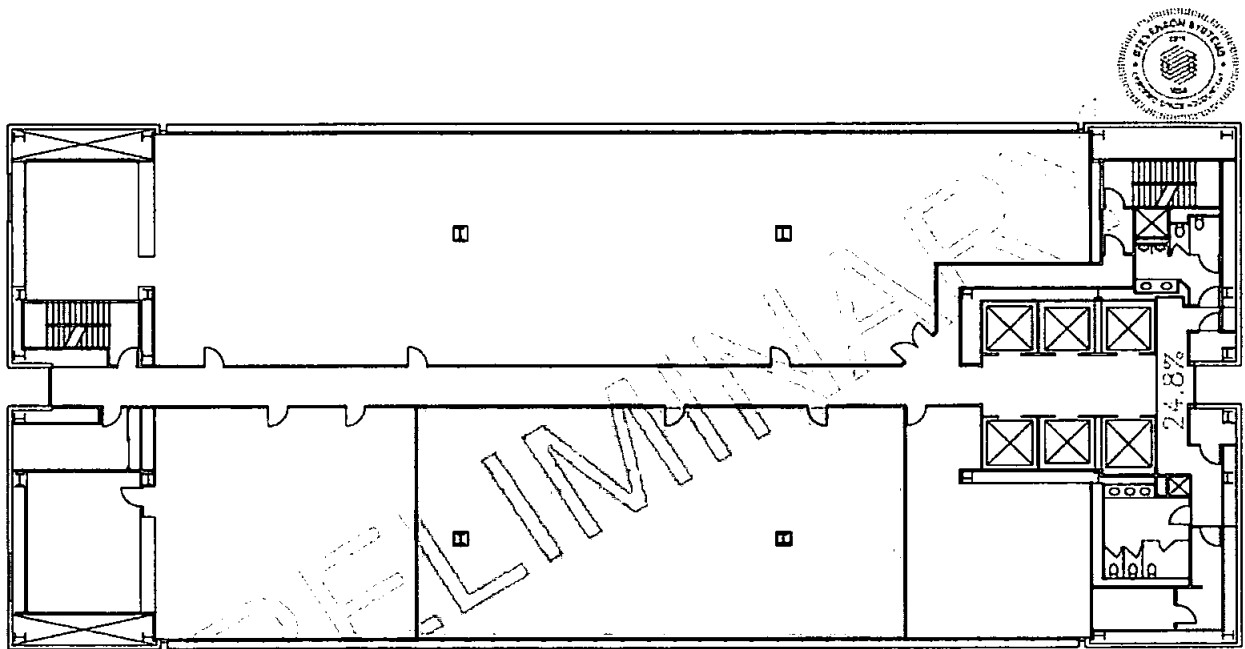
MARA W. ELLIOTT
City Attorney

By: 

Delmar G. Williams
Deputy City Attorney

EXHIBIT A-I
TO
SECOND AMENDMENT TO OFFICE BUILDING LEASE
(451 A Street: Suite 1410)

RELOCATION PREMISES



5.6.2i
Floor
14

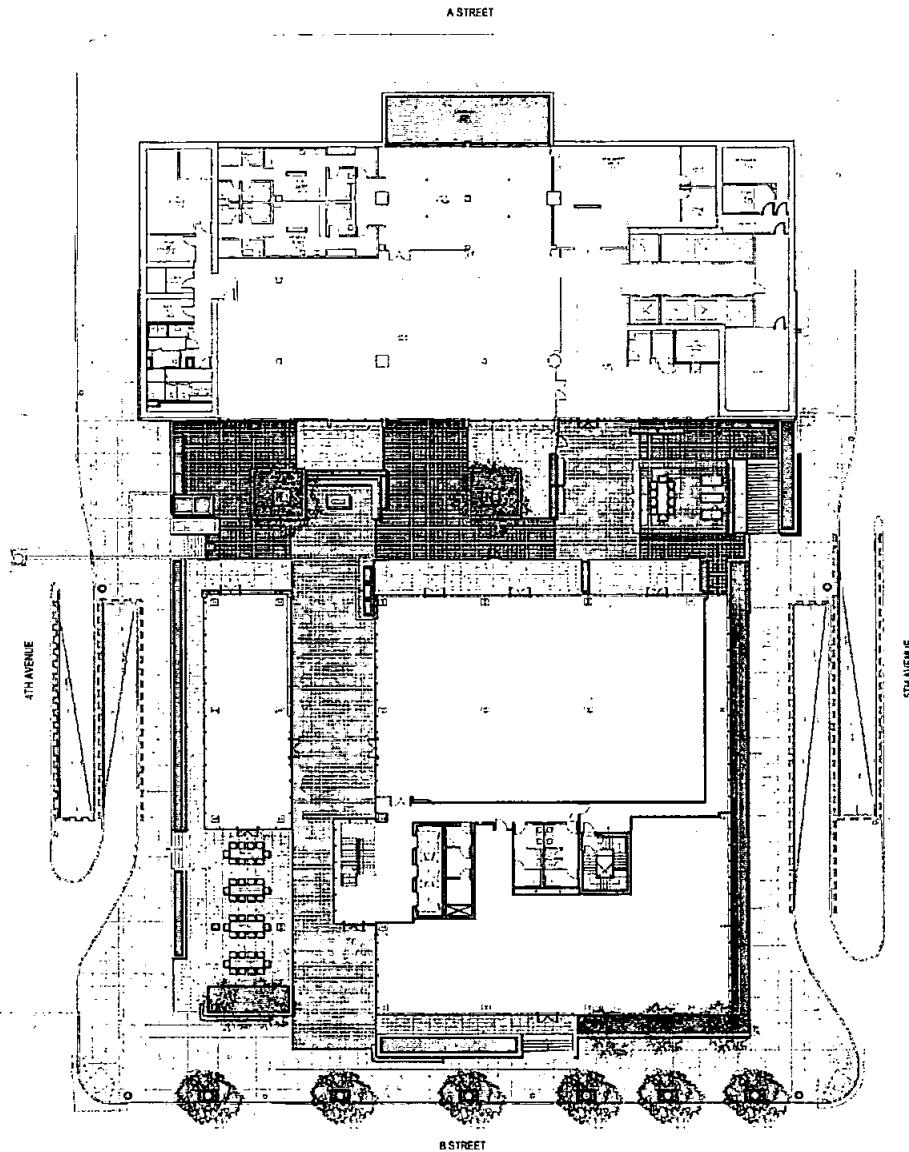
451A
451 A Street
San Diego, CA 92101

Vacant Suite 1410 - Final Tenant							
ID	Suite USF	Corr./Ext.	Total USF	RSF	Leased RSF	LED	
14-28	2,003.93	77.93	2,081.76	3,873.31	3,767.00		



**EXHIBIT A-II
TO
SECOND AMENDMENT TO OFFICE BUILDING LEASE
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PROJECT SITE PLAN



450B OFFICE BUILDING

