

DUPLICATE

SUBLEASE
(7650 MISSION VALLEY ROAD, SAN DIEGO, CA 92108)

This Sublease ("**Sublease**") is made as of January 30, 2024, by and between Wawanesa General Insurance Company, Inc., a California corporation ("**Sublandlord**"), and The City of San Diego, a California municipal corporation ("**Subtenant**"). Sublandlord and Subtenant are sometimes referred to in this Sublease, each individually as a "**Party**," or, collectively, the "**Parties**." The Parties enter into this Sublease with reference to the following facts:

RECITALS

A. Sublandlord is the tenant under that certain Lease dated as of October 2, 2019 (the "**Master Lease**"), by and between HGF L.P., a California limited partnership ("**Master Landlord**") and Sublandlord. A copy of the Master Lease is attached to this Sublease as Exhibit "B". Under the Master Lease, Sublandlord is currently leasing all of that certain building ("**Building**") located at 7650 Mission Valley Road, San Diego, California 92108, consisting of a total of approximately 73,970 rentable square feet of space ("**Premises**"). All initially capitalized terms not otherwise defined in this Sublease shall have the same meanings as set forth in the Master Lease.

B. Subtenant desires to sublease the Premises from Sublandlord, and Sublandlord desires to sublease the Premises to Subtenant, upon the terms, covenants, and conditions set forth in this Sublease.

AGREEMENT

In consideration of the mutual covenants contained in this Sublease, the receipt and sufficiency of which are acknowledged, Sublandlord and Subtenant agree as follows:

1. Sublease. Upon and subject to the terms, covenants, and conditions of this Sublease, Sublandlord subleases to Subtenant, and Subtenant subleases and accepts from Sublandlord, the Premises, together with the right to use the Exterior Areas (as defined in Section 2.1 of the Master Lease), pursuant to the terms and conditions of the Master Lease, and subject to the License Agreement (as defined in Section 10 below). Sublandlord and Subtenant stipulate that the Premises contains 73,970 rentable square feet and shall not be subject to remeasurement for purposes of this Sublease.

2. Term. The term ("**Term**") of this Sublease will commence thirty (30) days following the latest to occur of the following events (collectively, the "**Commencement Conditions**"): (i) Master Landlord's written consent to the terms and conditions of this Sublease under Section 33 of this Sublease; and (ii) Sublandlord's delivery to Subtenant of written notice that the Premises is available for Subtenant's occupancy (collectively, the "**Commencement Date**"), and will expire on September 30, 2028 (the "**Expiration Date**"), unless the Sublease is terminated earlier under the terms of this Sublease. If any of the Commencement Conditions have not occurred on or before June 30, 2024, either Sublandlord or Subtenant may terminate this Sublease by giving written notice to the other Party at any time prior to the occurrence of all of the Commencement Conditions, in which event Sublandlord will return any prepaid rent to Subtenant, and neither Party will have any further obligations to the other Party under this Sublease. Notwithstanding anything to the contrary contained in this Sublease, Sublandlord shall allow

Subtenant early entry to the Premises commencing fourteen (14) days prior to the Commencement Date (the "**Early Entry Period**") for the purpose of Subtenant installing furniture, fixtures, and equipment (including telephones and computers and related wiring and cabling) in the Premises, and otherwise preparing the Premises for Subtenant's occupancy; provided, however, any improvements and/or Alterations (as defined in Section 7.6 of the Master Lease) shall be subject to the approval of Master Landlord and Sublandlord under the terms and conditions of the Master Lease and this Sublease. Subtenant may commence business in the Premises during the Early Entry Period. During the Early Entry Period, all of the terms and conditions of this Sublease shall be applicable, except that Subtenant will have no obligation to pay Monthly Rent during the Early Entry Period. Prior to the commencement of the Early Entry Period and as a condition to Subtenant's entry into the Premises, Subtenant shall deliver to Sublandlord and Master Landlord the following: (i) certificates of the insurance required of Subtenant under Sections 4.8, 7.6, 10.1, 10.3, and 10.4 of the Master Lease or a letter of self-insurance indicating the Subtenant's self-insured status under Section 22 of this Sublease; and (ii) the Monthly Rent for the sixth (6th) full calendar month of the Term, if not previously delivered to Sublandlord. Notwithstanding the foregoing, in no event will the Term extend beyond the expiration or termination of the Master Lease.

3. Condition of the Premises; Existing FF&E. Subtenant acknowledges that Subtenant will accept possession of the Premises in its "as-is" condition; provided, however, to Sublandlord's actual knowledge, without duty of inquiry or inspection, all mechanical, HVAC, electrical, plumbing, and roof in their presently existing condition but in good working order. Subtenant shall have the opportunity to inspect the Premises during the Early Entry Period. Subtenant acknowledges that neither Sublandlord nor any agent or any employee of Sublandlord has made any representations or warranties with respect to the Premises or the Building or with respect to the suitability of either for the conduct of Subtenant's intended business and Subtenant expressly warrants and represents that Subtenant has relied solely on its own investigation and inspection of the Premises in its decision to enter into this Sublease. Subtenant shall be solely responsible for obtaining any permits and approvals necessary for Subtenant's business operations at the Premises.

3.1. Existing Furniture, Fixtures and Equipment. On the Commencement Date, Sublandlord shall deliver the Premises to Subtenant with the furniture, fixtures, and equipment listed on Exhibit "A" attached to this Sublease and made a part of this Sublease, including but not limited to all existing data cabling, audiovisual cabling, and computer wiring existing as of the date of this Sublease, but specifically excluding any furniture, computers, monitors, and other business equipment not listed on Exhibit "A" and removed from the Premises prior to the Early Entry Period (collectively, the "**FF&E**") in the Premises. Subtenant shall accept the FF&E in its currently existing "as-is" condition, and Sublandlord makes no representation or warranty regarding the condition of the FF&E or its suitability for Subtenant's intended use. As of the Commencement Date, in consideration of the sum of One Dollar (\$1.00), Sublandlord shall be deemed to have conveyed ownership of the FF&E to Subtenant, and title to the FF&E shall pass to Subtenant as if by bill of sale or otherwise. Subtenant acknowledges that in transferring title to the FF&E, Sublandlord makes no representation and gives no warranty, express, implied, or otherwise, as to the condition or working order of the FF&E. Subtenant agrees that Subtenant shall be responsible for any sales, use, or transfer taxes, if any, in connection with the transfer of the FF&E to Subtenant. Subtenant confirms that it has had the reasonable opportunity to inventory and inspect the FF&E and hereby represents that (i) it accepts the FF&E "**AS IS AND WITH**

ALL FAULTS,” and (ii) it is satisfied that all items of FF&E listed on Exhibit “A” are currently located within the Premises and are accepted by Subtenant, subject to and in accordance with the terms of this Section 3.1. In no event shall Sublandlord have any liability or responsibility with respect to the FF&E, and Sublandlord shall have no responsibility to repair or refurbish the FF&E at any time. The provisions of this Section 3.1, and not any provisions of the Master Lease, shall govern the Parties’ rights and obligations under this Sublease with respect to the FF&E.

4. Use. Subtenant may use the Premises only for general office and administrative uses, and for no other purpose. Subtenant shall promptly comply with all applicable statutes, ordinances, rules, regulations, orders, restrictions of record, and requirements in effect during the Term governing, affecting, and regulating the Premises, including, but not limited to, the use of the Premises. Subtenant shall not use or permit the use of the Premises in a manner that will create waste or a nuisance, or violate the provisions of the Master Lease.

5. Rent.

5.1. Monthly Rent. Commencing as of the Commencement Date, Subtenant shall pay monthly rent to Sublandlord during the Term in the amounts set forth below in this Section 5.1 (“**Monthly Rent**”), payable monthly in advance on the first day of each month without deduction, setoff, prior notice, abatement, or demand (except as otherwise expressly provided in this Sublease).

<u>Months of Term</u>	<u>Monthly Rent</u>	<u>Monthly Rent per Rentable Square Foot</u>
1 – 12*	\$177,528.00	\$2.40
13 – 24	\$182,853.84	\$2.47
25 – 36	\$188,339.46	\$2.55
37 – 48	\$193,989.64	\$2.62
49 – September 30, 2028	\$199,809.33	\$2.70

* Subject to abatement under Section 5.2 below.

In the event that the Term shall end on a date that is not the first day of a month, Monthly Rent for such month shall be prorated as of such date.

5.2. First Month’s Rent; Abatement. Monthly Rent for the sixth (6th) full calendar month of the Term (in the amount of \$177,528.00) shall be due and payable by Subtenant to Sublandlord concurrently with Subtenant’s execution of this Sublease. Notwithstanding anything to the contrary contained in this Sublease and provided that Subtenant performs all of its obligations under this Sublease, Sublandlord agrees to abate Subtenant’s obligation to pay Monthly Rent for the first (1st) through the fifth (5th) full calendar months of the Term (“**Rent Abatement Period**”). During the Rent Abatement Period, Subtenant shall still be responsible for the payment of all of its other monetary obligations under this Sublease. In the event of Default (as defined in Section 15 of the Master Lease) by Subtenant under the terms of this Sublease, Sublandlord shall be entitled to recover the Monthly Rent that was abated under the provisions of this Section 5.2.

5.3. [Intentionally Omitted.]

5.4. Utilities. Commencing on the earlier of the Commencement Date or the date Subtenant occupies the Premises, except as expressly set forth immediately below in this Section 5.4, Subtenant shall pay for all electrical, cable, internet, and telephone services, together with any taxes, penalties, surcharges, or the like pertaining thereto. At Sublandlord's option, Subtenant shall contract directly with the applicable public utility for such services. Notwithstanding the foregoing, Sublandlord shall pay for all natural gas, water, and sewer utilities, and services to the Building.

6. Rent Abatement. Notwithstanding anything to the contrary in this Sublease, during any period in which Subtenant's use or occupancy of all or a portion of the Premises is prevented by a party other than Subtenant or Subtenant's Agents (as defined in Section 13 below), Monthly Rent payments due under this Sublease shall be abated. The amount of Monthly Rent abatement shall be such that the resulting Monthly Rent payments represent fair consideration for the use and occupancy of the portions of the Premises that Subtenant is not prevented from using (if any). The period of such Monthly Rent abatement shall commence with the date of the occurrence preventing Subtenant use or occupancy of all or a portion of the Premises and end on the earlier of when Subtenant's use or occupancy of all or a portion of the Premises is no longer prevented or termination of this Sublease in accordance with its terms or applicable law.

7. Sublandlord Waiver of Monthly Rent Acceleration. Notwithstanding anything to the contrary in this Sublease, Sublandlord waives (1) all rights to accelerate Subtenant's payment of Monthly Rent under this Sublease for any time period after the later of the date Sublandlord terminates this Sublease and the date Subtenant vacates the Premises and (2) all rights under California Civil Code Section 1951.2(a) or otherwise, to collect Monthly Rent for any time period after the later of the date Sublandlord terminates this Sublease and the date Subtenant vacates the Premises.

8. Remedies Upon Default. Subject to Section 7, if Subtenant is in default under this Sublease, Sublandlord shall have, in addition to any other remedies available to Sublandlord at law or in equity, the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, and with or without notice or demand.

8.1. Terminate this Sublease, in which event Subtenant shall immediately surrender the Premises to Sublandlord, and if Subtenant fails to do so, Sublandlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Subtenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Sublandlord may recover from Subtenant the following:

a. The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

b. If Subtenant vacates the Premises after the date of termination of this Sublease, the worth at the time of award of the amount by which (1) the unpaid Monthly Rent which would have been earned after termination until the earlier of (A) the date Subtenant vacates the Premises, and (B) the time of award, exceeds (2) the amount of such rental loss that Subtenant proves could

have been reasonably avoided; plus any other amount necessary to compensate Sublandlord for all the detriment proximately caused by Subtenant's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom, but excluding the collection or acceleration of unpaid Monthly Rent accruing or which would have accrued after the later of (y) the date of the termination of this Sublease and (z) the date Subtenant vacates the Premises; and

c. At Sublandlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law, but excluding the collection or acceleration of unpaid Monthly Rent accruing or which would have accrued after the later of (A) the date of the termination of this Sublease and (B) the date Subtenant vacates the Premises.

The term "rent" as used in this Section 8 shall be deemed to be and to mean all sums of every nature required to be paid by Subtenant pursuant to the terms of this Sublease, whether to Sublandlord or to others. As used in Sections 8.1.a. and b., the "worth at the time of award" shall be computed by allowing interest at the legal rate. As used in Sections 8.1.a. and b., the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1 percent.

8.2. Sublandlord shall have the remedy described in California Civil Code Section 1951.4. Accordingly, if Sublandlord does not elect to terminate this Sublease on account of Subtenant's default under this Sublease, Sublandlord may, from time to time, without terminating this Sublease, enforce all of its rights and remedies under this Sublease, including the right to recover all rent as it becomes due.

9. Actions Requiring Consent of Master Landlord and Sublandlord. If Subtenant desires to take any action which requires the consent or approval of Sublandlord under the terms of this Sublease, prior to taking such action, including, without limitation, making any Alterations, then, notwithstanding anything to the contrary in this Sublease, (i) Sublandlord shall have the same rights of approval or disapproval as Master Landlord has under the Master Lease; and (ii) Subtenant shall not take any such action until it obtains the consent of Sublandlord and Master Landlord, as may be required under this Sublease or the Master Lease. Any Alterations by Subtenant to the Premises shall remain the obligation of Subtenant (a) to remove at the end of the Term, or earlier termination; and (b) to repair any damage to the Premises caused by the removal of such Alterations to the condition of the Premises as of the Commencement Date.

10. Parking. During the Term, initially subject solely to the License Agreement (defined below), Subtenant shall be entitled to utilize all of the parking on the Property (as defined in Section 2.1 of the Master Lease), as described in Section 1.1 of the Master Lease. Subtenant acknowledges the existence of that certain License Agreement dated September 12, 2023 ("License Agreement"), by and between Sublandlord, as licensor, and Rady Children's Hospital-San Diego, a California nonprofit public benefit corporation ("Rady Children's"), as licensee. Within ten (10) business days following the execution of this Sublease by Sublandlord, Subtenant, and Master Landlord, Sublandlord shall deliver sixty (60) days' written notice of termination of the License Agreement to Rady Children's.

11. Master Lease.

11.1. Subtenant and this Sublease shall be subject in all respects to the terms of the Master Lease, and the rights of the Master Landlord under the Master Lease as such terms and rights relate to the Premises. Subtenant covenants and warrants that it fully understands and agrees to be subject to and bound by all of the covenants, agreements, terms, provisions, and conditions of the Master Lease as they apply to the Premises, except as modified in this Sublease. As applied to this Sublease, the words "Landlord," "Tenant," and "Lease" as used in the Master Lease, shall be deemed to refer to Sublandlord, Subtenant, and this Sublease, respectively. Except as otherwise expressly provided in this Sublease, the covenants, agreements, terms, provisions, and conditions of the Master Lease insofar as they relate to the Premises and insofar as they are not inconsistent with the terms of this Sublease are made a part of and incorporated into this Sublease as if recited in this Sublease in full. As between the Parties only, in the event of a conflict between the terms of the Master Lease and the terms of this Sublease, the terms of this Sublease shall control.

11.2. Subtenant recognizes that Sublandlord is not in a position to render any of the services or to perform any of the obligations required of Master Landlord by the terms of the Master Lease. Therefore, notwithstanding anything to the contrary contained in this Sublease, Subtenant agrees that Sublandlord's performance of its obligations under this Sublease is conditioned upon Master Landlord's performance of the corresponding obligations under the Master Lease. Sublandlord shall not be liable to Subtenant for, nor shall Subtenant have any claim against Sublandlord by virtue of, any default of the Master Landlord under the Master Lease of any of its obligations, representations, or warranties, or any other failure or delay by Master Landlord in the performance of its obligations under the Master Lease, unless such default, failure, or delay is a result of Sublandlord's default of its obligations under the Master Lease. This Sublease shall remain in full force and effect notwithstanding Master Landlord's failure or refusal to comply with any such provisions of the Master Lease, and Subtenant shall pay the Monthly Rent and additional rent and all other charges provided for under this Sublease without any abatement, deduction, or setoff whatsoever, except as otherwise provided in this Sublease. Notwithstanding the foregoing, whenever Master Landlord fails to perform its obligations under the Master Lease for the benefit of Subtenant, upon request from Subtenant, Sublandlord agrees to use commercially reasonable efforts to obtain such performance on behalf of Subtenant, and Subtenant shall reimburse Sublandlord for all costs reasonably incurred in connection therewith promptly following receipt of an invoice therefor. Such commercially reasonable efforts shall include, without limitation: (i) upon Subtenant's request, immediately notify Master Landlord of its non-performance under the Master Lease and request Master Landlord to perform its obligations; and (ii) upon Subtenant's request, take appropriate legal action to enforce the terms of the Master Lease, using attorneys reasonably acceptable to Subtenant, provided that Subtenant agrees to pay all costs and expenses of Sublandlord reasonably incurred in connection therewith and to indemnify, defend, and hold Sublandlord harmless from and against all liabilities, claims, expenses, losses, and damages arising from counterclaims by Master Landlord as part of such action.

11.3. Subtenant recognizes that, wherever Sublandlord has a consent right under this Sublease by virtue of the incorporation of the terms of the Master Lease into this Sublease, the ability of Sublandlord to give such consent is dependent upon Master Landlord giving its consent under the Master Lease with respect to the item in question. In such cases, Sublandlord agrees to use commercially reasonable efforts to obtain such consent on behalf of Subtenant, at Subtenant's

sole cost and expense. However, Sublandlord shall not be liable to Subtenant, nor shall Subtenant have any claim against Sublandlord, for any failure by the Master Landlord to give such consent. In the event Master Landlord does give its consent to a particular matter, Sublandlord shall not unreasonably withhold, condition, or delay its consent with respect to such matter.

11.4. Subtenant and Sublandlord each covenant not to take any action or do or perform any act or fail to perform any act which would result in the failure or breach of any of the covenants, agreements, terms, provisions, or conditions of the Master Lease on the part of the "Tenant".

11.5. Notwithstanding anything contained in the Master Lease to the contrary, as between Sublandlord and Subtenant only, all insurance proceeds or condemnation awards received by Sublandlord under the Master Lease shall be deemed to be the property of Sublandlord, except that Subtenant shall receive the fair market value of its leasehold interest under this Sublease for the remaining Term and the value of its loss of goodwill, if any, awarded by the taking authority. Sublandlord shall have no liability to Subtenant for any award not provided by the taking authority.

12. Variations from Master Lease. As between Sublandlord and Subtenant, the following covenants, agreements, terms, provisions, and conditions of the Master Lease are modified or not incorporated into this Sublease, as applicable:

12.1. All references in the Master Lease (i) to "Base Rent" shall, for purposes of the incorporation of the terms of the Master Lease into this Sublease, mean the Monthly Rent payable under this Sublease, and (ii) to "Term" shall for the purposes of incorporation of the terms of the Master Lease into this Sublease, mean the Sublease Term.

12.2. All amounts payable under this Sublease by Subtenant shall be payable directly to Sublandlord under instructions to be provided by Sublandlord to Subtenant.

12.3. Sublandlord shall maintain and repair the HVAC unit, to the extent required by the terms and conditions of the Master Lease. Master Landlord shall continue to have the obligation to perform the maintenance and repair obligations of the Landlord under the Master Lease. Subtenant's maintenance and repair obligations shall include maintenance and repair of the generator previously installed by the Sublandlord.

12.4. The following provisions of the Master Lease shall not apply to this Sublease as between Sublandlord and Subtenant: Summary of Basic Lease Provisions (except for the terms of Sections 1.1, 1.16, and 1.17); Section 2.3; Section 3.1; Section 3.2; Section 3.3; Section 3.4; Section 3.6; Section 4.1; Section 4.2; Section 5; Section 20.6; Section 20.13; Section 22; Section 23; and Exhibit B to the Master Lease.

13. Indemnity and Waiver. Subtenant shall indemnify and hold Sublandlord and Master Landlord harmless from and against all actions, claims, demands, costs, liabilities, losses, reasonable attorneys' fees, damages, penalties, and expenses (collectively, "Claims") which may be brought or made against Sublandlord or which Sublandlord may pay or insure to the extent caused by (i) Subtenant's use or occupancy of the Premises; (ii) Subtenant's breach of this Sublease to the extent not caused by (a) Sublandlord's breach of this Sublease or the Master Lease, or (b) Master Landlord's breach of the Master Lease; (iii) any violation of law by Subtenant or its employees, agents, contractor, or invitees (collectively, "Subtenant's Agents") relating to

Subtenant's use or occupancy of the Premises; (iv) any intentional act or negligence by Subtenant or Subtenant's Agents resulting in contamination of any part or all of the Premises by hazardous materials; (v) the negligence or willful misconduct of Subtenant or Subtenant's Agents; (vi) Subtenant's failure to maintain and repair the Premises under the terms and conditions of this Sublease; or (vii) Subtenant's improvements and Alterations to the Premises; provided that Subtenant's indemnity obligations shall not apply to any Claims to the extent caused by Sublandlord's or Master Landlord's negligence or willful misconduct. Sublandlord shall indemnify, defend, protect, and hold Subtenant harmless from and against all Claims which may be brought or made against Subtenant or which Subtenant may pay or incur to the extent caused by (y) the negligence or willful misconduct of Sublandlord or any of Sublandlord's officers, directors, shareholders, employees, agents, and contractors ("**Sublandlord's Agents**"); or (z) Sublandlord's breach of this Sublease or the Master Lease, to the extent not caused by Subtenant's breach of this Sublease. The obligations of Sublandlord and Subtenant as set forth in this Section 13 shall survive the expiration or earlier termination of this Sublease. Subject to the terms of this Section 13, except to the extent directly and proximately caused by (i) the negligence or willful misconduct of Sublandlord or Sublandlord's Agents, or (ii) Sublandlord's breach of this Sublease or the Master Lease, Subtenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Sublandlord and Sublandlord's Agents shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property resulting from the loss of use thereof, which damage is sustained by Subtenant or by other persons claiming through Subtenant.

14. Counterparts/Electronic Transmission. This Sublease and the Master Landlord Consent attached to this Sublease may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. Furthermore, this Sublease and the Master Landlord Consent attached to this Sublease may be electronically signed (including by DocuSign) and/or delivered by facsimile or electronic mail PDF transmission.

15. Authority. Each individual signing this Sublease on behalf of Sublandlord and Subtenant is authorized to do so.

16. Notices. All approvals, notices, or other communications required or permitted under this Sublease shall be in writing, and shall be personally delivered, delivered by overnight commercial carrier or sent by registered or certified mail, postage prepaid, return receipt requested. Notice shall be deemed effective upon the earlier of (i) if personally delivered, on the date of delivery to the address of the Party set forth below, (ii) if delivered by overnight commercial carrier, on the date of delivery, as shown on the carrier's delivery receipt, or (iii) if mailed, on the date of delivery as shown by the sender's registry or certification receipt. Notices shall be addressed as follows:

To Sublandlord:	Wawanesa General Insurance Company Attention: Legal Department PO Box 82867 San Diego, CA 92138-9492
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To Subtenant:	The City of San Diego Economic Development Department
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1200 Third Avenue – Suite 1400, MS 51A
San Diego, CA 92101
Attention: Director

Notice of change of address shall be given by written notice in the manner detailed in this Section 16. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request, or communication sent.

17. Brokers. Sublandlord represents that, other than Faller Real Estate (with whom Re: Align Tenant Strategies is a cooperating broker) ("**Sublandlord's Broker**"), to whom Sublandlord will pay a commission in accordance with a separate agreement between Sublandlord and Sublandlord's Broker, it has not dealt with any broker or finder in connection with the consummation of this Sublease. Subtenant represents that it has not dealt with any broker or finder in connection with the consummation of this Sublease. Except as to Sublandlord's Broker, each Party agrees to indemnify, hold, and save the other Party harmless from and against any and all claims for brokerage commissions or finder's fees arising out of the indemnifying Party's acts in connection with this Sublease. The provisions of this Section 17 shall survive the expiration or earlier termination of this Sublease.

18. Holding Over. Notwithstanding anything to the contrary contained in the Master Lease, if Subtenant holds over after the expiration of the Term without the express consent of Sublandlord, such tenancy shall be at sufferance only, and shall not constitute a renewal of this Sublease or an extension for any further term, and in such case Monthly Rent shall be payable at a monthly rate equal to one hundred fifty percent (150%) of the Monthly Rent applicable during the last rental period of the term under this Sublease. Such tenancy shall be subject to every other term, covenant, and agreement contained in this Sublease. Nothing contained in this Section 18 shall be construed as consent by Sublandlord to any holding over by Subtenant, and Sublandlord expressly reserves the right to require Subtenant to surrender the Premises to Sublandlord as provided in this Sublease upon the expiration or earlier termination of this Sublease. The provisions of this Section 18 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Sublandlord provided in this Sublease or at law. If Subtenant fails to surrender possession of the Premises upon the termination or expiration of this Sublease, in addition to any other liabilities to Sublandlord accruing therefrom, except to the extent directly and proximately caused by Sublandlord or Sublandlord's Agents, Subtenant shall protect, defend, indemnify, and hold Sublandlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limitation, (i) any claims made by any succeeding subtenant founded upon Subtenant's failure to surrender the Premises; and (ii) any claims made by Master Landlord based upon Subtenant's failure to surrender possession of the Premises and any lost profits and consequential damages to Master Landlord resulting therefrom.

19. Assignment and Subletting. Subtenant shall have the right to sublease the Premises or assign this Sublease to a subsidiary or an affiliate of Subtenant without Sublandlord's consent but upon at least ten (10) days prior written notice to Sublandlord, provided (i) the sublease or assignment shall be subject to terms of the Master Lease including any required Master Landlord consent, (ii) Subtenant promptly supplies Sublandlord with any documents or information requested by Sublandlord regarding such assignment or sublease or such subsidiary or affiliate, and (iii) no such assignment or sublease shall release Subtenant of any of its obligations under this

Sublease. Subject further to all of the rights of the Master Landlord under the Master Lease and the restrictions contained in the Master Lease and except as provided in this Section 19, Subtenant shall not be entitled to assign this Sublease or to sublet all or any portion of the Premises without the prior written consent of Sublandlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

20. Twenty-Four Hour Access. Subject to Master Landlord's and Sublandlord's security requirements, repairs made by Master Landlord to the Project and Articles 12 and 13 of the Master Lease, Subtenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week throughout the Term.

21. Janitorial. Subtenant shall be solely responsible for performing all janitorial services and other cleaning of the Premises, all in compliance with applicable laws. The janitorial and cleaning of the Premises shall be adequate to maintain the Premises in a manner consistent with a Class B office building. Subtenant's janitorial and cleaning contractor shall be approved in advance by Sublandlord, and Subtenant acknowledges that Sublandlord shall have no obligation whatsoever to provide such services in the Premises. If Subtenant hires the same janitorial and cleaning contractor that currently is providing such services to the Premises, Subtenant does not need to get Sublandlord's approval of such contractor.

22. Insurance. Subtenant shall (i) obtain all the insurance required by Tenant under the Master Lease, including but not limited to Articles 4, 7, and 10 of the Master Lease; (ii) provide Sublandlord proof of such insurance prior to entry to the Premises; (iii) name Sublandlord, Master Landlord and its subsidiaries, affiliates and property manager, if any, as additional insureds under all liability policies; and (iv) name Master Landlord as a loss payee as to Subtenant's property insurance on the Premises' improvements and alterations. The waiver of subrogation contained in Section 10.6 of the Master Lease and any waiver of claims contained in the Master Lease shall apply in favor of both Sublandlord and Master Landlord. Notwithstanding anything to the contrary in this Sublease, Subtenant shall have the right to self-insure with respect to any of the insurance required to be carried by Subtenant under this Sublease. If Subtenant self-insures, Subtenant shall supply to Sublandlord and Master Landlord a letter of self-insurance indicating the Subtenant's self-insured status.

23. Signage. On or before the Commencement Date, Sublandlord shall remove all of its signage, and repair and restore the affected areas damaged by such removal. During the Term, at Subtenant's sole cost and expense, Subtenant shall be entitled to install any Tenant signage permitted by the Master Lease, subject to Master Landlord's approval under the terms and conditions of the Master Lease, and subject to all applicable local governmental laws, rules, regulations, codes, and Subtenant's receipt of all permits and other governmental approvals and any applicable covenants, conditions, and restrictions. Subtenant's rights under this Section 23 shall be personal to the Subtenant named in this Sublease and may not be assigned to any assignee or sublessee, or any other person or entity. Sublandlord has the right, but not the obligation, to oversee the installation of any Tenant's Signage. The cost to maintain and operate, if any, Subtenant's signage shall be paid for by Subtenant. Upon the expiration or other earlier termination of this Sublease, Subtenant shall be responsible for any and all costs associated with the removal of Subtenant's signage permitted by this Section 23, including, but not limited to, the cost to repair and restore the affected areas to their original condition, normal wear and tear

excepted. Except as provided in this Section 23, Subtenant shall not be entitled to place any other signage in the Building or on the Premises.

24. Service Agreements. Sublandlord intends to terminate all service contracts with respect to Sublandlord-installed property on the Premises effective as of the Commencement Date, including, but not limited to, contracts for security and fire monitoring system services, lighting maintenance, and generator maintenance and any user licenses. Following a request by the Subtenant, Sublandlord shall provide to Subtenant a copy of the existing service contracts. Sublandlord shall have no obligation to ensure continuity of services between the termination of Sublandlord's service contracts, and the commencement of Subtenant's service contracts, if any.

25. Option to Extend. Subtenant shall not have any option to extend the Sublease nor the Master Lease.

26. Severability. If any term or provision of this Sublease or the application of this Sublease to any person or circumstances shall, to any extent, be invalid and unenforceable, including, but not limited to, claims of invalidity or unenforceability under the charter of the City of San Diego or the California constitution, the remainder of this Sublease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term or provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law.

27. Entire Agreement; Waiver. This Sublease contains the entire agreement between the Parties and shall be binding upon and inure to the benefit of their respective heirs, representatives, successors, and permitted assigns. Any agreement hereinafter made shall be ineffective to change, modify, waive, release, discharge, terminate, or effect an abandonment of the Sublease, in whole or in part, unless such agreement is in writing and signed by the Parties.

28. Captions and Definitions. Captions to the Sections in this Sublease are included for convenience only and are not intended and shall not be deemed to modify or explain any of the terms of this Sublease.

29. Incorporation of Recitals. The Recitals are true and correct and are incorporated into this Sublease by this reference, as though fully set forth in this Sublease.

30. California Certified Access Specialist Inspection. Under California Civil Code §1938, Sublandlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASP) (defined in California Civil Code §55.52(a)(3)). Under Section 1938 of the California Civil Code, Sublandlord hereby provides the following notification to Subtenant: "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." If Subtenant requests to perform a CASp inspection

of the Premises, Subtenant shall, at its cost, retain a CASp approved by Sublandlord (provided that Sublandlord may designate the CASp, at Sublandlord's option) to perform the inspection of the Premises at a time agreed upon by the Parties. Subtenant shall provide Sublandlord with a copy of any report or certificate issued by the CASp (the "**CASp Report**") and Subtenant shall, at its cost, promptly complete any modifications necessary to correct violations of construction related accessibility standards identified in the CASp Report, which modifications will be completed as an Alteration subject to approval by Sublandlord and Master Landlord as required in this Sublease. Subtenant agrees to keep the information in the CASp Report confidential except as necessary for the Subtenant to complete such modifications.

31. Further Assurances. The Parties agree that each of them, upon the request of the other Party, shall sign and deliver such further documents, instruments, or agreements and shall take such further action that may be necessary or appropriate to effectuate the purposes of this Sublease. However, neither Party shall record a memorandum of this Sublease.

32. Governing Law. This Sublease shall be governed by and in all respects construed in accordance with the internal laws of the State of California.

33. Consent of Master Landlord. The validity of this Sublease shall be subject to the Master Landlord's prior written consent of the Sublease under the terms of Article 14 of the Master Lease. Sublandlord and Subtenant shall each cooperate and use good faith efforts to obtain such consent from Master Landlord.

[Signature Page Follows]

**SIGNATURE PAGE
TO
SUBLEASE
(7650 MISSION VALLEY ROAD, SAN DIEGO, CA 92108)**

IN WITNESS WHEREOF, the Parties have caused this Sublease to be signed as of the day and year first above written.

“Sublandlord”:

Wawanesa General Insurance Company, Inc.,
a California corporation

E-SIGNED by Christopher Henn

By: on 2024-01-30 09:43:03 PST

Name: Chris Henn

Title: President

E-SIGNED by Patrick J Persse

By: on 2024-01-30 09:19:11 PST

Name: Pat Persse

Title: Chief Financial Officer

“Subtenant”:

The City of San Diego, a California municipal
corporation

By: 

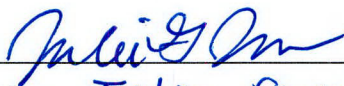
Name: Christina Bibler

Title: Director, Economic Development

Approved as to form this 4th day of

June, 2024

MARA W. ELLIOTT, City Attorney

By: 

Name: Julie Gough Inman

Title: Deputy City Attorney

R-315544

**MASTER LANDLORD CONSENT
TO
SUBLEASE
(7650 MISSION VALLEY ROAD, SAN DIEGO, CA 92108)**

Master Landlord hereby approves and consents to the foregoing Sublease, and represents and warrants that the consent of the Master Landlord's lender, if any and if required, has been obtained. Pursuant to Section 10.5 of the Master Lease, Master Landlord hereby consents, acknowledges, and agrees that Subtenant may self-insure Tenant's insurance obligations under the Master Lease, that such Subtenant self-insurance shall satisfy all of the Tenant's insurance obligations under the Master Lease, and that Subtenant's letter of self-insurance described in Sections 2 and 21 of the Sublease shall satisfy any obligations of Tenant to deliver any certificates of insurance pursuant to the Master Lease. Master Landlord acknowledges and agrees that Subtenant is subject to the California Public Records Act, and that any confidential information provided to or obtained by Subtenant pursuant to the Master Lease or the Sublease shall be subject to disclosure, and may be disclosed, in the public records for the City of San Diego. Notwithstanding anything herein to the contrary, Master Landlord's consent to the Sublease is expressly conditioned upon Sublandlord's acknowledgement and affirmation that, solely as between Master Landlord and Sublandlord and without modification to the obligations of Subtenant under the Sublease, nothing in the Sublease or this consent shall release or discharge Sublandlord from any liability under the Master Lease and Sublandlord shall remain liable for the full performance of all provisions of the Master Lease.

HGF L.P., a California limited partnership

By: H.G. Fenton Company, a California corporation, its Authorized Agent

By:  E-SIGNED by Jeff Diltz
on 2024-01-30 10:04:15 PST
Name: _____
Title: _____

By:  E-SIGNED by Bill Hooper
on 2024-01-30 10:24:08 PST
Name: _____
Title: _____

EXHIBIT A

FF&E

Furniture Inventory
7650 Mission Valley Road, San Diego, CA 92108

First Floor Location	Quantity	Description	Manufacturer
Open Office	24	Workstation, 72" x 72" x 52"H	Steelcase, Avenir, Refurbished
	24	Work Surface, 70" x 70"	Wislonart, Uptown Walnut, Matte Finish
	24	Base, Height Adjustable, 3 Legs, Electric	Friant, MyHite
	23	Workstation, 72" x 66" x 52"H	Steelcase, Avenir, Refurbished
	23	Work Surface, 70" x 64"	Wislonart, Uptown Walnut, Matte Finish
	23	Base, Height Adjustable, 3 Legs, Electric	Friant, MyHite
	186	Workstation, 66" x 66" x 52"H	Steelcase, Avenir, Refurbished
	186	Work Surface, 64" x 64"	Wislonart, Uptown Walnut, Matte Finish
	186	Base, Height Adjustable, 3 Legs, Electric	Friant, MyHite
	4	Benching Station, 72" x 30"	Wislonart, Uptown Walnut, Matte Finish
	2	Benching Station, 60" x 30"	Wislonart, Uptown Walnut, Matte Finish
	4	Cabinet, Storage, 36"W x 40"H x 18"D	Great Openings
	200	Chair, Task	Various
	233	Pedestal, Box-File, Mobile	Steelcase, Avenir, Refurbished
	466	Monitor Arm, Articulating	Innovative Envoy
	36	Table, Rectangular, 72" x 20", supervisor	Wilsonart, Uptown Walnut, Matte Finish
	20	Pedestal, Box-File-File	Hon
	9	Lateral File, 2-Drawer, 36", supervisor	Great Openings
	16	Lateral File, 3-Drawer, 42"	Great Openings
	19	Lateral File, 3-Drawer, 36"	Great Openings

EXHIBIT A

EXHIBIT B

MASTER LEASE

[SEE ATTACHED]

EXHIBIT B

-1-

EXHIBIT B

SINGLE TENANT LEASE
(NET)

7650 MISSION VALLEY ROAD

HGF L.P.,
a California limited partnership

"Landlord"

and

WAWANESA GENERAL INSURANCE COMPANY,
a California corporation

"Tenant"

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SINGLE TENANT LEASE - NET

THIS SINGLE TENANT LEASE - NET ("Lease"), dated for reference purposes only October 2, 2019, is made at San Diego, California, between HGF L.P, a California limited partnership ("Landlord"), and WAWANESA GENERAL INSURANCE COMPANY, a California corporation ("Tenant").

1. BASIC LEASE PROVISIONS.

1.1. **Property:** That certain real property located at 7650 Mission Valley Road, San Diego, California 92108, together with all improvements located thereon, including, without limitation, the Building including all parking areas and other exterior areas, as depicted on Exhibit A and described on Exhibit A-1, which is part of a multi-building commercial project commonly known as "Mission Valley Heights" ("Project"). The term "Property" shall mean only the Building (defined below) and surrounding parking areas which are physically separated from other areas of the Project.

1.2. **Premises:** The building ("Building") located on the Property consisting of approximately 73,970 rentable square feet of space.

1.3. **Intentionally Omitted.**

1.4. **Term:** Ninety-six (96) full calendar months.

1.5. **Commencement and Expiration Dates:**

(a) **Commencement Date:** The date that is the earliest of (i) Substantial Completion of the Improvements (defined in Exhibit B) or (ii) October 1, 2020, subject to Section 3.2.

(b) **Expiration Date:** The last day of the last Lease Year (as defined in Section 3.1).

(c) **Delivery of the Premises:** October 3, 2019.

1.6. **Extension Option Period:** One (1) 60-month extension (see Section 23).

1.7. **Initial Monthly Base Rent:** \$196,021.00 (\$2.65 per sf x 73,970 sf).

1.8. **Rent:** The Base Rent for the first full month of the Term (as defined in Section 3.1), in the amount of \$196,021.00, shall be paid at the time of Tenant's execution of this Lease.

1.9. **Adjustment to Monthly Base Rent:**

<u>Months of Term</u>	<u>Monthly Base Rent</u>
1 - 12	\$196,021.00 (conditionally abated for Months 2-4 [three months] pursuant to Section 22)
13 - 24	\$201,902.00
25 - 36	\$207,959.00
37 - 48	\$214,197.00
49 - 60	\$220,623.00
61 - 72	\$227,242.00
73 - 84	\$234,059.00
85 - 96	\$241,081.00

1.10. **Security Deposit Amount:** \$241,081.00

1.11. **Improvement Allowance:** \$65.00 per rentable square foot of the Premises (subject to the provisions of Exhibit B).

1.12. **Intentionally Omitted.**

1.13. **Permitted Use:** The Premises shall be used and occupied as general offices, and/or professional business purposes for an insurance company, and for no other purpose whatsoever.

- 1.14. **Guarantor(s):** None.
- 1.15. **Broker(s):** Evolution real Estate, Inc., dba Faller Real Estate (Tenant)
C.B. Richard Ellis (Landlord)
- 1.16. **Parking:** All of the parking on the Property.
- 1.17. **Landlord's Address for Notice:** HGF L.P.
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:** Wawanesa General Insurance Company
9050 Friars Road
San Diego, California 92108
Tel: (858) 505-7857
Attention: Legal Department
- 1.19. **Addendum:** Sections: 22 and 23.

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 together with the exclusive right to use all parking areas and other exterior areas of the Property (collectively, the "Exterior Areas"). Except as otherwise provided herein, this Lease is subject to: (i) that certain Declaration Establishing Covenants, Conditions and Restrictions and Grants of Easements for Mission Valley Heights recorded on July 6, 1996 as Document No. 1996-0341915 in the Official Records of the San Diego County Recorder's Office ("Official Records"), as amended by that certain First Amendment to Declaration Establishing Covenants, Conditions and Restrictions and Grants of Easements for Mission Valley Heights recorded on November 24, 1997 in the Official Records as Document No. 1997-0594191, as the same may be amended from time to time (the "Declaration"), and any other matters of record now or hereafter affecting the Premises; and (ii) all Laws (as defined in Section 6.2) affecting the Premises. Notwithstanding the foregoing, no amendments to the Declaration entered into by Landlord after the date of this Lease shall materially increase Tenant's financial obligations or materially decrease Tenant's rights expressly set forth in this Lease.

2.2. **Premises Measurement.** For purposes of this Lease, "rentable square feet" shall mean "gross area" calculated pursuant to the Standard Method for Measuring Floor Area, ANSI/BOMA Z65.3-2018 ("BOMA"). The rentable square feet of the Premises is 73,970 square feet as measured pursuant to BOMA by American Building Calculations, Inc. and shown in a report dated April 25, 2019. The rentable square feet is not subject to change, and Base Rent, Additional Rent, the Improvement Allowance, and any other terms of this Lease dependent upon such measurement shall not be adjusted if rentable square feet is later determined to be more or less than 73,970 square feet.

2.3. **Condition of Premises.** Landlord shall, at Landlord's sole cost and expense, deliver the Premises to Tenant in its presently existing base, core and shell condition (the "Base, Core and Shell") with all mechanical, HVAC, electrical, plumbing, and fire sprinkler and life safety systems in their presently existing condition but in good working order (collectively "Premises Utility Systems"), to Landlord's knowledge free of Hazardous Materials, free and clear of rights of any prior tenant, and with parking areas serving the Building and exterior path of travel on the Property in compliance with ADA (as defined in Section 6.2). Notwithstanding the foregoing, Landlord may continue to work on the Premises Utility Systems to put them in good working order after the delivery date pursuant to Section 3.2. Tenant acknowledges that distribution of the Premises Utility Systems within the Building from the existing components and all other improvements in the Building shall be part of Tenant's Work. If Tenant notifies Landlord within twelve (12) months after the Delivery of the Premises that the Base, Core and Shell and/or the Premises Utility Systems are not in compliance with this Section 2.3, Landlord shall, at Landlord's sole cost and expense and as Tenant's sole remedy therefor, put the Base, Shell and Core and the Premises Utility Systems in compliance with this Section. 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, or (ii) any representation or warranty with respect to the condition of the Premises. Tenant's taking possession of the Premises for construction of its Improvements (defined in Exhibit B) or otherwise shall be deemed acceptance of the Premises by Tenant, subject to the terms and conditions of this Lease.

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 Base Rent and Additional 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 (the "Delivery of the Premises"), the parties shall jointly inspect the Premises to identify any items relating to the Base, Core and Shell and Premises Utility Systems are not in good working order; provided, Landlord may continue to work on the Base, Core and Shell and the Premises Utility Systems to put them in good working order after the delivery date so long as such work does not materially interfere with construction of the Improvements. Landlord shall not be liable for any damage incurred by Tenant as a result of any delay in Delivery of the Premises or work on the Base, Core and Shell and Premises Utility Systems after the Delivery Date and this Lease shall not thereby become void or voidable; provided, if any such delay or work materially delays both (i) completion of the Improvements and (ii) Tenant's occupancy of the Premises, the Commencement Date shall be delayed one (1) day for each day of such delay; provided, further, if any such delay or work materially delays both (i) completion of the Improvements and (ii) Tenant's occupancy of the Premises by more than thirty (30) days Tenant shall receive one additional day of Base Rent abatement for each day of such delay beyond thirty (30) days, which abatement shall commence upon expiration of the abatement period provided for in Section 22 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. 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 three (3) 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 the failure to deliver the certificates of insurance required under this Lease). As used in this Lease, "Landlord Delay" means a delay in the Substantial Completion of the Improvements caused by any of the following: (i) Landlord's failure to comply with any time deadline in Exhibit B; (ii) Landlord's failure to comply with any other requirement of Exhibit B (and if no time period for compliance is specified therein, Landlord shall be deemed to have failed to comply if Landlord fails to comply within three (3) days of Tenant's written request); (iii) the effect of any change orders or other revisions of any items of Tenant's Work requested or necessitated by Landlord; or (iv) any other cause within Landlord's exclusive control that adversely affects the Substantial Completion of the Improvements. Notwithstanding the foregoing, no Tenant Delay or Landlord Delay shall commence unless and until the other party has provided the delaying party with notice of such potential delay and the delaying party has failed to cure such delay within two (2) business days thereafter.

3.5. Memorandum of Commencement Date. Following the Commencement Date, Landlord shall deliver to Tenant two (2) copies of a written "Memorandum of Commencement Date," signed by Landlord, confirming the Delivery Date, the Commencement Date and the Expiration Date. Within ten (10) days after receipt thereof, Tenant shall provide corrections or sign and return one (1) copy of the Memorandum of Commencement Date. Tenant's failure to provide corrections or 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, and upon agreement by Landlord and Tenant with respect to any such corrections, the parties shall promptly sign the Memorandum of Commencement Date. Notwithstanding the terms of Section 19 below, the delivery and return of the Memorandum of Commencement Date may be by electronic transmission.

3.6. Improvement Allowance. Landlord shall provide to Tenant an improvement allowance ("Improvement Allowance") in the amount set forth in Section 1.11 to be disbursed monthly as design and construction progresses for Improvement Allowance Items (defined in Exhibit B) pursuant to the terms and conditions of Exhibit B.

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, 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, all Operating Expenses (as defined in Section 4.2(e)(i)), 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 Operating Expenses with respect to the calendar year in question (the "Estimated Amount").

(b) Commencing on the Commencement Date, 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 actual Operating Expenses exceeds the sum of Tenant's monthly estimated payments for such calendar year, Tenant shall pay the difference to Landlord, within thirty (30) days following receipt of such Statement. If the sum of such monthly estimated payments paid by Tenant exceeds actual Operating Expenses, the difference shall be applied as a credit to future monthly estimated payments of Operating Expenses. The failure of Landlord to timely furnish the Statement or any statement required under Section 4.2(c) for any calendar year shall not prejudice Landlord from enforcing its rights under this Section 4.2; provided, however, Tenant shall not be responsible for any Operating Expenses which were first billed to Tenant more than two (2) calendar year after the calendar year in which Landlord proposes to include them in Operating Expenses, except where the failure to timely furnish the statement as to any particular item includable in the statement is beyond Landlord's reasonable control (e.g. tax assessments that are late in arriving from the assessor), in which case such two (2) year limit shall not be applicable. 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 Operating Expenses at Landlord's offices, provided that Tenant is not then in Default (as defined in Section 15.1) and provided further that Tenant and such employees or 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. 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, a certification as to the proper amount shall be made in accordance with this Lease, at Tenant's expense (except as provided below), by an independent certified public accountant selected 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 show Tenant and the accountant the information upon which the certification is to be based. However, if such certification by the accountant indicates that the Operating Expenses set forth in the statement were overstated by more than five percent (5%), then the cost of the accountant and the cost of such certification shall be paid for by Landlord. Promptly following the parties' 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 certification.

(e) Definitions.

(i) "Operating Expenses" shall mean all actual, necessary and reasonable costs incurred by Landlord in connection with the management, maintenance, repair, restoration or operation of the Premises and the Property, including, without limitation, costs incurred for:

(A) To the extent not performed or paid by Tenant pursuant to Section 7.1(a), the operation, repair and maintenance of (i) 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 Premises; and (ii) the heating, ventilation and air conditioning systems within the Premises ("HVAC").

(B) To the extent not performed or paid for by Tenant pursuant to Section 7.1(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 paid by Landlord.

(F) A property management fee in an amount equal to three percent (3%) of the total Base Rent per annum.

(G) Dues and assessments payable by Landlord, as owner of and with respect to the Property, under the Declaration (if any).

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

(I) The cost of any improvements (i) which are intended to reduce other Operating Expenses (but such costs are only includable to the extent of the actual cost savings expected to be realized), and/or (ii) made to the Premises after the Commencement Date that are required under any Law first applicable to the Premises 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.

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

Notwithstanding anything to the contrary set forth in this Lease, Operating Expenses shall not include the following: (1) any ground or underlying lease rental; (2) debt service or bad debt expenses and interest, principal, points and fees on debts or amortization on any mortgage or other debt instrument encumbering the Property; (3) costs which may be considered capital improvements, capital repairs, capital changes or any other capital costs as determined under Generally Accepted Accounting Practice (GAAP), except (i) as otherwise provided in subsection (e)(i)(1)(ii) above, or (ii) for those that directly reduce other Operating Expenses as defined in subsection (e)(i)(1)(i) above; (4) rentals for items which if purchased, rather than rented, would constitute a capital cost; (5) costs incurred by Landlord to the extent that Landlord is reimbursed by insurance proceeds or is otherwise reimbursed; (6) marketing and advertising costs, including real estate broker or other leasing commissions, attorneys' fees and space planning costs, and other costs and expenses incurred in connection with tenants of other portions of the project of which the Building is a part; (7) costs, including permit, license and inspection costs, incurred with respect to the installation of improvements for future tenants of the Building; (8) costs incurred by Landlord due to the violation by Landlord of the terms and conditions of this Lease or the Declaration; (9) amounts paid to Landlord or to subsidiaries or affiliates of Landlord or its property manager for goods and/or services in the Premises, the Building or the Property to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis; (10) Landlord's and its property manager's general corporate overhead and general and administrative expenses including executive salaries; (11) costs arising from the sole active negligence or willful misconduct of Landlord or its representatives; (12) costs arising from Landlord's charitable or political contributions; (13) costs for acquisition or lease of sculpture, paintings or other objects of art; (14) administrative or management fees, whether payable to Landlord or third parties, except for the management fee set forth above; (15) the costs of all repairs and replacements required to be performed at Landlord's expense under Section 7.4; (16) costs associated with the operation of the business of the entity which constitutes Landlord as the same are distinguished from the costs of operation of the Premises, the Building and the Property, including accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Premises, the Building or the Property, costs incurred in connection with any disputes between Landlord and its employees or its property management company; (17) any costs for reserves, other than Operating Expenses which are collected but not yet expended; (18) costs of any items (including, but not limited to, costs incurred by Landlord for the repair of damage to the Premises, the Building or the Property) to the extent Landlord receives reimbursement from insurance proceeds or from a third party (except that any deductible and self-insured amounts under any insurance policy shall be included within Operating Expenses); (19) any common area or other costs, expenses or association fees in connection with any portion of the Project or surrounding property with the exception of the costs under subsection (e)(1)(G) above with respect to the Property pursuant to the Declaration and costs in connection with the Property; (20) costs incurred in connection with the original construction of the Premises, the Building or the Property; (21) costs of correcting defects in or inadequacy of the initial design or construction of the Premises, the Building or the Property; (22) costs incurred to comply with laws relating to the removal of Hazardous Materials or to remove, remedy, treat or contain any Hazardous Materials except as set forth in this Lease; and (23) any costs expressly excluded from Operating Expenses elsewhere in this Lease.

(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 Premises, which Landlord shall pay during the Term because of or in connection with the ownership, leasing and operation of the Premises and the Property 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 Premises and Property 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. Notwithstanding the foregoing, Tenant shall not be required to pay (i) any municipal, county, state or federal income tax payable by Landlord, or (ii) any inheritance, estate, succession, transfer, franchise, corporation, net income or profit tax or capital levy imposed upon Landlord, (iii) any interest, fine, or penalty for late payment or nonpayment by Landlord of any Real Property Taxes, (iv) all assessments, bonds and fees for public improvements, services, and facilities and impacts thereon, including without limitation arising out of any Community Facilities Districts, "Mello Roos" districts, similar assessment districts, and any traffic impact mitigation assessments or fees, unless and to the extent included in the County of San Diego secured property tax bill, and (v) any assessments, bonds, charges, taxes, rents, fees, rates, levies, excises, license fees, permit fees, inspection fees, impact fees, concurrency fees or other fees or charges to the extent allocable to or caused by the development, redevelopment or installation of on- or off-site improvements or utilities (including without limitation street and intersection improvements, roads, rights of way, lighting and signalization) necessary for the initial construction of the Property or the Project, and redevelopment of the Property or the Project, or any past or future phases thereof, or any past, present or future system development reimbursement schedule or sinking fund related to any of the foregoing, except to the extent any of the foregoing are triggered by the Improvements. Tenant and Landlord shall each have the right to contest the Real Property Taxes in accordance with the procedure established by the applicable taxing authority and each agrees to cooperate with the contesting party and to provide the contesting party all reasonably requested approvals, consents and other documentation to assist in contesting the Real Property Taxes.

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 five percent (5%) 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. Notwithstanding the foregoing, the late charge referenced above shall not be charged with respect to the first occurrence during any Lease Year that Tenant fails to make payment when due, until five (5) days after Landlord delivers written notice of such delinquency to Tenant, which notice may be given by email.

5. SECURITY DEPOSIT. Tenant shall pay to Landlord, concurrent with its execution of this Lease, a security deposit in the amount (or if a security deposit is currently held by Landlord, then any additional amount, as necessary) set forth in Section 1.10 ("Security Deposit"). The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant. If Tenant is in Default under this Lease, Landlord may (but shall not be required to) use all or any part of the Security Deposit for the payment of any amount in Default and/or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of such Default. If any portion of the Security Deposit is so used, Tenant shall, within five (5) days of Landlord's written demand therefor, deposit with Landlord an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a Default under this Lease. Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest thereon. If Tenant shall fully and faithfully perform every provision of this Lease, the Security Deposit or any unused or unapplied balance thereof shall be returned to Tenant within thirty (30) days of the expiration of the Term. Tenant hereby waives the provisions of §1950.7 of the California Civil Code and all other provisions of law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified in this Section 5 above, and all of Landlord's damages under this Lease and California law including, but not limited to, any damages accruing upon or after termination of this Lease under §1951.2 of the California Civil Code and/or those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the acts or omissions of Tenant or any officer, employee, agent, contractor or invitee of Tenant.

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 Premises 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).

6.2. Compliance With Requirements. Except to the extent of Landlord's obligations under this Section 6.2, Section 2.3 and Section 1 of the Exhibit B, 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) all applicable covenants and restrictions of record (including any Declaration) (provided that Tenant shall not be bound by any amendments or modifications to the Declaration until Landlord provides a copy thereof to Tenant), 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, including the Improvements and any Alterations; however, if any structural alterations are required in order to comply with applicable Laws, such structural alterations will be made by Landlord as part of Operating Expenses (with any capital improvements to be amortized over their useful life as set forth in (and only to the extent permitted under) Section 4.2(e)(i)(I)). Within fifteen (15) 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. 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 upon at least forty-eight (48) hours' notice to Tenant, an audit or inspection of the Premises to evaluate Tenant's compliance herewith.

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 intentionally obtains a CASp inspection of the Premises, 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 ten (10) days of Tenant's receipt thereof, (d) Tenant shall keep the CASp's inspection and all information in the CASp's report confidential except as necessary to perform the necessary repairs or to comply with any disclosures required by Law 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 regardless of whether they would otherwise be Landlord's obligation under this Lease, 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 Building, then such repairs will be made by Landlord and Tenant shall reimburse Landlord for the entire cost thereof as part of Operating Expenses (with any capital improvements to be amortized over their useful life as set forth in Section 4.2(e)(I)).

6.3. Rules and Regulations. Tenant shall at all times comply with the rules and regulations for the Premises (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, provided such amended rules and regulations will not unreasonably interfere with Tenant's use of the Premises and the Property.

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 interior, nonstructural portions of the Premises and every part thereof, including, without limitation, all interior improvements (including any Alterations, fixtures, interior surfaces of the exterior walls, interior walls, floors, and ceilings, interior doors, door frames and door checks, and interior cleaning of windows). Tenant shall maintain the HVAC system, including a quarterly preventative maintenance contract for the maintenance of the HVAC system by a contractor approved by Landlord, and shall pay the expenses thereof directly to the vendor. Upon request, Tenant shall furnish a copy of the HVAC maintenance contract and copies of maintenance reports to

Landlord. Landlord may for good cause elect to assume maintenance of the HVAC system, the expense of which would be included in Operating Expenses. If Tenant fails to maintain the HVAC system to Landlord's reasonable satisfaction, which failure is not cured within a reasonable time after receipt of notice of such failure, Landlord may elect to assume maintenance of the HVAC system, the expense of which would be included in Operating Expenses.

(b) Tenant shall, at Tenant's sole cost and expense, contract directly for janitorial service, any security services (in addition to the courtesy patrol provided by Landlord), interior window washing, water, gas and electrical service for the Premises, interior pest control, cable/fiber provider, signage and equipment rental expenses for the Premises.

7.2. Condition on Termination. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in good condition (as to the portion of the Premises required to be maintained by Tenant), ordinary wear and tear and casualty excepted, clean and free of debris. 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 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, shall remain the property of Tenant and shall be removed by Tenant. Tenant shall repair any damage to the Premises 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. In no event shall Tenant be required to remove any improvements including Landlord's Work and the Improvements existing in the Premises as of the Commencement Date.

7.3. Landlord's Rights. If Tenant fails to perform Tenant's obligations under Section 7.1 or 7.2 after applicable notice and cure periods, 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 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, at Landlord's sole cost and expense, keep in good condition and repair the foundations, exterior walls, structural condition of interior bearing walls, and roof of the Building; provided, the cost of normal maintenance and repairs, as distinguished from replacements, shall be included in Operating Expenses; provided further, to the extent such maintenance or repairs are required as a result of any negligence or willful misconduct of Tenant or any of the Tenant Representatives or otherwise made necessary due to Tenant's use or occupancy of the Premises, then Tenant shall pay to Landlord upon demand the costs of such maintenance and repairs, subject to the provisions of Section 10.6. Landlord shall commence and diligently make repairs under this Section within a reasonable time after receipt of written notice from Tenant of the need for such repairs not to exceed thirty (30) days unless the repair cannot reasonably be cured within such thirty (30) day period, in which case Landlord shall commence the repair within such thirty (30) day period and diligently and in good faith pursue the repair to completion. In the event of an emergency (such as a roof leak), Landlord shall immediately take steps to mitigate damage and shall commence repairs as soon as reasonably practical. Landlord shall, subject to inclusion in Operating Expenses, provide exterior electricity and water, trash removal services (subject to Tenant's responsibility to arrange for its own waste removal and recycling), exterior pest control services, and roof maintenance, shall be responsible for maintaining the Premises Utility Systems (including the HVAC system if Landlord elects to maintain the HVAC system) in good working order, and shall keep, or cause to be kept, the Exterior Areas of the Building and the Property in a neat, clean and orderly condition, properly lighted and landscaped, and shall repair any damage to such facilities as an Operating Expense. Such obligations with respect to the Exterior Areas (including the parking facilities) shall include, but not be limited to, general maintenance and ordinary repairs, resurfacing, painting, restriping, cleaning, and sweeping; planting and landscaping; lighting and other utilities including any underground utility lines; repair and maintenance of directional signs and other markers and bumpers; exterior building painting; exterior doors, door frames and door checks; windows (including exterior window washing) and plate glass; and all maintenance obligations with respect to the Property as may be required under the Declaration. Notwithstanding anything to the contrary contained in this Lease, Landlord shall, at all times and as an Operating Expense, be responsible for placing and keeping the Exterior Areas of the Building and the Property and all Premises Utility Systems (including, but not limited to, fire, safety, security, etc., but excluding HVAC if maintained by Tenant) compliant with all applicable Laws to the extent required by this Lease. In addition, Landlord shall use reasonable efforts to cause the Association to maintain any Common Maintenance Areas and Improvements (as such terms are defined in the Declaration) located on the Premises.

7.5. Waiver. Except as expressly set forth below, 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. Notwithstanding any provision set forth in this Article 7 to the contrary, if Tenant provides written notice to Landlord of an event or circumstance which requires the action of Landlord pursuant to the terms of this Lease and which if not performed will materially and adversely prevent Tenant from operating the Permitted Use from the Premises and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the receipt of such notice (but in any event not later than thirty (30)

days after receipt of such notice, unless such repair would normally take longer (and Landlord has commenced said repair work within said thirty (30) day period)), then provided that Tenant's performance of such repair or maintenance will not void any applicable warranties covering such repair or maintenance, Tenant may proceed to take the required action upon delivery of an additional ten (10) Business Days' notice to Landlord (which additional notice must clearly specify that Tenant is taking such required action), and if such action was required under the terms of this Lease to be taken by Landlord and was not taken or commenced by Landlord within such ten (10) Business Day period, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's actual reasonable costs in taking such action. In the event Tenant takes such action, and such work will affect the Building's systems and equipment or the structural integrity of the Building, Tenant shall use only those contractors used by Landlord in the Building for work on such systems and equipment or structural components unless such contractors are unwilling or unable to perform, or timely perform, such work, in which event Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in similar projects in the area in which the Premises is located. Within thirty (30) days after receipt of a reasonably particularized invoice from Tenant of its costs of taking action which Tenant claims should have been taken by Landlord, Landlord shall reimburse Tenant the amount set forth in such invoice. If, however, Landlord delivers to Tenant within thirty (30) days after receipt of Tenant's invoice, a written objection to the payment of such invoice, setting forth with reasonable particularity Landlord's reasons for its claim that such action did not have to be taken by Landlord pursuant to the terms of this Lease or that the charges are excessive (in which case Landlord shall pay the amount it contends would not have been excessive), then Tenant shall not be entitled to such reimbursement, but Tenant may proceed to claim a default by Landlord under this Lease. Tenant agrees to indemnify and hold Landlord harmless from any injury, damage, claim or cause of action which results from Tenant's performance of such repairs or maintenance.

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 (except with respect to Alterations to the structural portions of the Building or the portions of the Premises outside of the Building, in which case Landlord may withhold consent in its sole but good faith discretion), conditioned or delayed. 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. Notwithstanding anything to the contrary contained herein, Tenant may make (a) cosmetic changes to the Premises, including without limitation repairs/replacement of paint and carpet (the "Cosmetic Alterations") and (b) other alterations not exceeding \$50,000.00 in any twelve (12) month period (the "Permitted Alterations"), without Landlord's consent, provided that such alterations do not (i) require any structural modifications to the Premises, (ii) require any changes to, nor adversely affect, the base Building systems and equipment, (iii) affect the exterior appearance of the Building, or (iv) require a building permit. Tenant shall give Landlord at least fifteen (15) days prior notice of such Cosmetic Alterations and Permitted Alterations, which notice shall be accompanied by reasonably adequate evidence that such changes meet the criteria contained in this Section 7.6(a).

(b) Except with respect to Cosmetic Alterations and Permitted Alterations, 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; provided, however, a contractor of Landlord's selection shall perform all work affecting the structural elements of the Building or the Building's roof at Tenant's cost. 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) and any exterior or other improvements required by the building permit, 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.

(c) 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.

(d) Tenant covenants and agrees not to suffer or permit any lien of mechanics or materialmen to be placed against 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 twenty (20) 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 immediately be due and payable by Tenant 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 Premises to a bond, thereby freeing the Premises from any claim of lien.

(e) All Alterations shall be at the sole cost of Tenant and shall remain upon and be surrendered with the Premises at the expiration of the Lease term; however, Landlord may, by written notice to Tenant within five (5) business days after Tenant submits plans and specifications for such Alterations to Landlord as required herein, require Tenant at Tenant's expense to remove any such Alterations or fixtures and/or the Improvements, if any, constructed pursuant to Exhibit B.

(f) Tenant shall be entitled to install, at Tenant's sole cost and expense, a separate security system for the Premises ("Security System") as an Alteration or as a part of the initial improvements being constructed by Tenant; provided, however, that the plans and specifications for any such system shall be subject to Landlord's reasonable approval, and the installation of such system shall otherwise be subject to the terms and conditions of this Section 7.6. Tenant shall at all times provide Landlord with a contact person who can disarm the Security System and who is familiar with the functions of the alarm system in the event of a malfunction.

(g) Tenant shall be entitled to install, as an initial Improvement or as an Alteration, additional dedicated heating, ventilation and air conditioning units ("Supplemental Units") within the Premises at Tenant's sole cost and expense (or as a charge against the Improvement Allowance). The plans and specifications for any Supplemental Units shall, as indicated in this Section 7.6 above, be subject to Landlord's reasonable approval. Tenant shall be responsible for maintenance and repair of the Supplemental Units and such units shall be considered to be Tenant's property and Tenant may elect to remove such Supplemental Units upon the expiration or earlier termination of this Lease, if the Supplemental Units were not paid for from the Improvement Allowance, provided Tenant repairs any damage to the Premises caused by such removal.

(h) Tenant shall be entitled to install, as an initial Improvement or as an Alteration, a standalone backup generator serving the Premises ("Tenant Generator") at a location within the Exterior Areas mutually agreed upon by Tenant and Landlord in reasonably close proximity to the Premises electrical panel, which Tenant Generator will be installed, maintained and repaired at Tenant's sole cost and expense. The plans and specifications for any Tenant Generator, including the means of installation and connection to the Premises electrical panel, shall be subject to Landlord's reasonable approval. Tenant shall be responsible for maintenance and repair of the Tenant Generator and such generator shall be considered to be Tenant's property and Tenant may elect to remove such Tenant Generator upon the expiration or earlier termination of this Lease, and shall remove such Tenant Generator if required by Landlord, and shall repair any damage to the Project caused by such removal. Tenant will maintain any permits required for Tenant's Generator and will only run such generator during periods of power outage or testing.

(i) Tenant shall have the right, at Tenant's sole cost, to reasonably access and use the Building's (i) roof to install, repair and maintain upon the Building's roof telecommunication devices, such as satellite dishes and antennae or other similar devices in location(s) mutually agreed upon by Tenant and Landlord, for the purpose of receiving and sending radio, television, computer, telephone or other communications signals in connection with conducting Tenant's operations at the Premises, and (ii) internal passageways, shafts, utility connections, risers and conduits in order to connect such telecommunication devices to the Premises. Tenant shall advise Landlord at least ten (10) days in advance of the planned installation of such devices. Tenant will be responsible for any damage to the Building caused by installing, maintaining, repairing, replacing or removing such devices. Landlord represents the Premises currently have connection to AT&T fiber optics and Cox cable lines are located in the adjacent streets but would require connection to the Building.

8. TAXES.

8.1. Real Property Taxes. Landlord shall pay all Real Property Taxes prior to delinquency, subject to inclusion in Operating Expenses.

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 ten (10) days after receipt of Landlord's invoice therefor.

9. UTILITIES.

9.1. **Tenant's Responsibility.** 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. Except as set forth in Section 9.2 below, Tenant agrees that Landlord shall not be liable for any damages incurred by Tenant, by abatement of Rent or otherwise, 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.

9.2. **Abatement.** 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 affected portion of the Premises, and (ii) such event is caused by or arises out of the negligence or willful misconduct of Landlord, its agents, employees or contractors. 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 and Operating Expenses 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 affected portion of the Premises, in the proportion that the rentable square feet of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square feet 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 and Operating Expenses 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 and Operating Expenses allocable to such reoccupied portion, based on the proportion that the rentable square feet of such reoccupied portion of the Premises bears to the total rentable square feet 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 and Operating Expenses. The term "Eligibility Period" shall mean a period of three (3) consecutive business days after Landlord's receipt of the applicable Abatement Notice. Such right to abate Base Rent and Operating Expenses shall be Tenant's sole remedies for an Abatement Event. 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 the Property (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 Property 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 and Property. Any 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; provided, however, such increases shall not occur more than once every twenty-four (24) months and provided such amounts are reasonably consistent

with what is being requested by landlords in other comparable buildings in the vicinity of the Project. 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 Premises or the Property, 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 and \$3,000,000 general aggregate 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 full replacement cost (exclusive of the cost of excavations, foundations and footings) of the Premises, including the Building and Improvements therein and any other improvements located on the Property, 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; provided such insurance is reasonably consistent with what is being carried by landlords in other comparable buildings in the vicinity of the Project and shall meet any insurance requirements under the Declaration. Landlord shall furnish Tenant with a certificate evidencing such coverage required in this Section 10.3 and in Section 10.2 above in a form reasonably acceptable to Tenant prior to the Insurance Start Date.

(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 Premises or Building 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 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 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; provided, however, and such additional insurance or increases to amounts thereof shall not occur more than once every twenty-four (24) months and provided such insurance and amounts are reasonably consistent with what is being requested by landlords in other comparable buildings in the vicinity of the Project. Tenant and Landlord shall have no right to self-insure for any of the insurance required under this Section 10 without the other party's consent, which may be withheld in other party's sole but good faith discretion. Nothing in this Section 10, including a failure to request or provide a certificate of insurance, shall operate as Landlord's or Tenant's waiver of any of the insurance requirements set forth in this Section, relieve Tenant or Landlord of the obligation to carry the insurance required under this Section, or limit Tenant's or Landlord's indemnity obligations set forth in this Lease.

10.6. Waiver of Subrogation. 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, 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.

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 or Landlord's Representative's negligence or willful misconduct (subject to the provisions of Section 10.6 above) and except as set forth in Section 9(a) 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 or Property, 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. Except for damage or injury resulting from Landlord's or Landlord's Representative's negligence or willful misconduct (subject to the provisions of Section 10.6 above) and except as set forth in Section 9, 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 and Property arising from any cause, and Tenant hereby waives all claims in respect thereof against Landlord.

11.2. Tenant'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 Landlord or any of Landlord's Representatives, 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 or Property, (ii) Tenant's or Tenant's Representatives' (as defined in Section 11.3 below) use of the Premises or Property, 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, (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 negligent 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 written 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 negligence or willful misconduct of Landlord or any of Landlord's Representatives; 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, upon written notice from Tenant and 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, the parking areas of the Property or access thereto 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 and Improvements therein and any other improvements located on the Property to substantially the same condition as existed prior to the damage, except such restoration shall also include (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 Premises deemed desirable by Landlord or Tenant and reasonably approved by the other party (provided the party requesting such modification, or Landlord in the case any Mortgagee or the lessor of a ground or underlying lease requires such modification, shall be solely responsible for the cost thereof to the extent the cost is not covered by insurance proceeds).

12.2. Landlord's Option to Terminate. Notwithstanding the terms of Section 12.1 of this Lease, if all or material portions of the Premises, the parking areas of the Property and access thereto are damaged by fire or other casualty, Landlord may elect not to restore the Premises and instead terminate this Lease if one or more of the following conditions is present: (i) Landlord's contractor estimates that repairs cannot reasonably be completed within three hundred sixty five (365) days after the date of such damage or one hundred eighty (180) days after issuance of permits for the repairs (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 Premises 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; provided, however, Landlord shall be prohibited from terminating this Lease pursuant to the foregoing if (a) Landlord has not maintained the insurance it is required to carry pursuant to this Lease at the time of the occurrence of the casualty, or (b) Tenant elects

(by written notice delivered to Landlord within thirty (30) days after receipt of Landlord's election to terminate) to pay the cost of any damage not covered by insurance proceeds; or (iii) 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 indicating the condition above for such election and if the condition is pursuant to (iii) above then Landlord's notice shall include its contractor's estimate of the cost of any damage not covered by insurance proceeds, which termination shall be effective sixty (60) days after the date of such notice, subject to Section 12.2(iii) above. Notwithstanding the foregoing, if Landlord does not elect to terminate the lease pursuant to this Section 12.2, then Landlord shall deliver written notice to Tenant within sixty (60) days after the casualty with Landlord's contractor's estimate of the period to repair, reconstruct and restore the damage, and if Landlord's contractor estimates that as a result of such damage, Tenant cannot be given reasonable use of and access to the Premises, parking areas of the Property and access thereto within one hundred eighty (180) days after the date of such damage (or after obtaining permits for such work if permits are required), or if such casualty occurs in the last twelve (12) months of the Term, then Tenant may terminate this Lease effective upon delivery of written notice to Landlord within thirty (30) days after Landlord delivers notice to Tenant of Landlord's contractor's estimate.

12.3. Abatement of Rent. In the event Landlord restores the Premises pursuant to the provisions of this Section 12, the Base Rent and 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. Except for abatement of Base Rent and Operating Expenses, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

12.4. 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, 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.

13. CONDEMNATION.

13.1. Taking. If the whole or any material part of the Premises 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 one hundred eighty (180) 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 square footage of the Building is taken, or if access to the Building 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. Landlord shall be entitled to receive the entire award or payment in connection with such taking. Without limiting the foregoing, so long as such award does not diminish the award available to Landlord or its Mortgagee, and such award is payable separately to Tenant, Tenant shall have the right to any award which compensates Tenant for (i) Tenant's personal property, tenant fixtures or tenant improvements so taken, (ii) Tenant's status as a "displaced person" pursuant to California Government Code §7262, and (iii) any loss of goodwill as the owner of a business pursuant to California Code of Civil Procedure and §1265.510. If any part of the Building shall be taken, and this Lease is not terminated, then Base Rent and any other amount due hereunder based upon the square footage of the Building shall be proportionately reduced, effective as of the date of such taking and Landlord shall restore the portions of the Building and the Property not taken using Landlord's award.

13.2. Waiver. This Section 13 is in lieu of, and Tenant hereby expressly waives any rights it may have under, any statute governing the condemnation of the Premises, including §1932 and §1933 of the California Civil Code, §1265.130 of the California Code of Civil Procedure, and/or any successor laws.

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. Notwithstanding the foregoing, Tenant may sublet all or a portion of the Premises or assign this Lease (i) to an entity that is controlled by, controls, or is under common control with Tenant without Landlord's consent, (ii) to any entity resulting from the merger, consolidation or other reorganization with Tenant, whether or not Tenant is the surviving entity, or (iii) to any person or legal entity which acquires all or substantially all of the assets or stock of Tenant (each of the foregoing is hereinafter referred to as a "Tenant Affiliate"); provided, (i) prior to any such subletting or assignment Tenant provides to Landlord notice of the subletting or assignment and the information described in subsections (i) through (vi) of Section 14.2, (ii) there will be no change in the Permitted Use, and (iii) Tenant acknowledges it remains primarily obligated under this lease pursuant to Section 14.5. For purposes of this paragraph, a public or private offering of Tenant stock shall be deemed a transfer to a Tenant Affiliate and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management, affairs and policies of anyone, whether through the ownership of voting securities, by contract or otherwise.

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 ten (10) days after receipt of the Review Fee and Transfer Notice with all of the foregoing information, Landlord shall respond by either granting or refusing its consent to the proposed assignment or sublease.

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, fifty percent (50%) of 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, after first deducting the reasonable costs of procuring such sublease or assignment, including the cost of tenant improvements, commissions, legal fees, free rent and other concessions incident to the sublease or assignment, 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.

14.8. Occupancy by Others. Notwithstanding any contrary provision of this Lease, Tenant shall have the right, without Landlord's consent, to permit occupancy of the Premises by an employee of an affiliate of Tenant and/or by any individual(s) or entity(ies) with an ongoing business relationship with Tenant, on and subject to the following conditions: (i) each individual or entity shall use the Premises for the Permitted Use; (ii) no individual or entity shall occupy a separately demised portion of the Premises; (iii) such occupancy shall not be a subterfuge by Tenant to avoid its obligations under this Lease or the restrictions on Transfers pursuant to this Section 14; (iv) all such occupants in the aggregate shall not occupy more than ten percent (10%) of the rentable square feet of the Premises; (v) no such occupant pays Tenant consideration in the nature of rent for such occupancy, and (vi) all such occupants shall be considered Tenant Representatives under this lease for insurance and other purposes. Tenant shall supply Landlord with a then-current list of all occupants each time such an occupancy commences or terminates. Any occupancy permitted under this Section 14.8 shall not be deemed an assignment, sublease or other transfer under this Section 14. Notwithstanding the foregoing, no such occupancy shall relieve Tenant from any liability under this Lease.

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 three (3) 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 thirty (30) days after notice has been given to Tenant. If, however, the failure cannot reasonably be cured within such thirty (30) day period, Tenant shall not be in Default if Tenant commences to cure the failure within such thirty (30) 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. Any notice required under Section 15.1 shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure §1161 or any successor law.

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) 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) the worth at the time of the award of the amount by which unpaid rent for the balance of the Term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; 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. The phrase "worth at the time of the award" as used in clauses (i) and (ii) above is to be computed by allowing interest (the "Interest Rate") at the rate of five percent (5%) per annum, but not to exceed the then legal rate of interest. The same phrase as used in clause (iii) above is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent (1%).

(b) Landlord may exercise 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 Landlord does not terminate this Lease pursuant to Section 15.3(a) above.

(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. Interest. Any amount owed to Landlord under the terms and provisions of this Lease which is not paid when due shall bear interest at the Interest Rate from the date the same becomes due and payable by the terms and provisions of this Lease until paid, unless otherwise specifically provided in this Lease.

15.5. Mitigation. Upon repossessing the Premises, Landlord shall use reasonable efforts to mitigate damages and relet the Premises at market rental rates. 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 pursuant to applicable laws.

15.7. Recapturable Expenses. Tenant acknowledges that Landlord has undertaken or may undertake certain expenses in connection with the Lease, including the payment of brokerage commissions and the cost of any Landlord's Work ("Recapturable Expenses"). Notwithstanding any provision or implication to the contrary in this Lease, in the event Landlord terminates this Lease pursuant to Section 15.3(a) above, there shall be immediately due and payable from Tenant (as unpaid Additional Rent earned, but due at the time of such Default), the unamortized portion of the Recapturable Expenses actually incurred by Landlord, with amortization calculated on a straight line basis utilizing an amortization schedule equal to the number of months in the Term and commencing as of the Commencement Date. Any Recapturable Expenses due to Landlord pursuant to this Section shall be in addition to any sums otherwise recoverable pursuant to Section 15.3(a) of this Lease and Tenant's obligation to pay such Recapturable Expenses shall survive the termination of this Lease.

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 ("Default"). 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: (i) 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 or abatement rights are specifically provided to Tenant in this Lease; and (ii) Tenant shall have no right to terminate this Lease, except to the extent termination rights are specifically provided to Tenant in this Lease. Landlord will not be liable for any consequential damages or lost profits suffered by Tenant as a result of such default.

Notwithstanding the foregoing, the failure of Landlord to cure a Default of Landlord within the applicable notice and cure periods set forth in this Lease shall be an Abatement Event and the provisions of Section 9.2 shall thereafter apply to such Default. Furthermore, if Landlord has not cured a Default of Landlord within one hundred eighty (180) days after the applicable notice and cure periods set forth in this Lease, and if the Default prevents Tenant from performing any business operations from the Premises, then Tenant may give Landlord a notice specifying the Default and containing the following phrase (or substantially similar to the following phrase) on page 1 of the notice in all capital letters and 12-point boldface type (or it shall not be deemed validly given): "YOUR FAILURE TO COMMENCE THE CURE OF THE DEFAULT SET FORTH IN THIS NOTICE WITHIN TEN (10) BUSINESS DAYS SHALL ENTITLE THE UNDERSIGNED TO TERMINATE THE LEASE." If Landlord fails to commence to cure such Default within such ten (10) Business Day period, Tenant may terminate this Lease by giving Landlord written notice thereof at any time prior to the commencement of such cure.

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. 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 upon delivery of the default notice to Mortgagee. 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 Premises (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. Landlord represents that there is no current Mortgagee with respect to the Property.

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 except as expressly set forth in this Lease, attorn to and recognize the Mortgagee or such purchaser ("New Owner") as Tenant's landlord for the

remaining term of this Lease; and (iv) the New Owner shall not be bound by (a) any payment of rent for more than one month in advance, (b) any amendment, modification or ending of this Lease without the New Owner's consent after the New Owner's name is given to Tenant, unless the amendment, modification or ending is specifically authorized by this Lease (or any pre-existing amendment thereof) and does not require Landlord's prior agreement or consent, or (c) any liability for any act or omission of a prior Landlord. 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 and Tenant shall retain rights to any extension option.

17.3. Estoppel Certificate. Tenant or Landlord shall execute and deliver to the other party or the other party's designee, within ten (10) days after receipt of the requesting party'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 Additional Rent and the date to which Base Rent and Additional Rent have been paid in advance; (iii) the amount of any Security Deposit; (iv) that, to the requesting party's actual knowledge, the other party is not in default hereunder or, if the other party is claimed to be in default, stating the nature of any claimed default; and (v) such other matters as may be reasonably requested. Landlord and, any purchaser, assignee or Mortgagee may rely upon any such statement requested by Landlord, and Tenant and any lender, assignee or subtenant may rely upon any such statement requested by Tenant.

17.4. Remedies. Failure of the Tenant or Landlord to provide corrections and/or sign and deliver any statement or instrument delivered to Tenant to effectuate the provisions of this Section 17 within ten (10) days after request to do so by the requesting party, which continues for five (5) days after an additional written notice from the requesting party, shall constitute an acknowledgment by Tenant or Landlord, as applicable, that statements included in the estoppel certificate are true and correct.

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 ten (10) 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 as may be typically used in connection with the Tenant Generator 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 Premises by Tenant and/or Tenant's Representatives in violation of any Hazardous Materials Laws. 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 immediately notify Landlord in writing of any of the following which Tenant receives written notice of with respect to the Property: (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 five (5) 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 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, to the extent permitted by applicable Law, 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 may contain asbestos-containing materials ("ACM"); provided, Landlord has no actual knowledge of any ACM in, on, under or about the Premises, and has provided to Tenant a copy of the Client Limited Asbestos Survey Report for Demolition/Renovation prepared by MTGL, Inc., dated June 28, 2019.

18.3. Indemnity. With respect to Tenant's use and occupancy of the Premises, 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, related to, arising from or caused in whole or in part, directly or indirectly, by (i) the presence in, on, under or about the Premises, or discharge in or from the Premises, of any Hazardous Materials in violation of any Hazardous Materials Laws caused or contributed by Tenant during the Term of this Lease; (ii) the use, generation, manufacture, production, storage, release, transportation, disposal, release, discharge or generation of Hazardous Materials in violation of any Hazardous Materials Laws to, in, on, under, about or from the Premises caused or contributed to by Tenant; or (iii) Tenant's failure to comply with any Hazardous Materials Law. Landlord represents that, to Landlord's actual knowledge, no release, leak, discharge, spill, disposal or emission of Hazardous Materials in excess of legally permissible levels has occurred in, on or about the Property, the Building or the Premises, and that the Property, the Building and the Premises shall be free of Hazardous Materials in excess of legally permissible levels as of the Delivery Date. If the Property, the Building and the Premises are not delivered free of Hazardous Materials, then Landlord shall be responsible at Landlord's sole cost and expense to remediate any such Hazardous Materials. Landlord shall handle Hazardous Materials at the Property, the Building and the Premises in accordance with Hazardous Materials Laws. Landlord shall indemnify, defend, protect and hold Tenant harmless from and against any and all Losses (including, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Materials present in the soil or ground water on or under the Property, the Building or the Premises, as well as sums paid in settlement of claims, reasonable attorneys' fees, consultant fees and expert fees) arising from (a) any Hazardous Materials that exist at the Property, the Building or the Premises as of the Delivery Date, (b) Landlord's negligence or willful misconduct with respect to the handling of Hazardous Materials at the Property, the Building or the Premises, or (c) Landlord's breach of its warranty provided in this Section 18.3. Nothing in this Section 18 is intended, or will be construed to impose any liability on Tenant for any Hazardous Materials which were not brought onto the Property, the Building or the Premises by Tenant or Tenant Representatives. Tenant's and Landlord's obligations hereunder with respect to their indemnity obligations herein 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 the Property, (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 or indirectly, by any operations, work, or other acts or omissions of Tenant, including any Improvements and Alterations, or Landlord, including any Landlord's Work, 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 and any acts or omission of Landlord and/or Landlord's Representatives or others acting for or on behalf of Landlord (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Landlord.

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.

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 or email 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 addressee 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 have the exclusive right to place signage at the Premises and Property, which signage may be the maximum signage permitted by Laws and the Declaration and may be in Tenant's brand name and colors, including (i) exterior signage on one or multiple sides of the Building, and (ii) monument signage in one or multiple locations at the Property (collectively, "Tenant's Signage"). Tenant's Signage shall be at locations mutually agreed upon by Tenant and Landlord and shall comply with Landlord's signage criteria attached hereto as Exhibit D and the Declaration for the Building and the Project and the City of San Diego codes. Tenant shall pay for all costs relating to the design, installation, permitting, maintenance and removal of Tenant's Signage (the costs for installation of which may be paid for out of the Improvement Allowance). Tenant shall not place or permit to be placed, any other exterior 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. Notwithstanding the forgoing, the monument signage serving the project maintained under the Declaration is not exclusive to Tenant but shall be shared by Tenant pursuant to the Declaration.

20.2. **Parking.** In connection with the Permitted Use, Tenant shall have the exclusive right to park in the parking areas of the Premises, at no additional charge during the Term including any extension terms, subject to compliance with Landlord's reasonable rules and regulations therefor (including those set forth in Exhibit C). 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.

20.3. **Easements.** Landlord reserves the right, from time to time, at no cost to Tenant, 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, materially increase Tenant's financial obligations or materially decrease Tenant's rights expressly set forth in this Lease. Landlord shall provide written notice to Tenant in advance of any granting of the same and an opportunity to make reasonable modifications with respect to the location of the same or to otherwise reduce interference with Tenant's normal conduct of its business on the Premises. Upon request of Tenant, Landlord shall, at no cost to Landlord, grant such reasonable easements and license rights as may be necessary with respect to any utilities or services provided to the Premises (such as for cable or fiber service) for which Tenant is responsible for contracting with providers, subject to Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed.

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 Premises 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 Premises. 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, assumes all risk in connection therewith and waives any and all claims for damages to persons or property sustained by Tenant, or by any other person or entity, arising from, out of or in connection therewith. Any courtesy patrols provided by Landlord shall not diminish Tenant's assumption of liability under this section.

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 without any notice or demand and any requirement for any such notice to quit or vacate is hereby expressly waived. However, notwithstanding the forgoing, upon no less than ninety (90) days' prior written notice to Landlord, Tenant may hold over after the expiration of the Term by up to two (2) months upon and subject to the same terms, conditions and provisions of this Lease, except that the Base Rent payable during the hold over period shall be equal to 150% of the Base Rent due for the month immediately prior to the expiration of the Lease. If Tenant holds over after the expiration of such two-month period without the consent of Landlord, such holding over shall be deemed a tenancy at sufferance upon and subject to the same terms, conditions and provisions of this Lease, except that Base Rent payable during such holdover period shall be equal to 150% of the Base Rent due for the month immediately prior to the expiration of the Lease, and Tenant shall be liable to Landlord for any and all direct damages incurred by Landlord as a result of Tenant's failure to vacate and surrender possession of the Premises and any consequential

damages provided that Landlord provides notice to Tenant of the nature and estimated amount of such consequential damages prior to the expiration of the initial two-month holdover period.

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 of at least twenty-four (24) hours 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 (within the last twelve (12) months of the Term), lenders or purchasers. Notwithstanding the foregoing, no notice shall be required for any entry in the event of an emergency or for Landlord to cure any Default by Tenant or to take possession due to a Default in the manner provided in Section 15 of this Lease. 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. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby, except if caused by the active negligence or willful misconduct of Landlord or Landlord's Representatives.

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 Premises (which request shall not be made more often than one (1) time in any calendar year, except in connection with a financing or sale), 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 Premises 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).

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

20.11. Keys. Ten (10) master keys to the Premises will be furnished by Landlord. Additional keys will be furnished upon Tenant paying Landlord the cost thereof with no mark-up. Except with respect to Tenant's Security System installed pursuant to Section 7.6 (f) above, 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. Intentionally Omitted.

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 Premises and the Property (including any rental, sale or financing proceeds therefrom) 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 or Tenant be liable to the other party for any indirect, consequential, or punitive damages, including, without limitation, any damages based on lost profits, except pursuant to Section 20.6 with respect to hold over by Tenant.

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 Premises and in this Lease and, in the event of such transfer, Landlord shall automatically be released from all remaining liability under this Lease first arising from and after the date of this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder from and after the date of transfer, provided that such transferee has assumed such obligations in writing. Landlord shall promptly notify Tenant of the date of such transfer and provide the transferee's contact information. The term "Landlord" as used in this Lease, shall mean only the owner of the Premises 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 or Tenant for any failure to perform by the other party 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 or Tenant 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 or Tenant unless such waiver is in writing signed by Landlord or Tenant, respectively.

21.6. Independent Covenants. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent, and Tenant hereby expressly waives the benefit of any statute to the contrary. 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 Landlord's obligation to pay the Improvement Allowance, or any other amount payable under this Lease, nor shall such events affect the length of the Term.

21.9. Consents. With respect to any provision of this Lease which either provides or is held to provide that Landlord shall not unreasonably withhold or unreasonably delay any consent or approval, Tenant shall not be entitled to make any claim for, and Tenant hereby expressly waives, any claim for damages, it being understood and agreed that Tenant's sole remedy therefor shall be an action for injunctive relief, declaratory relief or specific performance.

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

21.12. Recording. Tenant shall not record this Lease without the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, upon the request of Tenant, Landlord shall at Tenant's expense promptly execute a memorandum of lease in a recordable form reasonably acceptable to Landlord and Tenant, and Tenant shall have the right to record the same in the real property records of the county in which the Property is located. Upon the expiration or within ten (10) days after the earlier termination of this Lease, Tenant shall execute and deliver a release of such memorandum in recordable form and content reasonably acceptable to Landlord. The provisions of this Section 21.12 shall survive expiration or any earlier termination of this Lease.

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. 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. Effectiveness. This Lease shall not be effective or binding on Landlord or Tenant until this Lease is fully executed and delivered by Tenant and Landlord.

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.

21.27. Intentionally Omitted. 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	Premises Site Plan
Exhibit A-1	Legal Description of the Property
Exhibit B	Condition of Premises
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:

HGF L.P., a California limited partnership

Date: 10/3/2019

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

DocuSigned by:
Jeff Diltz
By: Jeffrey R. Diltz
Senior Director, Commercial

DocuSigned by:
Bill Hooper
By: William G. Hooper
Commercial FLO Portfolio Leader

Tenant:

WAWANESA GENERAL INSURANCE COMPANY,
a California corporation

Date: 10/3/2019

DocuSigned by:
Chris Henn
By: Chris Henn
Chris Henn, President

DocuSigned by:
Larry Smith
By: Larry Smith
Larry Smith, Chief Financial Officer

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. CONDITIONAL ABATEMENT OF MONTHLY BASE RENT. Subject to the satisfaction of the condition precedent set forth below, the obligation of Tenant to pay monthly Base Rent pursuant to Section 4.1 of the Lease shall be conditionally abated for the second (2nd) through fourth (4th) full calendar months of the Term in the amount of \$196,021.00 per month on the terms and conditions set forth below. The conditional 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 which remains uncured as of the first date of the abatement period.

(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.

23. 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:

23.1. 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 fifteen (15) months and not later than twelve (12) months prior to the end of the Term;

(b) Tenant and/or a Tenant Affiliate shall be in occupancy of at least seventy five percent (75%) 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.

23.2 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 with market tenant improvements and concessions ("**Option Rent**") as reasonably determined by Landlord for new leases for comparable space, including in size, location, quality and age, in the Mission Valley area.

23.3 Tenant may provide a nonbinding written interest notice not less than thirteen (13) months and no more than sixteen (16) months prior to the expiration date of the Term ("**Interest Notice**"). Landlord shall notify Tenant in writing regarding the determination of the Option Rent made by Landlord pursuant to Section 23.2 within ten (10) days after Landlord's receipt of the Interest Notice, or if no Interest Notice was sent by Tenant, within ten (10) days after Landlord's receipt of Tenant's election to exercise the Extension Option. If Tenant has sent an Interest Notice and Landlord has provided its determination of the Option Rent, and if Tenant exercises the Extension Option as provided herein, Tenant shall indicate in its exercise notice whether or not Tenant agrees with or rejects Landlord's determination of the Option Rent. If Tenant does not send an Interest Notice, and if Tenant exercises the Extension Option, Tenant shall notify Landlord within ten (10) days after receipt of Landlord's determination as to whether or not Tenant agrees with or rejects Landlord's determination of the Option Rent. In the event Tenant rejects Landlord's determination, then Landlord and Tenant shall attempt to agree in good faith upon the Option Rent. If Landlord and Tenant fail to reach agreement within twenty (20) days following Tenant's delivery of its rejection notice (the "**Outside Agreement Date**"), then each party shall make a separate determination of the Option Rent, within five (5) business days after the Outside Agreement Date, concurrently exchange such determinations and such determinations shall be submitted to arbitration in accordance with Sections 23.3(a) through 23.3(9) below.

(a) Landlord and Tenant shall each appoint one arbitrator who shall by profession be a real estate broker who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of commercial properties in the Mission Valley area. The determination of the arbitrators shall be limited solely to the determination of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual market rate, taking into account the requirements of this Section 23; provided (i.e., the arbitrators may only select Landlord's or Tenant's determination of Option Rent and shall not be entitled to make a compromise determination). Each such arbitrator shall be appointed within fifteen (15) business days after the applicable Outside Agreement Date.

(b) The two (2) arbitrators so appointed shall within five (5) days of the date of the appointment of the last appointed arbitrator agree upon and appoint a third arbitrator who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) arbitrators.

(c) The three (3) arbitrators shall within five (5) days of the appointment of the third arbitrator reach a decision as to whether Landlord's or Tenant's submitted Option Rent is the closest to the actual market rent and shall notify Landlord and Tenant thereof.

(d) The decision of the majority of the three (3) arbitrators shall be binding upon Landlord and Tenant.

(e) If either Landlord or Tenant fails to appoint an arbitrator within fifteen (15) business days after the applicable Outside Agreement Date, the arbitrator appointed by one of them shall reach a decision, notify Landlord and Tenant thereof, and such arbitrator's decision shall be binding upon Landlord and Tenant.

(f) If the two (2) arbitrators fail to agree upon and appoint a third arbitrator, or both parties fail to appoint an arbitrator, then any previously appointed arbitrator shall be dismissed and the Option Rent to be decided shall be forthwith submitted to arbitration under the provisions of the American Arbitration Association, but subject to the instruction set forth in subsection (c) above.

(g) Each party shall each pay for the cost of the arbitrator appointed by such party and the cost of the third (3rd) arbitrator (or the arbitration pursuant to subsection (f) above) shall be paid by Landlord and Tenant equally.

23.4 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.

Landlord:

Date: 10/3/2019

HGF L.P., a California limited partnership

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

DocuSigned by:
Jeff Diltz
By: Jeffrey R. Diltz
Senior Director, Commercial

DocuSigned by:
Bill Hooper
By: William G. Hooper
Commercial FLO Portfolio Leader

Tenant:

Date: 10/3/2019

WAWANESA GENERAL INSURANCE COMPANY,
a California corporation

DocuSigned by:
Chris Henn
By: Chris Henn, President

DocuSigned by:
Larry Smith
By: Larry Smith, Chief Financial Officer

EXHIBIT A

PREMISES SITE PLAN

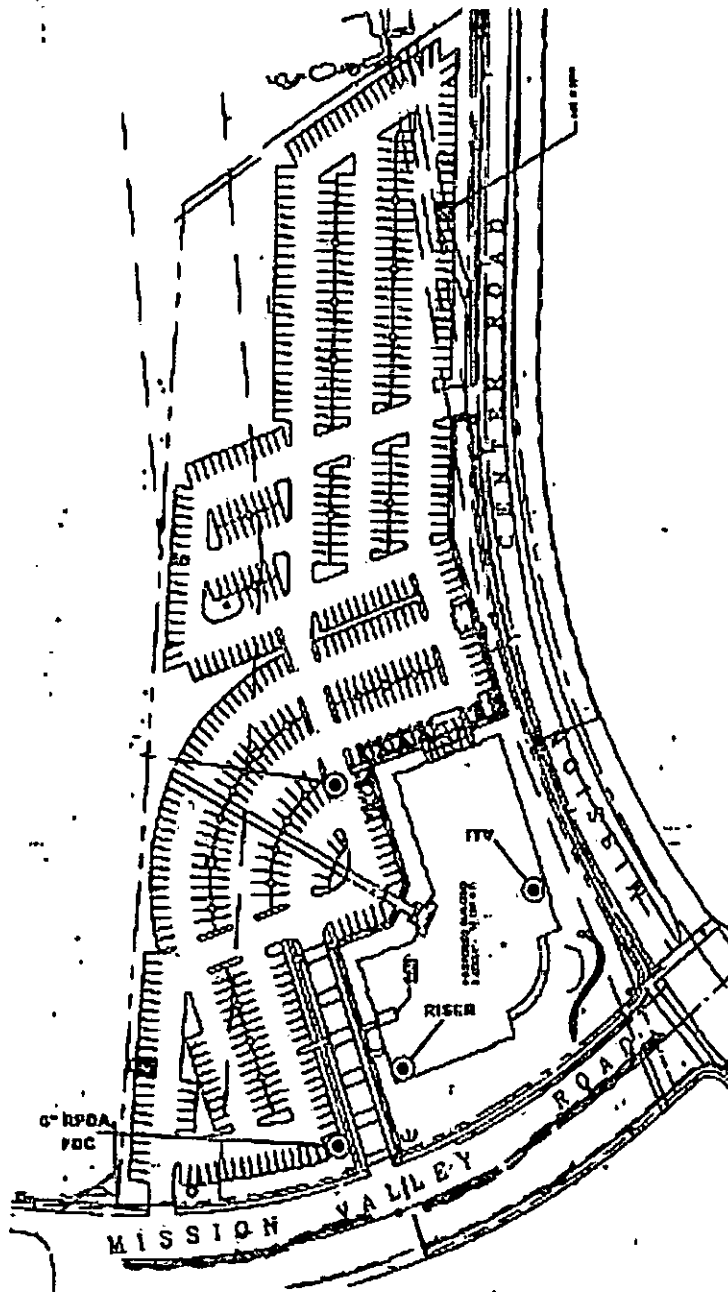


EXHIBIT B**TENANT WORK LETTER
(Tenant Constructs)**

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 - LANDLORD'S WORK

Landlord will provide, at its sole cost and expense, upon Delivery of the Premises as described in Section 3.2 of this Lease, the Premises, Building and Property in the presently existing condition as described below:

- (a) The base, core and shell of the Premises as set forth in Section 2.3 of this Lease (the "Base, Shell and Core").
- (b) The Premises Utility Systems as set forth in Section 2.3 of this Lease.
- (c) Demolition and removal of all existing improvements except those components that have been discussed and left for the Tenant's benefit, including but not limited to:
 - a. Emergency exit stairways including ceiling, lights, flooring, handrails, walls and doors.
 - b. Certain framing and rough plumbing for restrooms from previous improvements.
 - c. Main building lobby walls, soffits, and lighting, and main staircase leading from lobby to second floor including flooring and railing.
 - d. IDF rooms throughout the space containing alarm equipment, MPOE equipment and other core building functions.
 - e. Certain electrical panels for secondary electrical distribution and conduits.
- (d) The parking area and any related access on the Property along with egress or ingress on the Property to the Building shall comply with all local codes, ordinances, laws including but not limited to the Americans with Disabilities Act ("ADA") for standard office occupancy as of execution of this Lease.
- (e) Any life safety and life support systems required by code based on the current condition of the Building as of the execution of this Lease.
- (f) Landlord shall replace and install new HVAC units on the roof, consistent with the capacity of the existing HVAC units, and leave in place the main distribution supply air duct on first and second floors. In addition, Landlord shall leave in place existing VAV boxes in their present condition for Tenant's benefit.
- (g) The Building's main fire sprinkler system shall be delivered as part of the Base, Shell and Core;
- (h) The floors of the Building shall be delivered flat and level consistent with industry standards with existing holes and damaged areas repaired and patched in a commercially reasonable manner. Tenant shall notify Landlord within sixty (60) days of Delivery of the Premises of any existing conditions of the floors that need to be addressed by Landlord.

SECTION 2 - IMPROVEMENTS

2.1 Improvement Allowance. Tenant shall be entitled to a tenant improvement allowance ("Improvement Allowance") up to the amount set forth in Section 1.11 of this Lease for the costs relating to the initial design and construction of tenant improvements that are permanently affixed to the Premises ("Improvements"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Improvement Allowance nor shall Tenant be entitled to any credit for any unused portion of the Improvement Allowance. The Improvements shall be deemed Landlord's property under this Lease.

2.2 Use of Improvement Allowance. Except as otherwise set forth in this Tenant Work Letter, the Improvement Allowance shall be disbursed by Landlord as provided below for costs incurred by Tenant related to the design and construction of the Improvements, including without limitation for the following items and costs (collectively, the "Improvement Allowance Items"): (a) payment of the fees of the Architect and the Engineers, as those terms are defined in Section 3.1 of this Tenant Work Letter; (b) the payment of plan check and processing, permit and license fees relating to construction of the Improvements; (c) the cost of any changes in the Base, Shell and Core when such changes are required by the Construction Drawings or are otherwise required by law as a result of the construction of the Improvements, such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith; (d) the cost of any changes to the Construction Drawings or Improvements required by applicable building code or any other governmental law or regulation (collectively, "Code"); (e) construction of the Improvements; (f) sales and use taxes and Title 24 fees; (g) Tenant's project and construction manager fees; and (h) the Landlord Coordination Fee, as that term is defined in Section 4.3 of this Tenant Work Letter. Notwithstanding the foregoing or anything to the contrary herein, any costs in (c), (d), and (f) which relate to Landlord's obligations to deliver the Premises in the condition set forth in Sections 3.2 and 2.3 of the Lease shall not be included in the Improvement Allowance Items but shall be paid for at Landlord's sole cost and expense. In no event shall more than \$10.00 per rentable square foot of the Premises of the Improvement Allowance be used in the aggregate for Tenant's Architect and Engineer fees (including without limitation, the cost of performing a test fit in the amount of \$0.15 per rentable square foot of the Premises), Tenant's project and construction management fees, licenses fees, and permits, and no part of the Improvement Allowance may be used for furniture, furnishings, equipment, cabling or wiring, unless any equipment or technology (other than telecom wiring) will become permanently affixed to the Premises. It is the intent of the parties that the remaining portion of the Improvement Allowance be used for improvements which become permanently affixed to the Premises. Tenant shall not be charged for hoists, elevators and access to loading docks, or utilities during construction of the Improvement, installation of furniture fixtures and equipment and move into the Premises.

2.3 Disbursement of Improvement Allowance. Subject to the provisions of this Tenant Work Letter, Landlord will disburse to Tenant, after payment of the Landlord Coordination Fee, by monthly payments to Tenant the monthly payment due to Tenant's Contractor, in an amount equal to the lesser of (i) the actual cost of the Improvement Allowance Items multiplied by a fraction, the numerator of which is the Tenant Improvement Allowance and the denominator of which is the total budget for the Improvements, including the Final Costs described in Section 4.4 of this Tenant Work Letter, and (ii) ninety percent (90%) of the Improvement Allowance, payable within thirty (30) days following receipt of: (a) a request for payment, (b) partial lien waivers from all persons performing work or supplying or fabricating materials for such portion of the Improvements, (c) copies of all invoices and proof of payment of same, (d) the Architect's certification that the portion of the Improvements for which reimbursement has been requested has been completed, and (e) proof that Tenant has paid that portion of the actual cost of the Improvement Allowance Items funded by prior payments of the Improvement Allowance to Tenant multiplied by a fraction, the numerator of which is the portion of the total budget for the Improvements to be paid by Tenant and the denominator of which is the total budget for the Improvements. Landlord shall pay to Tenant the final ten percent (10%) retention within thirty (30) days following the completion of construction of the Improvements, provided that (a) Tenant delivers to Landlord evidence, reasonably acceptable to Landlord, of the lien-free completion of the Improvements and a copy of Tenant's recorded, valid "Notice of Completion," together with evidence that Tenant has delivered written notice, in accordance with California Civil Code Section 3259.5, of the recordation of the Notice of Completion to Tenant's general contractor and any other person or entity that provided Landlord or Tenant with a preliminary 20-day notice, (b) the Architect delivers to Landlord a certificate, in a form reasonably acceptable to Landlord, certifying that the construction of the Improvements in the Premises has been substantially completed in accordance with the Approved Working Drawings, and (c) Tenant obtains from the City of San Diego a certificate of occupancy or equivalent "right to occupy" the Premises.

SECTION 3 - CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Tenant shall retain an architect/space planner (the "Architect") which will be an architect/space planner selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld by Landlord, to prepare the Construction Drawings, as that term is defined in this Section 3.1. Tenant shall retain engineering consultants ("Engineers") which will be engineering consultants selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld by Landlord, to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, life-safety, and sprinkler work in the Premises. The plans and drawings to be prepared by the Architect and the Engineers hereunder, including the Final Working Drawings and the Approved Working Drawings, are sometimes collectively referred to in this Tenant Work Letter as the "Construction Drawings."

3.2 Final Space Plan. Tenant and the Architect shall prepare the final space plan for Improvements in the Premises (the "Final Space Plan") and shall deliver the Final Space Plan to Landlord for Landlord's approval, which shall not be unreasonably withheld, conditioned or delayed. Landlord shall notify Tenant whether it approves of the Final Space Plan within five (5) business days after Tenant's submission thereof; however, if Landlord does not provide such approval or disapproval within such five (5) business day period, Tenant may so notify Landlord in writing and if Landlord again does not approve or disapprove such plans and specifications within five (5) business days after Landlord's receipt of such notice, Landlord shall be deemed to have approved such Final Space Plan. If Landlord disapproves the Final Space Plan, then Landlord shall notify Tenant thereof specifying in reasonable detail the reasons for

such disapproval, in which case Tenant shall, within five (5) business days after such notice (or as soon thereafter as reasonably possible), revise the Final Space Plan to address Landlord's objections and re-submit the Final Space Plan to Landlord for its review and approval. Landlord shall notify Tenant in writing whether it approves of the resubmitted Final Space Plan within three (3) business days after its receipt thereof. This process shall be repeated until the Final Space Plan has been finally approved by Landlord and Tenant.

3.3 Final Working Drawings. Tenant, the Architect and/or the Engineers shall compile a fully coordinated set of architectural, mechanical, electrical and structural drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to Landlord for Landlord's approval. Landlord shall notify Tenant whether it approves of the Final Working Drawings within ten (10) business days after Tenant's submission thereof; however, if Landlord does not provide such approval or disapproval within such ten (10) business day period, Tenant may so notify Landlord in writing and if Landlord again does not approve or disapprove such plans and specifications within ten (10) business days after Landlord's receipt of such notice, Landlord shall be deemed to have approved such Final Working Drawings. If Landlord disapproves the Final Working Drawings, then Landlord shall notify Tenant thereof specifying in reasonable detail the reasons for such disapproval, in which case Tenant shall, within ten (10) business days after such notice (or as soon thereafter as reasonably possible), revise the drawings to address Landlord's objections and re-submit the drawings to Landlord for its review and approval. Landlord shall notify Tenant in writing whether it approves of the resubmitted Final Working Drawings within five (5) business days after its receipt thereof. This process shall be repeated until the Final Working Drawings have been finally approved by Landlord and Tenant. Landlord's approval of the Final Working Drawings shall not be unreasonably withheld, delayed or conditioned unless the work would create a "Design Problem" in which event Landlord may withhold its approval in its sole but good faith discretion. As used herein a "Design Problem" is defined and will be deemed to exist if any portion of such work (a) will adversely affect the ongoing building systems within the Premises, or (b) will fail to comply in any material respect with Laws and/or the Declaration.

3.4 No Landlord Liability. Landlord's review of the Construction Drawings as set forth in this Section 3 shall not imply Landlord's review the same, nor obligate Landlord to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings.

3.5 Permits. The Final Working Drawings shall be approved by Landlord as set forth in Section 3.3 above ("Approved Working Drawings") prior to the commencement of the construction of the Improvements. Tenant shall cause the Architect to immediately submit the Approved Working Drawings to the appropriate municipal authorities for all applicable building permits necessary to allow Contractor, as that term is defined in Section 4.1, below, to commence and fully complete the construction of the Improvements (the "Permits"). No material changes, modifications or alterations in the Approved Working Drawings may be made by Landlord or Tenant without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 4 - CONSTRUCTION OF THE IMPROVEMENTS

4.1 Contractor. A general contractor shall be retained by Tenant to construct the Improvements. Such general contractor ("Contractor") shall be selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld or delayed.

4.2 Tenant's Agents. All subcontractors used by Tenant ("Tenant's Agents") must be approved by Landlord, which approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Landlord shall have the right to designate the subcontractors to be utilized by Tenant for any mechanical, electrical, plumbing, life-safety, sprinkler, structural and air-balancing work, provided such subcontractors have competitive rates.

4.3 Construction of Improvements by Contractor. Tenant shall independently retain, in accordance with Section 4.1 above, the Contractor to construct the Improvements in accordance with the Approved Working Drawings. Tenant shall pay a logistical coordination fee (the "Landlord Coordination Fee") to Landlord in an amount equal to one percent (1%) of the hard costs of construction of the Improvements (i.e., the cost required to be paid by Tenant for construction of the Improvements under the construction contract and general conditions between the Tenant and the Contractor).

4.4 Construction Contract; Cost Budget. Prior to Tenant's execution of the construction contract and general conditions with Contractor (the "Contract"), Tenant shall submit the name of the proposed contractor to Landlord for its approval, which approval shall not be unreasonably withheld or delayed, and shall submit the Contract to Landlord for its review and any comments, which shall be provided to Tenant within five (5) days of receipt of the Contract. Prior to the commencement of construction of the Improvements, and after Tenant has accepted all bids for the Improvements, Tenant shall provide Landlord with a written detailed cost breakdown, by trade, of the final costs to be incurred, or which have been incurred, in connection with the design and construction of the Improvements to be performed by or at the

direction of Tenant or the Contractor which costs form a basis for the amount of the Contract (the "Final Costs").

4.5 Inspection by Landlord. Landlord shall have the right to inspect the Improvements at all times during construction, provided however, that Landlord's inspection of the Improvements or failure to inspect the Improvements shall not constitute Landlord's approval of the same. Landlord shall notify Tenant in writing of any defects in the Improvements or material deviations from the Approved Working Drawings which have a material adverse effect on the Building and which were not approved by Landlord, which shall be rectified by Tenant.

4.6 Progress. Tenant shall, upon Landlord's request, keep Landlord reasonably informed regarding the progress of the preparation of Construction Drawings and the construction of the Improvements. Landlord and/or its agents shall have the right to attend meetings with the Architect and Contractor regarding such progress.

4.7 Guaranties and Warranties. All guaranties and warranties provided by Tenant's Agents shall inure to the benefit of both Tenant and Landlord, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment (on a non-exclusive basis) or other assurances which may be necessary to affect such right of direct enforcement, provided such assignment or assurances do not materially interfere with Tenant's right to enforce any such guaranty or warranty.

4.8 Insurance Requirements.

4.8.1 General Coverages. Tenant shall cause all of Tenant's Agents to agree in their contract with Tenant to carry (i) worker's compensation insurance covering all of their respective employees, and (ii) 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.

4.8.2 Special Coverages. Tenant (or the Contractor) shall carry "Builder's All Risk" insurance in an amount reasonably approved by Landlord covering the construction of the Improvements, and such other insurance as Landlord may reasonably require. Tenant shall also require the Architect and the Engineers to agree in their contract with Tenant to carry professional liability insurance or errors and omissions insurance (as applicable). Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord.

4.8.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.4.3 shall be delivered to Landlord before the commencement of construction of the Improvements and before the Contractor's equipment is moved onto the site. In the event that the Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense.

4.9 Substantial Completion. The term "Substantial Completion" as used in Section 1.5(a) of this Lease shall mean shall mean (i) 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 or under the supervision of Contractor, and (ii) a certificate of occupancy or equivalent "right to occupy" has been obtained for the Premises; provided, in no event shall "Substantial Completion" be later than the date Tenant commences business in the Premises, except that the October 1, 2020 outside Commencement Date will be postponed on a day-for-day basis for each day of Landlord Delay or Force Majeure Delays (as such terms are defined in the Lease), other than a concurrent delay, which delays Substantial Completion beyond October 1, 2020.

4.10 Notice of Completion; Copy of "As Built" Plans. Within fifteen (15) days after completion of construction of the Tenant Improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County in which the Building is located in accordance with Section 8182 of the Civil Code of the State of California or any successor statute and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of the Lease, (C) to deliver to Landlord two (2) sets of sepia of such as-built drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (D) to deliver to Landlord a computer disk containing the Approved Working Drawings in AutoCAD format, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises.

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. With respect to base building walls (versus interior walls installed by Tenant as part of the Improvements), 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 by marking, nailing, drilling or otherwise defacing.

C. The Premises is a non-smoking facility; provided, however, an area outside of the Building may be designated for smoking in a location mutually agreed upon by Tenant and Landlord. 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 by reason of any noise, odors and/or vibrations.

D. Intentionally Omitted.

E. Tenant and Tenant's Representatives shall not bring into nor keep within the Premises any animal or bird, however; this rule does not apply to dogs trained to assist individuals with a disability. 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, causing damage to the Premises, creating safety issues, or in any such other circumstances as Landlord deems reasonable.

F. Intentionally Omitted.

G. Landlord may limit weight, size and position of all safes, fixtures and other heavy equipment (versus typical office 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, if necessary. All damage done to the Premises 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 Premises 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 Premises.

K. Tenant shall not install any form of window covering (except for typical office blinds or shades) or ventilators or similar devices visible from the outside of the Building 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, which shall not be unreasonably withheld, conditioned or delayed. 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 portion of the Premises.

EXHIBIT D

SIGNAGE CRITERIA

EXHIBIT D

SIGNAGE CRITERIA

Approved: 7/16/98
Gene Lathrop
Master Sign Plan
PID 84-0281
3 of 3
Applicant's Copy

MISSION VALLEY HEIGHTS
SIGN PLAN

6/29/98

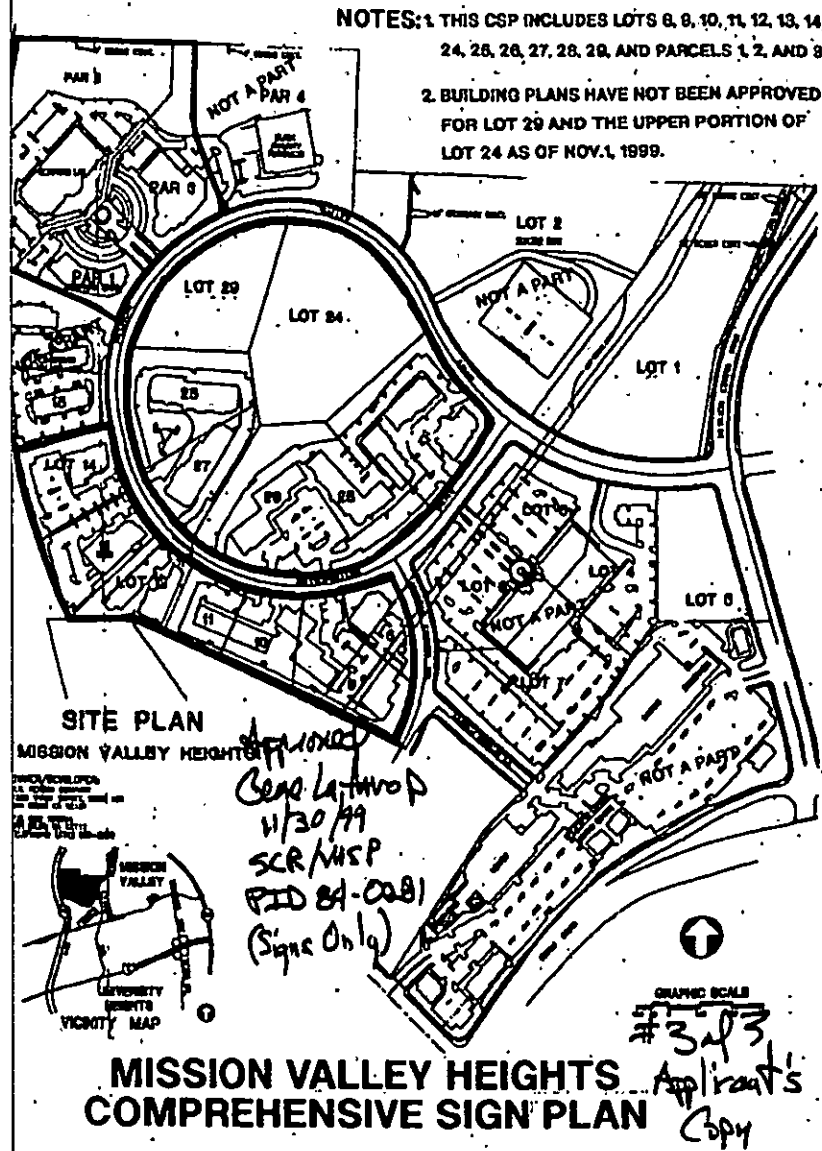
PREPARED BY



GRAPHIC SOLUTIONS
22222 22222 22222 22222
22222 22222 22222 22222

Approved
GBL
11/30/99
Includes all
attached pages
dated 7/16/98
84-0281

D-1



**MISSION VALLEY HEIGHTS
COMPREHENSIVE SIGN PACKAGE**

Sign Type	Location	Quantity	Maximum Letter Height	Copy Area Maximum Sign Face Area	Height Restriction
Major/Single Tenant Signs A. Wall Signs (multi-story: 3 or more)	Primary Exposure	1 per major anchor tenant	36"	50 S.F. Copy Area Street Frontage x 1 S.F. 250 S.F. max.	2 Stories or 40 feet above fin. flr. max.
A1 Wall Signs (multi-story: 3 or more)	Secondary Exposure	1 per major anchor tenant	24"	30 S.F. Copy Area Street Frontage x 1 S.F. 250 S.F. max.	2 Stories or 40 feet above fin. flr. max.
TENANTS ARE ENCOURAGED TO USE A LOGO ON THEIR SECONDARY EXPOSURE. A LOGO MAY HAVE A MAX. HEIGHT OF 48". ANY USE OF A NAME IN FULL OR PART MAY NOT BE CONSIDERED A LOGO.					
B- Wall Signs (Single/Two Story)	Primary Exposure	1 per major anchor tenant	24"	50 S.F. Copy Area Street Frontage x 1 S.F. 250 S.F. max.	2 Stories or 40 feet above fin. flr. max.
B1- Wall Signs (Single/Two Story)	Secondary Exposure	1 per major anchor tenant	24"	30 S.F. Copy Area Street Frontage x 1 S.F. 250 S.F. max.	2 Stories or 40 feet above fin. flr. max.
PLEASE NOTE: FOR HIGHRISE BUILDINGS (THREE STORIES OR MORE), SIGN PLAN SUBMITTAL WILL SHOW LOCATION OF SIGN AT TOP OF BUILDING. THIS LOCATION WILL BE REVIEWED BY THE DESIGN REVIEW COMMITTEE AND THE CITY OF SAN DIEGO PLANNING DEPARTMENT. ALL OTHER WALL SIGNS SHALL BE LOCATED NO HIGHER THAN 40 FEET ABOVE FINISHED FLOOR. NOTE: SIGN TYPES A AND B MAY NOT BE USED IN COMBINATION WITH MULTI-TENANT "F" SIGNS					
Multi-tenant signs C. Inset sign plaque	Parking lot exposure	Max. 6, Min. 2 tenants per sign. Max. 4 signs per building	3"	5 S.F. Sign Face	

D-2

GBL
7/16/18
81-0281

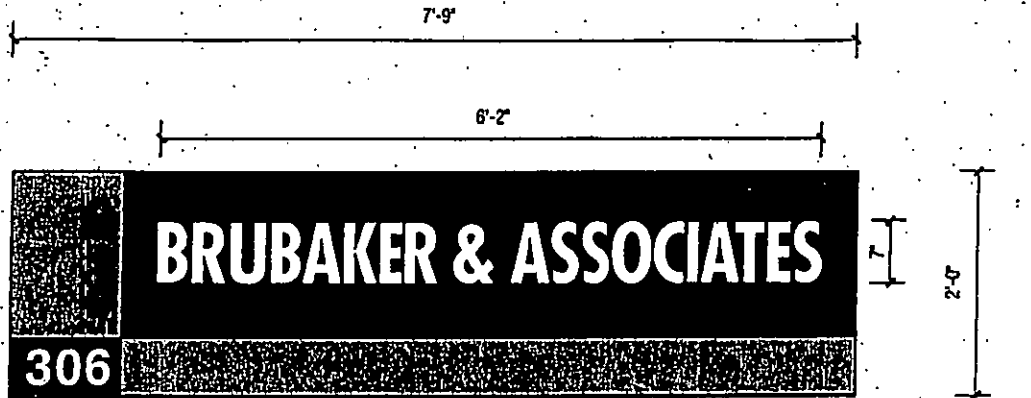
Sign Type	Location	Quantity	Maximum Letter Height	Copy Area Maximum Sign Face Area	Height Restriction
D. Lot Directional Sign NOTE: MAY NOT BE ORIENTED TO PUBLIC RIGHT OF WAY	Parking lot exposure	Max. 6 tenants per sign. Max. 2 signs per building	3"	10 S.F. Sign Face	
E. Rear delivery sign plaques	delivery area		3"	5 S.F. Sign Face	
F. Multi-tenant Building Tenant Identification Wall Sign NOTE: MAY NOT BE USED IN COMBINATION WITH SINGLE-TENANT "A" OR "B" SIGNS.	Within PID boundary	(1) per tenant	7"	3.5 S.F. Copy area 15.5 sq. ft. Sign Area	Ground Floor, per exhibit

NOTES :

- PRIMARY FRONTAGE EXPOSURES SHALL BE ONTO MISSION CENTER ROAD, MISSION VALLEY ROAD, METROPOLITAN DRIVE, MURRAY CANYON ROAD.
- SECONDARY EXPOSURES SHALL BE ONTO STATE ROUTE 163, AND MISSION CENTER ROAD.
- TENANT ALLOWED TO USE LOGO AND VARIED LETTERING TYPE EXCEPT IN SECONDARY EXPOSURES AS NOTED ABOVE.
- SIGNS TO BE ORIENTED TO PRIMARY AND SECONDARY ROADWAYS SO AS TO MINIMIZE EXPOSURE TO RESIDENCES TO NORTH OF SITE.
- SEE DETAILS AND NOTES FOR MATERIALS.

D-3

67
7/16/18
84-0281



SCALE: 3/4" = 1'-0"

CABINET - 1/8" WELDED ALUMINUM
METALLIC ACRYLIC URETHANE PAINT FINISH
COLORS TO MATCH ESTABLISHED
PALETTE WITH OWNER APPROVAL.
LETTERS - WHITE VINYL
NON ILLUMINATED.
MOUNTING BRACKET BY FABRICATOR.



MISSION VALLEY HEIGHTS - TYPICAL TENANT I.D. SIGN / MULTI-TENANT BUILDING
SCALE: 1" = 10'-0"

SIGN TYPE F

GBL
7/16/18
84-0281

D-14

13

EXHIBIT E

ENVIRONMENTAL QUESTIONNAIRE



SAN DIEGO REGIONAL HAZARDOUS MATERIALS QUESTIONNAIRE

OFFICE USE ONLY	
RECORD ID #	
PLAN CHECK #	
BP DATE	1 / 1

Business Name WAWANESA GENERAL INSURANCE	Business Contact William R Taylor	Telephone # 858-974-5335
Project Address 7650 MISSION VALLEY ROAD, SAN DIEGO, CA 92108	City SAN DIEGO	State CA
Mailing Address 9050 FAIRFAX ROAD, SAN DIEGO, CA 92108	City SAN DIEGO	State CA
Project Contact Bill Taylor	Applicant E-mail BILL.TAYLOR@WAWANESA.COM	Telephone # 858-974-5335

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 | 9. Water Reactives | 13. Corrosives |
| 2. Compressed Gases | 6. Oxidizers | 10. Cryogenics | 14. Other Health Hazards |
| 3. Flammable/Combustible Liquids | 7. Pyrophorics | 11. Highly Toxic or Toxic Materials | 15. None of These |
| 4. Flammable Solids | 8. Unstable Reactives | 12. Radioactives | |

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 (619) 595-6700 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 / /
1. ☐	☐	Is your business listed on the reverse side of this form? (check all that apply).		
2. ☐	☐	Will your business dispose of Hazardous Substances or Medical Waste in any amount? - WAWANESA WASTE		
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?		
4. ☐	☐	Will your business store or handle carcinogens/reproductive toxins in any quantity?		
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).		
				☐ CalARP Required
				Date / /
				☐ CalARP Complete
				Date / /

PART III: SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT (APCD): Any YES answer requires a stamp from APCD 10124 Old Grove Road, San Diego, CA 92131. (619) 595-6700. (No stamp required if Q1 Yes and Q3 Yes and Q4-Q6 No). The following questions are intended to identify the majority of air pollution issues at the planning stage. Projects may require additional measures not identified by these questions. For comprehensive requirements contact APCD. Residences are typically exempt, except - those with more than one building on the property; single buildings with more than four dwelling units; townhomes; condos; mixed-commercial use; deliberate burns; residences forming part of a larger project. (Excludes garages & small outbuildings)

- | | | | |
|-----------------------------|--------------------------|-----------------------------|---|
| YES | NO | 1. ☐ | Will the project disturb 100 square feet or more of existing building materials? |
| 2. ☐ | ☐ | 2. ☐ | Will any load supporting structural members be removed? Notification may be required 10 working days prior to commencing demolition. |
| 3. ☐ | ☐ | 3. ☐ | (ANSWER ONLY IF QUESTION 1 OR 2 IS YES) Has an asbestos survey been performed by a Certified Asbestos Consultant or Site Surveillance Technician? |
| 4. ☐ | ☐ | 4. ☐ | (ANSWER ONLY IF QUESTION 3 IS YES) Based on the survey results, will the project disturb any asbestos containing material? Notification may be required 10 working days prior to commencing asbestos removal. |
| 5. ☐ | ☐ | 5. ☐ | Will the project or associated construction equipment emit air contaminants? See the reverse side of this form or APCD facilities (www.sdcapcd.org/info/tech/terms.cfm) for typical equipment requiring an APCD permit. |
| 6. ☐ | ☐ | 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: GENERAL INSURANCE OFFICE	Briefly describe proposed project: TENANT IMPROVEMENT
I declare under penalty of perjury that to the best of my knowledge and belief the foregoing made herein is true and correct. William R Taylor	Signature of Owner or Authorized Agent William R Taylor
Name of Owner or Authorized Agent	Date 09/24/2019

FIRE DEPARTMENT OCCUPANCY CLASSIFICATION:	FOR OFFICIAL USE ONLY:
BY:	DATE: 1 / 1

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.

**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/Repairing
- ☐ Machine Shop
- ☐ Painting
- ☐ Radiator Shop
- ☐ Rental Yard Equipment
- ☐ Repair/Preventive Maintenance
- ☐ Spray Booth
- ☐ Transportation Services
- ☐ Wrecking/Recycling

CHEMICAL HANDLING

- ☐ Agricultural Supply/Distributor
- ☐ Chemical Manufacturer
- ☐ Chemical Supplier/Distributor
- ☐ Coating/Adhesives
- ☐ 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 Supply/Maintenance
- ☐ Printing/Color Printing
- ☐ Resin Coatings
- ☐ Swimming Pool
- ☐ Toxic Gas Handler
- ☐ Toxic Gas Manufacturer

METAL WORKING

- ☐ Anodizing
- ☐ Chemical Milling/Etching
- ☐ Finish-Coating/Painting
- ☐ Flame Spraying
- ☐ Foundry
- ☐ Machine Shop-Drilling/Lathe/Grinding
- ☐ Metal Plating
- ☐ Metal Preparing/Chemical Coating
- ☐ Precision Metal Recovery
- ☐ Sand Blasting/Grinding
- ☐ Steel Fabricator
- ☐ Wrought Iron Manufacturing

AEROSPACE

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

MISCELLANEOUS

- ☐ Asphalt Plant
- ☐ Biotechnology/Research
- ☐ Cannabis-related
- ☐ Manufacturing ☐ Dispensary ☐ Other
- ☐ Co-Generation Plant
- ☐ Dental Clinic/Office
- ☐ Dialysis Center
- ☐ Emergency Generator
- ☐ Frozen Food Processing Facility
- ☐ Hazardous Waste Handler
- ☐ Hospital/Clinical/Research Home
- ☐ Laboratory/Biological Lab
- ☐ Medical Clinic/Office
- ☐ Nitrogen Oxide (NOx) Control System
- ☐ Pharmaceuticals
- ☐ Public Utility
- ☐ Refrigeration System
- ☐ Rock Quarry
- ☐ Ship Repair/Construction
- ☐ Telecommunications Cell Site
- ☐ Veterinary Clinic/Hospital
- ☐ Wood/Furniture Manufacturing/Refinishing
- ☐ Brewery/Winery/Distillery

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 (354) 505-6860.

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 Scrubbers
- 52 - Acid Chemical Milling
- 53 - Cars & Cans Manufacturing
- 44 - Evaporators, Dryers & Silos Processing Organic Materials
- 54 - Dry Chemical Mixing & Detergent Spray Towers
- 35 - Bulk Dry Chemical Storage
- 55 - Chromate Electroplating Tanks

COATINGS & ORGANIC SOLVENTS

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

METALS

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

**ORGANIC COMPOUND MARKETING
(CAROLINE, ETC.)**

- 25 - Gasoline & Alcohol Bulk Plants & Terminals
- 25 - Intermediate Refiners
- 28 - Gasoline & Alcohol Fuel Dispensing

COMBUSTION

- 34 - Piston Internal - Combustion Engines
- 13 - Bunkers & Hoppers (1 million BTU/hr or larger)
- 14 - Incinerators & Crocksteries
- 15 - Burn Out Ovens
- 18 - Core Ovens
- 20 - Gas Turbines, and Turbine Test Cells & Stands
- 48 - Lenzell another Digestor Gas Flares

ELECTRONICS

- 20 - Automated Soldering
- 42 - Electronic Component Mfg

FOOD

- 17 - Fish Canneries
- 12 - Smoke Houses
- 50 - Coffee Roasters
- 35 - Bulk Flour & Processed Sugar Storage

SOLVENT USE

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

ROCK AND MINERAL

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

OTHER

- 01 - Abrasive Blasting Equipment
- 03 - Asphalt Roofing Kettles & Towers
- 45 - Reverse Chromate Membrane Mfg
- 51 - Aerosol Waste Neutralization
- 11 - Tire Buffers
- 17 - Brake Degreasers
- 23 - Bulk Grain & Dry Chemical Transfer & Storage
- 45 - Rubber Mixers
- 21 - Waste Disposal & Remediation Units
- 38 - Grinding Booths & Rooms
- 40 - Asphalt Pavement Haulers
- 43 - Car Wash Chip Casting
- 41 - Particle Processing
- 40 - Coating Towers - Registration Only
- 51 - Fertilization Operations
- 50 - WWTP (1 million gallons 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 (354) 505-2800.

HMD-1/11 (REV)

County of San Diego - DEM - Hazardous Materials Division

EXHIBIT F

GUARANTY

[INTENTIONALLY OMITTED]

RESOLUTION NUMBER R- 315543DATE OF FINAL PASSAGE MAY 29 2024

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO DETERMINING THAT APPROVAL OF THAT CERTAIN SUBLEASE BETWEEN WAWANESA GENERAL INSURANCE COMPANY, INC., AND THE CITY OF SAN DIEGO RELATED TO OFFICE SPACE AT 7650 MISSION VALLEY ROAD IS CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT UNDER TITLE 14 CALIFORNIA CODE OF REGULATIONS SECTION 15301.

WHEREAS, the City of San Diego (City) is considering approval of that certain Sublease between Wawanesa General Insurance Company, Inc., a California corporation, and the City related to office space at 7650 Mission Valley Road, San Diego, California (Sublease); and

WHEREAS, the California Environmental Quality Act (CEQA), California Public Resources Code (Code) sections 21000-21189.3, provides in Code section 21083 that the California Office of Planning and Research shall promulgate, and the Secretary of the California Natural Resources Agency shall adopt, guidelines for implementation of CEQA; and

WHEREAS, the California Office of Planning and Research promulgated, and the Secretary of the California Natural Resources Agency adopted the guidelines for implementation of CEQA set forth in Title 14 California Code of Regulations sections 15000-15387 (CEQA Guidelines); and

WHEREAS, Code section 21084 provides that the CEQA Guidelines shall include a list of classes of projects that have been determined not to have a significant effect on the environment and are exempt from the provisions of CEQA; and

WHEREAS, CEQA Guidelines sections 15300-15333 list classes of projects that have been determined not to have a significant effect on the environment and declared to be exempt from preparation of environmental documents under CEQA; and

WHEREAS, the Council of the City of San Diego (Council) has considered the written record regarding the Sublease and all public comments concerning the potential environmental effects of the Sublease; and

WHEREAS, the Council, using its independent judgment, has determined that approval of the Sublease is categorically exempt from the provisions of CEQA under CEQA Guidelines section 15301 for Class I Existing Facilities; and

WHEREAS, no exception to the application of a categorical exemption set forth in CEQA Guidelines section 15300.2 applies to the Sublease; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by City staff, with the understanding that this information is complete, true, and accurate; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, as follows:

1. The Sublease is categorically exempt from the provisions of CEQA under CEQA Guidelines section 15301 for Class I Existing Facilities.

2. No exception to the application of a categorical exemption set forth in CEQA Guidelines section 15300.2 applies to the Sublease.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Julie Gough Inman
Deputy City Attorney

JGI:cw
March 8, 2024
Or.Dept.: DREAM
Doc. No.: 3596085
Companion to: R-2024-427

(R-2024-426)

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 20 2024.

DIANA J.S. FUENTES
City Clerk

By Connie Patterson
Deputy City Clerk

Approved: 5/20/24
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAY 20 2024 by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☒	☐	☐	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☒	☐	☐	☐
Marni von Wilpert	☐	☒	☐	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage MAY 29 2024.

(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:

TODD GLORIA

Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California.

By Corrie Patterson Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- **315543**

RESOLUTION NUMBER R- **315544**DATE OF FINAL PASSAGE **MAY 29 2024**

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROVING THAT CERTAIN SUBLEASE
BETWEEN WAWANESA GENERAL INSURANCE
COMPANY, INC., AND THE CITY OF SAN DIEGO RELATED
TO OFFICE SPACE AT 7650 MISSION VALLEY ROAD.

WHEREAS, the City of San Diego (City) identified the approximately 73,970 square feet of office space located at 7650 Mission Valley Road, San Diego, California (Premises), as a new location for staff of the City's Development Services Department; and

WHEREAS, Wawanesa General Insurance Company, Inc., a California corporation (Sublandlord), currently leases the Premises from HGF L.P., a California limited partnership, under that certain October 19, 2019 Single Tenant Lease; and

WHEREAS, the City and Sublandlord negotiated a proposed Sublease for the City to sublease the Premises (Sublease) for a term of four years and four months (Term); and

WHEREAS, under the Sublease, the City will pay initial base rent of \$2.40 per square foot, subject to 3 percent annual increases, as well as operating expenses for the Premises; and

WHEREAS, the Office of the City Attorney has drafted this Resolution based on the information provided by City staff (including information provided by affected third parties and verified by City staff), with the understanding that this information is complete, true, and accurate;
NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego (Council), as follows:

1. The Council approves the Sublease, including all attachments and exhibits to the Sublease.

2. The Mayor or designee is authorized, on behalf of the City, to sign and enter into the Sublease, including all attachments and exhibits to the Sublease requiring the City's signature, and take all other actions reasonably necessary to perform the City's obligations under the Sublease. A copy of the Sublease, when fully signed, shall be placed on file with the City Clerk as Document No. RR- **315544**.

3. The Chief Financial Officer is authorized to expend an amount not to exceed \$8,824,128.60 in base rent, and an amount not to exceed \$1,346,254.00 in operating expenses over the Term, with the base rent and operating expenses paid as follows: (1) 89.80 percent from DSD Enterprise Fund #700036, (2) 0.56 percent from LEA Fund #200226, and (3) 9.64 percent from General Fund #100000/BA 9912; provided, however, that funding for base rent and operating expenses under the Sublease in future fiscal years after Fiscal Year 2024 is contingent upon the Council's annual appropriation of funds for these expenses for each applicable fiscal year and the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for these expenditures, are, or will be, on deposit with the City Treasurer.

APPROVED: MARA W. ELLIOTT, City Attorney

By 
Julie Gough Inman
Deputy City Attorney

JGI:cw
March 11, 2024
Or. Dept: DREAM
Doc. No. 3596083

I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 20 2024.

DIANA J.S. FUENTES
City Clerk

By Connie Patterson
Deputy City Clerk

Approved: 5/28/24
(date)

Todd Gloria
TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

Passed by the Council of The City of San Diego on MAY 20 2024, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☒	☐	☐	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☒	☐	☐	☐
Marni von Wilpert	☐	☒	☐	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage MAY 29 2024

(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: TODD GLORIA
Mayor of The City of San Diego, California.

(Seal) DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By Connie Patterson Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- **315544**

Passed by the Council of The City of San Diego on May 20, 2024, by the following vote:

YEAS: LACAVA, CAMPBELL, WHITBURN, FOSTER, LEE, CAMPILLO,
MORENO, & ELO-RIVERA.

NAYS: VON WILPERT.

NOT PRESENT: NONE.

RECUSED: NONE.

AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California

(Seal)

By: Connie Patterson, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true, and correct copy of
RESOLUTION NO. R-315544 approved on May 20, 2024. The date of final passage
is May 29, 2024.

DIANA J.S. FUENTES

City Clerk of the City of San Diego, California

(Seal)

By: Connie Patterson, Deputy