

1 [Accept and Expend Gifts - San Francisco Police Department Community Foundation, and  
2 Ripple Labs, Inc. - Real Time Investigation Center - \$9,381,571 - Waiving Administrative Code  
3 Solicitation Requirements]

4 **Ordinance authorizing the Police Department to accept and expend gifts of equipment,**  
5 **office space, and funds totaling approximately \$9,381,571 to support the Police**  
6 **Department's Real Time Investigation Center (RTIC), comprised of gifts of \$7,250,028**  
7 **from the San Francisco Police Community Foundation (SFPCF), and a retroactive in-**  
8 **kind gift of \$2,131,543 for a lease of office space from Ripple Labs, Inc.; authorizing the**  
9 **Police Department to accept and expend future gifts from SFPCF for support of the**  
10 **RTIC; and waiving competitive solicitation requirements under Administrative Code**  
11 **Chapters 14B and 21 for the Police Department's procurement of equipment, services,**  
12 **and support for other activities for the RTIC using SFPCF gift funds.**

13 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
14 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
15 **Deletions to Codes** are in *~~strikethrough italics Times New Roman font~~*.  
16 **Board amendment additions** are in double-underlined Arial font.  
17 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
18 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
19 subsections or parts of tables.

20 Be it ordained by the People of the City and County of San Francisco:

21 Section 1. Findings.

22 (a) In March 2024, San Francisco voters approved Proposition E, which facilitated the  
23 ability of the Police Department to use technology to fulfill its mission to enhance public safety,  
24 protect life and property, and prevent crime. Among other things, Proposition E established  
25 that the Police Department shall use technology to the maximum extent possible to improve  
efficiency and effectiveness in combatting crime, and reduce dangers to the public, subject to



1 the City's policies to protect privacy and civil liberties. (Admin. Code § 96I.2(e)). Subject to  
2 these principles and limitations, Administrative Code Section 96I.2(d), authorizes police  
3 officers to use unassisted aerial vehicles ("UAVs," also known as "drones") along with or in  
4 lieu of vehicle pursuits. Proposition E also authorizes the use of drones to assist in criminal  
5 investigations and exempts the Police Department's use of drones under Administrative Code  
6 Section 96I.2(e) from the requirements of the City's Surveillance Technology Ordinance  
7 (Administrative Code Chapter 19B).

8 (b) With the passage of Proposition E, the Police Department has sought to expand its  
9 use of technology to enhance community safety, combat crime, and more efficiently utilize  
10 personnel in the midst of an ongoing staffing shortage. In March 2024, the Police Department  
11 launched the Real Time Investigation Center (RTIC), a real-time intelligence hub where  
12 officers simultaneously use technology including drones, Automated License Plate Readers,  
13 public safety cameras and other crime-fighting tools to help protect the community. The RTIC  
14 allows the Police Department to leverage technology, data, and collaboration to provide real-  
15 time intelligence to law enforcement officers in the field, enabling them to more effectively  
16 respond to incidents, prevent crimes, and apprehend suspects. Using technology like drones,  
17 the Police Department can rapidly respond to crimes in progress, with officers in the  
18 community directly communicating with teams at the RTIC.

19 (c) The RTIC team has been successful in preventing numerous police pursuits by  
20 following suspects at a distance and making strategic arrests that reduce risks to the public.  
21 Officers in the RTIC have assisted in over 500 arrests. Notable cases involving the RTIC  
22 include an arrest made in the first homicide of 2025. On January 1, 2025, dispatch  
23 broadcasted that a shooting occurred on 17th Street and South Van Ness Avenue and  
24 provided a suspect vehicle description. RTIC located a matching vehicle and alerted officers  
25 in the area, who ultimately tracked the vehicle to a neighboring city and successfully took the

1 suspect into custody. In another notable case, in December 2024, suspects pistol-whipped  
2 and stabbed a victim in the Stockton Tunnel. Dispatch provided officers with the direction the  
3 suspects fled, and RTIC alerted plainclothes units in the area. Officers observed the suspects  
4 walking toward the Montgomery BART Station, where they were taken into custody.

5 (d) The RTIC is currently located in the Hall of Justice at 850 Bryant Street. Critical  
6 deficiencies render this location unsuitable for hosting a modern, high-tech crime center. The  
7 building, constructed in 1958, lacks suitable electrical capacity and internet infrastructure to  
8 support high-speed, reliable internet for real-time data analytics, video download capabilities  
9 and inter-agency communication. The outdated infrastructure at 850 Bryant Street, reliant on  
10 1960s-era wiring, cannot meet these demands, risking system failures that could delay  
11 emergency responses or compromise critical operations. In its current location, the RTIC has  
12 experienced power and internet outages, and plumbing leaks from the ceiling. The RTIC is in  
13 a windowless room in a concrete structure, which limits cell phone and emergency radio  
14 transmission capabilities. Retrofitting the RTIC's current location for modern power and  
15 internet needs would be prohibitively expensive, time-consuming and disruptive.

16 (e) The San Francisco Police Community Foundation (SFPCF) is a 501(c)(3) non-  
17 profit corporation that is dedicated to supporting the Police Department. The SFPCF's vision  
18 is to provide the Police Department resources to create a best-in-class RTIC. SFPCF's gifts  
19 are intended to help the Police Department procure state-of-the-art equipment and technology  
20 to support and expand the capabilities of the RTIC. SFPCF is supported by Chris Larsen, a  
21 San Francisco native who co-founded the company Ripple Labs, Inc.

22 (f) The Police Department is seeking authorization to retroactively accept an in-kind  
23 gift from Ripple Labs, Inc. of a sublease for office space for the RTIC located at 315  
24 Montgomery Street through December 2026, valued at approximately \$2,131,543. Ripple  
25 Labs paid-in-full for the lease through December 2026, but is no longer using the office space,

1 and offered to sublease the property to the Police Department as a temporary location for the  
2 RTIC. The sublease was approved as to form by the City Attorney and executed by the  
3 Director of Real Estate and the Police Chief. The sublease and master landlord's consent to  
4 the sublease, effective May 22, 2025, are on file with the Clerk of the Board of Supervisors in  
5 File No. \_\_\_\_\_.

6 (g) SFPCF has proposed to make a gift of funds totaling up to \$5,600,107 in support of  
7 the RTIC, which are estimated to consist of the following: \$57,000 to support the installation of  
8 fiber internet service at 315 Montgomery Street; \$5,277,107 for the purchase of 12 docks and  
9 12 drones, related software and services, and data integration software for the RTIC; and  
10 \$266,000 for Police Department employee parking fees near 315 Montgomery Street at the  
11 St. Mary's Square Garage owned by the San Francisco Municipal Transportation Authority.

12 (h) In addition, SFPCF has proposed to give the Police Department in-kind gifts  
13 totaling approximately \$1,649,921, comprised of installation of a video wall and related  
14 services for the RTIC, valued at approximately \$1,194,770; IT professional services for the  
15 RTIC, valued at approximately \$50,000; network connectivity and related services for the  
16 RTIC, valued at approximately \$294,156; and computer equipment for Police Department  
17 employee use at the RTIC, valued at approximately \$110,995.

18 (i) SFPCF has also proposed to make an additional gift of funds to the Police  
19 Department to cover other incidental costs, such as the installation of card readers at 315  
20 Montgomery, internet services, moving expenses, and potential additional facilities costs.  
21 These costs are currently undetermined.

22 (j) The Police Commission authorized the acceptance of these gifts at its meeting on  
23 June 4, 2025. The Police Commission's approval is on file with the Clerk of the Board of  
24 Supervisors in File No. \_\_\_\_\_.

1 (k) Given the availability of these gift funds to support expansion of the RTIC, the  
2 limited term of the sublease, and the findings above, it is essential and in the public interest to  
3 allow the Police Department to promptly use the gift funds to acquire and begin using the  
4 technology and equipment for the RTIC. The Police Department must procure license and  
5 maintenance services for the gifted software and equipment, and the City's normal solicitation  
6 process would consume additional resources and time. The time required to conduct a  
7 solicitation process will jeopardize the Police Department's ability to utilize the gifted sublease  
8 for the RTIC.

9  
10 Section 2. Accept and Expend Authorization.

11 (a) Consistent with San Francisco Administrative Code, Section 10.100-305, the Board  
12 of Supervisors hereby authorizes the Police Department to accept and expend a gift of funds  
13 from the SFPCF of up to approximately \$5,600,107 for the installation of fiber internet service  
14 at the RTIC at 315 Montgomery Street; the purchase of 12 docks and 12 drones, related  
15 software and services, and data integration software for the RTIC; and Police Department  
16 employee parking fees near the RTIC at 315 Montgomery Street.

17 (b) Consistent with San Francisco Administrative Code, Section 10.100-305, the Board  
18 of Supervisors hereby authorizes the Police Department to accept and expend in-kind gifts  
19 totaling approximately \$1,649,921, comprised of the installation of a video wall and related  
20 technology for the RTIC, IT professional services for the RTIC; network connectivity and  
21 related services, and computer equipment for Police Department employee use at the RTIC.

22 (c) Notwithstanding the provisions of Administrative Code Section 10.100-305, the  
23 Board of Supervisors further authorizes the Police Department to accept from the SFPCF and  
24 expend future gifts for possible additional support of the RTIC, including but not limited to  
25

1 funds for the installation of card readers at 315 Montgomery Street, internet services, moving  
2 expenses, and additional facilities costs.

3 (d) Consistent with San Francisco Administrative Code, Section 10.100-305, the Board  
4 of Supervisors hereby authorizes the Police Department to retroactively accept and expend  
5 an in-kind gift from Ripple Labs, Inc. of a sub-lease for office space for the RTIC located at  
6 315 Montgomery Street through December 2026, valued at approximately \$2,131,543.

7  
8 Section 3. Waiver of Competitive Solicitation Requirements.

9 The competitive solicitation requirements of Administrative Code Chapters 14B and 21  
10 shall not apply to the Police Department's purchase of equipment, technology, or services to  
11 support the RTIC using the funds gifted by SFPCF, including but not limited to the Police  
12 Department's purchase of docks and drones, data integration software, and related services  
13 for the RTIC.

14  
15 Section 4. Effective Date.

16 This ordinance shall become effective 30 days after enactment. Enactment occurs  
17 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
18 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
19 Mayor's veto of the ordinance.

20  
21 APPROVED AS TO FORM:  
22 DAVID CHIU, City Attorney

23 By: /s/  
24 JEN HUBER  
Deputy City Attorney

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FILE NO.

### **LEGISLATIVE DIGEST**

[Accept and Expend Gifts - San Francisco Police Department Community Foundation, and Ripple Labs, Inc. - Real Time Investigation Center - \$9,381,571 - Waiving Administrative Code Solicitation Requirements]

**Ordinance authorizing the Police Department to accept and expend gifts of equipment, office space, and funds totaling approximately \$9,381,571 to support the Police Department's Real Time Investigation Center (RTIC), comprised of gifts of \$7,250,028 from the San Francisco Police Community Foundation (SFPCF), and a retroactive in-kind gift of \$2,131,543 for a lease of office space from Ripple Labs, Inc.; authorizing the Police Department to accept and expend future gifts from SFPCF for support of the RTIC; and waiving competitive solicitation requirements under Administrative Code Chapters 14B and 21 for the Police Department's procurement of equipment, services, and support for other activities for the RTIC using SFPCF gift funds.**

#### **Existing Law**

Subject to limited exceptions, Administrative Code Chapters 14B and 21 require a competitive solicitation for the City to acquire commodities or services. Administrative Code Section 10.100-305 generally requires Board of Supervisors' authorization for the acceptance or expenditure of any gift of cash or goods of a market value greater than \$10,000.

#### **Amendments to Current Law**

The proposed ordinance would authorize the Police Department to accept and expend gifts of equipment, office space and funds totaling approximately \$9,381,571 to support the Police Department's Real Time Investigation Center (RTIC), and authorize the Police Department to accept and expend future gifts from the San Francisco Police Community Foundation (SFPCF) for support of the RTIC. The proposed ordinance would waive competitive solicitation requirements under Chapters 14B and 21 for the Police Department's acquisition of commodities or services for the RTIC with gift funds provided by SFPCF.

#### **Background Information**

In March 2024, San Francisco voters approved Proposition E, which facilitated the Police Department's ability to use technology to the maximum extent possible to improve efficiency and effectiveness in combatting crime, subject to the City's policies to protect privacy and civil liberties. With the passage of Proposition E, the Police Department has sought to expand its use of technology to enhance community safety, combat crime, and more efficiently utilize personnel in the midst of an ongoing staffing shortage. In March 2024, the Police Department launched the RTIC, a real-time intelligence hub where officers simultaneously use technology including drones, Automated License Plate Readers, public safety cameras and other crime-

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fighting tools to help protect the community. The RTIC's current location, in the Hall of Justice at 850 Bryant Street, lacks the necessary power and internet technology infrastructure to support the RTIC.

SFPCF is a 501(c)(3) non-profit corporation that is dedicated to supporting the Police Department. The SFPCF's vision is to provide the Police Department resources to create a best-in-class RTIC. SFPCF's gifts are intended to help the Police Department procure state-of-the-art equipment and technology to support and expand the capabilities of the RTIC. Ripple Labs, Inc. paid-in-full for a lease for office space located at 315 Montgomery Street through December 2026, but is no longer using the office space, and offered to gift a sublease of the property to the Police Department for RTIC.

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## SFPD DONOR DISCLOSURE/GIFT ACKNOWLEDGEMENT FORM

Thank you for your generous contribution to the San Francisco Police Department. **Donors must complete and provide this form to the SFPD prior or at time of donation delivery.** Forms should be returned to:

Mail: San Francisco Police Department  
Attn: Fiscal  
1245 Third Street, San Francisco, CA 94158

Fax: (415)575-6085  
Please include cover page with: Attn: Donor Disclosure  
Email: [sfpdfiscal@sfgov.org](mailto:sfpdfiscal@sfgov.org)

**PLEASE NOTE:** In compliance with the San Francisco's Sunshine Ordinance\*, IRS regulations and the City and County of San Francisco's donation policy the SFPD:

- DOES NOT ACCEPT ANONYMOUS DONATIONS. DONOR INFORMATION MUST BE PROVIDED IN THIS FORM
- THIS FORM MUST BE COMPLETED IN ITS ENTIRETY FOR DONATIONS TO BE ACCEPTED.
- THE OFFICIAL DONOR WILL BE ACKNOWLEDGED ON THE SFPD WEBSITE AND OTHER PUBLIC TAX AND FINANCIAL DOCUMENTS AS REQUIRED BY LAW

**Donation Information:** Please indicate if the donation/gift is: ☐ In-Kind Items ☒ Cash/Monetary

Official Donor: Ripple Labs Inc

Date of Donation: 07/01/2025

Individual, Organization, Company

Month/Day Year

Gift/Donation Description: OfficeSpace of 14,135 sqft for SFPD Command Center Cash Value or Estimated Value of Items \$ 5,600,107

**Contact Information:** Please indicate if the contact information is: ☒ Business/Corporate/Community Organization ☐ Residence/Individual

First and Last Name: Brad Garlinghouse

Telephone: +1- 415-213-4838 Email: brad@ripple.com

Mailing Address: 600 Battery St San Francisco, CA 94111

Street

Apt./Suite

City

State

Zip

**Financial Interest:** The Sunshine Ordinance requires that a department receiving a gift of money, goods or services worth \$100 or more report any financial interest the donor has involving the San Francisco City government. Please check the appropriate box or boxes that describe your financial interest(s) in the City.

☐ Contract with City

☐ Other Financial Interest

☐ Pending request for a City Contract, Grant, Permit or Other Entitlement for Use

☐ No Financial Interest

☐ Grant from the City

☒ Lease of Space to or from the City

☐ City License, Permit or Entitlement for Use

DESCRIBE Space for command center

\*The San Francisco Sunshine Ordinance (San Francisco Administrative Code Chapter 67) as approved by the San Francisco voters in 1999, provides that SEC. 67.29-6 Sources of Outside Funding. No official or employee or agent of the city shall accept, allow to be collected, or direct or influence the spending of, any money, or any goods or services worth more than one hundred dollars in aggregate, for the purpose of carrying out or assisting any City function unless the amount and source of all such funds is disclosed as a public record and made available on the website for the department to which the funds are directed. When such funds are provided or managed by an entity, and not an individual, that entity must agree in writing to abide by this ordinance. The disclosure shall include the names of all individuals or organizations contributing such money and a statement as to any financial interest the contributor has involving the City.





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Email: [sfpdfiscal@sfgov.org](mailto:sfpdfiscal@sfgov.org)

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**Donation Information:** Please indicate if the donation/gift is: ☒ In-Kind Items ☐ Cash/Monetary

Official Donor: Ripple Labs Inc Date of Donation: 07/01/2025  
Individual, Organization, Company Month/Day Year

Gift/Donation Description: OfficeSpace of 14,135 sqft for SFPD Command Center Cash Value or Estimated Value of Items \$ 2,131,543

**Contact Information:** Please indicate if the contact information is: ☒ Business/Corporate/Community Organization ☐ Residence/Individual

First and Last Name: Brad Garlinghouse Telephone: +1-415-213-4838 Email: brad@ripple.com

Mailing Address: 600 Battery St San Francisco, CA 94111  
Street Apt./Suite City State Zip

**Financial Interest:** The Sunshine Ordinance requires that a department receiving a gift of money, goods or services worth \$100 or more report any financial interest the donor has involving the San Francisco City government. Please check the appropriate box or boxes that describe your financial interest(s) in the City.

☐ Contract with City ☐ Other Financial Interest  
☐ Pending request for a City Contract, Grant, Permit or Other Entitlement for Use

DESCRIBE:

☒ No Financial Interest  
☐ Grant from the City

☒ Lease of Space to or from the City

☐ City License, Permit or Entitlement for Use

DESCRIBE Space for command center

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- THE OFFICIAL DONOR WILL BE ACKNOWLEDGED ON THE SFPD WEBSITE AND OTHER PUBLIC TAX AND FINANCIAL DOCUMENTS AS REQUIRED BY LAW

**Donation Information:** Please indicate if the donation/gift is: ☒ In-Kind Items ☐ Cash/Monetary

Official Donor : Ripple Labs Inc Date of Donation: 07/01/2025  
Individual, Organization, Company Month/Day Year

Gift/Donation Description: OfficeSpace of 14,135 sqft for SFPD Command Center Cash Value or Estimated Value of Items \$ 1,649,921

**Contact Information:** Please indicate if the contact information is: ☒ Business/Corporate/Community Organization ☐ Residence/Individual

First and Last Name: Brad Garlinghouse Telephone: +1- 415-213-4838 Email: brad@ripple.com

Mailing Address: 600 Battery St San Francisco, CA 94111  
Street Apt./Suite City State Zip

**Financial Interest:** The Sunshine Ordinance requires that a department receiving a gift of money, goods or services worth \$100 or more report any financial interest the donor has involving the San Francisco City government. Please check the appropriate box or boxes that describe your financial interest(s) in the City.

☐ Contract with City ☐ Other Financial Interest  
☐ Pending request for a City Contract, Grant, Permit or Other Entitlement for Use  
DESCRIBE: \_\_\_\_\_

☐ No Financial Interest  
☐ Grant from the City

☒ Lease of Space to or from the City  
☐ City License, Permit or Entitlement for Use  
DESCRIBE Space for command center

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## SUBLEASE

(315 Montgomery St, 8<sup>th</sup> Fl., San Francisco, CA)

This Sublease ("**Sublease**"), dated April 29, 2025 ( "**Execution Date**"), is entered into by and between Ripple Labs Inc., a Delaware corporation ("**Sublandlord**"), and the City and County of San Francisco, a municipal corporation ("**Subtenant**" or "**City**").

### 1. BASIC SUBLEASE PROVISIONS

1.1. **Sublease Premises.** The Sublease Premises is located at 315 Montgomery St., 8<sup>th</sup> Fl., San Francisco, CA ("**Building**"). The Sublease Premises demised hereunder consist of approximately 14,135 rentable square feet consisting of the entire 8<sup>th</sup> floor of the Building, and represents a portion of the approximately 42,701 rentable square feet which are demised to Sublandlord pursuant to the Master Lease (the "**Master Premises**"). The Sublease Premises are depicted on **Exhibit A** to this Sublease.

1.2. **Master Landlord.** HWA 555 OWNERS, LLC, a Delaware limited liability company

1.3. **Master Lease.** Office Lease dated on or about December 6, 2016 ("**Original Master Lease**"), as amended by that certain First Amendment to Office Lease ("**First Amendment**") dated on or about February 9, 2018 (collectively, the First Amendment and Original Master Lease are referred to herein as the "**Master Lease**"). A redacted copy of the Master Lease is attached hereto as **Exhibit B**.

1.4. **Sublease Term.** Approximately twenty (20) months, beginning on the Sublease Commencement Date and ending on the Expiration Date, unless this Sublease is sooner terminated pursuant to its terms or the Master Lease is sooner terminated pursuant to its terms.

1.5. **Sublease Commencement Date.** The later of (i) the date Master Landlord's written Consent (as defined below) to this Sublease is obtained, and (ii) the date Sublandlord delivers the Sublease Premises to Subtenant in the condition required in this Sublease, subject to Section 2.2.

1.6. **Expiration Date.** December 31, 2026, subject to the terms of Section 3.3.

1.7. **Monthly Base Rent.** \$0.00.

1.8. **Subtenant's Share of Master Premises.** 33.10%

1.9. **Subtenant's Use.** General office use, and otherwise in accordance with Section 5.2 of this Sublease. For the avoidance of doubt, the Sublease Premises may not be used for access by the public, to detain or question individuals, or for tactical training purposes.

1.10. **Subtenant's Address.**

Prior to the Sublease Commencement Date:

1245 3rd Street  
San Francisco, CA 94158  
Attn: Johnny Wong, Facilities and Fleet General Manager

With a courtesy email copy to:

Real Estate Division  
City & County of San Francisco  
25 Van Ness Ave., Suite 400  
San Francisco, CA 94102  
Attn: Director of Real Estate

After the Sublease Commencement Date:

The Sublease Premises  
Attn: Johnny Wong, Facilities and Fleet General Manager

1.11. **Sublandlord's Address.**

Ripple Labs Inc.  
600 Battery Street  
San Francisco, CA 94111  
Attn: General Counsel

With a courtesy email copy to:

Valence LLP  
Attn: Samantha Rudolph  
notices@valencelaw.com

1.12. **Intentionally Deleted.**

1.13. **Parking.** None. In no event may Subtenant or any affiliate of Subtenant, nor any of their respective employees, agents, guests or invitees park any marked police vehicles in the parking lot at 555 California St., San Francisco, CA.

1.14. **Brokers.** For Sublandlord: Jones Lang LaSalle  
For Subtenant: None

1.15. **Deliverables.**

Letter of Self-Insurance (as described below), due on the earlier of the Sublease Commencement Date and the Early Access Date.

1.16. **Definitions.** Each of the terms in the Basic Sublease Provisions are used in this Sublease as defined terms and have the meanings given in such sections. Other capitalized words and phrases for which no definition is given in this Sublease shall have the meanings given them in the Master Lease. Unless otherwise indicated, all section references are to the sections of this Sublease.

## 2. **DEMISE OF SUBLEASE PREMISES**

2.1. Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord, the Sublease Premises upon and subject to the terms and conditions set forth in this Sublease. Sublandlord and Subtenant agree that the rentable area of the Sublease Premises for purposes of this Sublease shall be deemed to be the number of rentable square feet set forth in Section 1.1 of the Basic Sublease Provisions and shall not be subject to remeasurement except to the extent adjusted pursuant to the Master Lease.

2.2. Subject to Sublandlord first obtaining Master Landlord's written consent and Subtenant's delivery of the Deliverables described in Section 1.15 to Sublandlord, Subtenant may access the Sublease Premises prior to the Sublease Commencement Date for the sole purpose of moving in and installing its equipment, furniture and personal property, and performing Subtenant Improvements (as such term is defined in **Exhibit D**). Subtenant acknowledges and agrees that Sublandlord may be constructing Sublandlord Improvements (as such term is defined in **Exhibit D**), and that any early entry by Subtenant shall be in a manner so as to minimize interference with Sublandlord completing the Sublandlord Improvements. Notwithstanding anything to the contrary in Section 1.5 above, in the event Subtenant commences its



business operations in the Sublease Premises prior to the Sublease Commencement Date, then the Sublease Commencement Date shall be deemed to have occurred on the date Subtenant has commenced business. Such possession shall be subject to all of the terms and conditions of this Sublease (including, without limitation, the obligation to deliver any insurance certificates required herein, the indemnity obligations, and payment for Other Charges). The date upon which Sublandlord actually delivers the Sublease Premises to Subtenant for the early entry period described herein shall be the “**Early Access Date**”, and Subtenant shall coordinate such entry into the Sublease Premises with Sublandlord. Subtenant shall indemnify, defend, protect, and hold harmless Sublandlord and the Sublandlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys’ fees) incurred in connection with or arising from Subtenant’s actions or access to the Sublease Premises pursuant to this Section 2.2.

2.3. Notwithstanding anything to the contrary, if as of the date that Sublandlord would otherwise deliver possession or early access of the Sublease Premises to Subtenant, Subtenant has not delivered to Sublandlord the Deliverables described in Section 1.15, then Sublandlord will have no obligation to deliver possession or early access of the Sublease Premises to Subtenant, but the failure on the part of Sublandlord to so deliver possession or early access of the Sublease Premises to Subtenant in such event will not serve to delay the occurrence of the Sublease Commencement Date or the Early Access Date, or affect the commencement of Subtenant’s obligations to pay Rent set forth in this Sublease.

2.4. Sublandlord may enter any part of the Sublease Premises at all reasonable hours, following reasonable prior notice (or in any emergency or suspected emergency, at any hour and without prior notice) (a) to inspect, test, or make repairs, alterations and additions to the Sublease Premises as Sublandlord believes appropriate, (b) post notices of non-responsibility, (c) to show the Sublease Premises to prospective lenders and purchasers, (d) to show the Sublease Premises to prospective subtenants or assignees at any time during the last six (6) months of the Sublease Term, (e) when Subtenant is in default beyond the applicable notice and cure periods hereunder, and/or, (f) if the Sublease Premises are vacated, to prepare them for reoccupancy. Sublandlord shall take reasonable measures not to unreasonably interfere with Subtenant’s operations in connection with such entries. Notwithstanding the foregoing, Sublandlord agrees not to enter the Sublease Premises (except in the event of an emergency) without a representative of Subtenant present. Subtenant agrees to make a representative of Subtenant available for all such entries.

2.5. Subtenant shall be allowed to use the furniture in the Sublease Premises (the “**Existing Furniture**”) at no charge to Subtenant during the Sublease Term. Except to the extent expressly provided otherwise in this Section, nothing contained herein shall grant Subtenant any rights of ownership over the Existing Furniture and in no event shall Subtenant remove, or permit the removal of any of the Existing Furniture from the Sublease Premises, nor shall Subtenant allow any party to place a lien upon, take a security interest in, or otherwise encumber the Existing Furniture in any way. Subtenant shall insure the Existing Furniture for the full replacement cost thereof and maintain the Existing Furniture in good condition and repair at all times, reasonable wear and tear excepted. Upon the expiration or any earlier termination of this Sublease, Subtenant shall return the Existing Furniture in the same condition as delivered reasonable wear and tear excluded. Subtenant hereby accepts the Existing Furniture in its “as-is, where-is and with all faults” condition and Subtenant acknowledges that Sublandlord has made no representations or warranties whatsoever with respect to the Existing Furniture including, without limitation, with respect to the ownership, working order of the Existing Furniture or fitness of the Existing Furniture for a particular purpose, and Subtenant further acknowledges that Sublandlord shall have no obligation to alter, maintain, repair, disassemble, re-assemble, move or install the Existing Furniture.

### 3. SUBLEASE TERM

3.1. The Sublease Term shall commence on the Sublease Commencement Date. Promptly following Sublandlord’s request therefor, Subtenant agrees to execute a Sublease Commencement Date Certificate for the Sublease Premises in the form attached as **Exhibit C** setting forth the actual Sublease Commencement Date and the Expiration Date. In the event Subtenant fails to execute such Sublease Commencement Date Certificate within five (5) days following delivery thereof to Subtenant, Subtenant

shall be deemed to have approved all of the matters set forth in such certificate and such certificate shall be fully binding on Subtenant.

3.2. Subject to Section 2.3, if for any reason Sublandlord is delayed in delivery of the Sublease Premises to Subtenant, Sublandlord shall not be liable therefor, nor shall such failure affect the validity of this Sublease or the obligations of Subtenant hereunder, or extend the Expiration Date, but in such case the Sublease Commencement Date will not occur and Subtenant shall not be obligated to pay Rent until possession of the Sublease Premises are tendered to Subtenant.

3.3. Unless sooner terminated or extended as provided herein, the Sublease Term shall end on the Expiration Date. However, the Sublease may be terminated prior to the Expiration Date if the Master Lease is terminated for any cause whatsoever (provided Master Landlord does not require Subtenant to attorn) or if this Sublease is terminated as otherwise provided for herein and in either such case the Sublease Term shall end upon such earlier termination. Subtenant has the right at any time during the Sublease Term to cancel this Sublease without any penalty, fee, or other liability, by giving Sublandlord not less than thirty (30) days' prior written notice.

#### 4. RENT

4.1. The rent payable by Subtenant for the Sublease Premises shall consist of the Base Rent under Section 4.2 and Other Charges under Section 4.3. Base Rent, Other Charges and any other sums payable by Subtenant under this Sublease are collectively referred to as "**Rent**." Subtenant's covenant to pay Rent shall be independent of every other covenant in this Sublease. Subtenant shall make all payments due to Sublandlord pursuant to this Sublease as follows: check, wire, or other form of payment specified in writing by Sublandlord from time to time.

4.2. Beginning on the Sublease Commencement Date (subject to Section 1.7) and continuing thereafter on the first day of each calendar month during the Sublease Term, Subtenant shall pay to Sublandlord in advance, and without notice, demand, deduction or offset, the monthly Base Rent specified in Section 1.7 above in lawful money of the United States of America. If the Sublease Commencement Date is a day other than the first day of a calendar month or the Expiration Date is a day other than the last day of a calendar month, the Base Rent for such month will be prorated, based on a thirty (30) day month.

4.3. Throughout the Sublease Term, Subtenant also shall pay within ten (10) days after written notice from Sublandlord the cost of (collectively, "**Other Charges**") (a) any services or benefits supplied to the Sublease Premises for which Master Landlord reserves any right to impose a fee or charge separate from Direct Expenses (as defined in the Master Lease), including, without limitation, electricity, after-hours HVAC charges and any Overstandard Tenant Use, but expressly excluding operating expenses and real estate taxes; (b) taxes on personal property, equipment and fixtures located in or about the Sublease Premises during the Sublease Term; and (c) damage to the Building resulting from the act or omission of Subtenant or Subtenant's officers, employees, architects, engineers, contractors or other licensees, guests, visitors or other invitees, sub-subtenants, successors or assigns (collectively, the "**Subtenant Parties**"); and (d) for damages or other sums recoverable under the Master Lease which are the result of any acts, omissions, or negligence by Subtenant, its agents, employees, or contractors, or failure of performance or Default by Subtenant under this Sublease. Upon Subtenant's request, Sublandlord shall give Master Landlord the prior notice required pursuant to Section 6.2 of the Master Lease of Subtenant's desire to use heat, ventilation or air conditioning during hours other than Building Hours (as defined in the Master Lease); provided Subtenant's request is timely and gives Sublandlord enough time to give the required notice to Master Landlord. Further, Sublandlord shall give Subtenant copies of all relevant statements and bills received by Sublandlord pursuant to the applicable provisions of the Master Lease, together with a statement of the amount of Subtenant's Other Charges, which Subtenant is required to pay.

4.4. All Rent shall be paid to Sublandlord at the address set forth in Section 1.11, or to such other person or such other place as Sublandlord may from time to time designate in writing. If any Rent is not paid when due, Subtenant acknowledges that Sublandlord will incur additional administrative expenses and costs which are difficult or economically impractical to ascertain. Subtenant shall pay an administrative



charge to Sublandlord equal to ten percent (10%) of the delinquent amount plus any attorneys' fees incurred by Sublandlord by reason of Subtenant's failure to pay Rent when due hereunder. However, Subtenant shall be entitled to notice of nonpayment and a three (3) business day cure period prior to the imposition of such late charge on the first occasion in any calendar year in which any installment of Rent is not timely paid. Neither demand for nor receipt of any late charge called for under this Sublease shall (i) operate to waive any default by Subtenant or provide a substitute for Subtenant's full and timely performance of the obligation to pay Rent, or (ii) limit the exercise of any other right or remedy Sublandlord may have under this Sublease in case of Subtenant's default. In addition to the late charge described above, any Rent owing hereunder which is not paid within ten (10) days after the date such is due shall bear interest from the date due until paid at a rate of ten percent (10%) per annum (the "**Default Rate**").

## 5. POSSESSION AND USE

5.1. Sublandlord subleases the Sublease Premises to Subtenant, and Subtenant accepts the Sublease Premises, strictly in their present "**as is**" and "**with all faults**" condition. Sublandlord shall deliver the Sublease Premises to Subtenant with Sublandlord Improvements substantially complete, and otherwise, Sublandlord has no obligation to prepare, modify or alter the Sublease Premises. Subtenant acknowledges that it has had full opportunity to inspect the condition of the Sublease Premises and Building and all laws, rules, regulations, and restrictions statutes, codes, regulations, ordinances, and restrictions of any municipal or governmental entity or insurance body and its fire prevention engineers whether in effect now or later (collectively, "**Laws**") relating to its use and condition. Subtenant is not relying on any statement, representation or warranty made by or for Sublandlord with respect to the Sublease Premises or such Laws. Subtenant, by acceptance of possession of the Sublease Premises, conclusively acknowledges the Sublease Premises to be in good order and repair and in a tenantable condition and acceptable for Subtenant's intended use.

5.2. The Sublease Premises shall be used and occupied solely for Subtenant's Use as specified in Section 1.9 and for no other use or purpose. Subtenant's use of the Sublease Premises shall at all times comply with the relevant provisions of the Master Lease and all applicable Laws. Sublandlord makes no representation, express or implied, that Subtenant's Use is permitted in the Sublease Premises under applicable Laws. Sublandlord shall at all times maintain a key to all doors of the Sublease Premises, excluding vaults and safes. Subtenant and Sublandlord acknowledge and agree that the program Subtenant is running from the Sublease Premises will have sixty (60) officers; however, notwithstanding anything set forth herein to the contrary, Subtenant may not at any one time have more than forty (40) people in the Sublease Premises, nor more than two (2) uniformed police officers in the Sublease Premises at any one time (the "**Uniform Limit**"), except as provided herein. For clarification purposes, Subtenant agrees that in line with the immediately preceding sentence, the majority of its occupants will be in plainclothes when accessing and using the Sublease Premises. Further, notwithstanding anything set forth herein to the contrary, the parties acknowledge and agree that Subtenant shall be permitted to exceed the Uniform Limit in limited circumstances, including, but not limited to: tours of the Sublease Premises by groups of uniformed officers, uniformed command staff visits; citywide major events when more than two uniformed officers may be needed to support the operation; and certain instances where a uniformed officer may be called out while in uniform and would need to respond back to the Sublease Premises in uniform; provided that in all cases where Subtenant expects to exceed the Uniform Limit, Subtenant shall provide written notice to Sublandlord as far in advance as reasonably practicable, which notice shall indicate the expected number of uniformed officers and the duration of time that the Uniform Limit will be exceeded.

5.3. Subject to the prior written approval of Master Landlord and the terms of the Master Lease, Sublandlord agrees that Subtenant may (at Subtenant's sole cost) maintain its own janitorial service for the Sublease Premises; provided, such service must provide services at least substantially similar to the janitorial service serving the rest of the Building, including, but not limited to, nightly rubbish removal.

## 6. SUBTENANT'S MAINTENANCE AND REPAIR OBLIGATIONS

6.1. Subtenant shall be responsible for and shall pay before delinquency all maintenance, repairs and replacements to the Sublease Premises and its systems and equipment, to the extent Sublandlord is obligated to perform the same with respect to the Master Premises under the Master Lease.

6.2. Subtenant shall comply with all Laws, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq. (the "**ADA**") and other state and local laws governing access by the disabled, and all orders, rules and regulations of all governmental authorities and of all insurance bodies and their fire prevention engineers at any time in force, applicable to the Sublease Premises or to Subtenant's particular use or manner of use thereof, to the extent Sublandlord is obligated to comply with the same with respect to the Master Premises under the Master Lease.

## **7. INSURANCE & INDEMNIFICATION**

7.1. Throughout the Sublease Term, and beginning on the earlier of the Early Access Date and the Sublease Commencement Date, Subtenant shall maintain a program of self-insurance. If the Master Lease requires Sublandlord to insure leasehold improvements or alterations, then such program of self-insurance maintained by Subtenant shall insure such leasehold improvements which are located in the Sublease Premises, as well as alterations in the Sublease Premises made by Subtenant. Sublandlord acknowledges that any reference to insurance policies in the Master Lease, which Subtenant is obligated to maintain, shall mean the program of self-insurance maintained by Subtenant. Subtenant shall furnish to Sublandlord a letter of Subtenant's self-insurance required under this Section 7.1 prior to the earlier of the Early Access Date and Sublease Commencement Date. Notwithstanding the foregoing, Subtenant assumes the risk of damage to any of Subtenant's personal property, except for damage caused by Sublandlord or Sublandlord Parties. Nothing in this Section 7.1 shall be construed to limit Subtenant's obligations under this Sublease or the Master Lease, including Subtenant's indemnity obligations or liability for damages not covered by its self-insurance program.

7.2. Each party hereto waives claims against the other for damage to property owned by the other party where such damage is covered under any policy of property damage insurance maintained (or required by this Sublease or the Master Lease to be maintained) by such party including any premiums, deductibles or costs associated with maintaining such insurance. Subtenant hereby waives claims against the Master Landlord and Sublandlord for death, injury, loss or damage of every kind and nature, if and to the extent that Sublandlord waives or releases such claims against Master Landlord under the Master Lease. Subtenant agrees to obtain, for the benefit of Master Landlord and Sublandlord, such waivers of subrogation rights from its insurer as are required of Sublandlord under the Master Lease.

7.3. Subtenant shall indemnify, defend and hold Sublandlord, its officers, directors, shareholders, agents and employees (collectively, "**Sublandlord Parties**") harmless from and against all third-party loss, cost, damage, expense and liability, including, without limitation, reasonable attorneys' fees and disbursements, incurred in connection with or arising from: (i) any accident, damage or injury to any person or property occurring in, on or about the Sublease Premises from and after the earlier of the Sublease Commencement Date and the Early Access Date; (ii) Subtenant's failure to perform or observe any of the terms and conditions of this Sublease (or the Master Lease to the extent applicable); (iii) any work done in or to the Sublease Premises, either by or on behalf of Subtenant; (iv) any act, omission or negligence by Subtenant or any of its officers, employees, agents, customers, licensees or invitees, or any person claiming through or under Subtenant, or (v) Subtenant's Use and the presence of guns and any other weapons in the Sublease Premises by Subtenant, its employees, agents, invitees or guests; provided, however, and notwithstanding anything to the contrary contained in this Section, Subtenant shall not be obligated to indemnify Sublandlord against any such loss, cost, damage, expense or liability to the extent caused by the negligence or willful misconduct of Sublandlord or Sublandlord Parties.

## **8. ASSIGNMENT AND SUBLETTING**

8.1. Except with the prior written consent of Master Landlord and Sublandlord, Subtenant shall not (a) assign, convey or mortgage this Sublease or any interest under it; (b) allow any transfer of this Sublease or any interest thereunder or any lien upon Subtenant's interest therein by operation of law; (c) further

sublet the Sublease Premises or any part thereof; or (d) permit the occupancy of the Sublease Premises or any part thereof by anyone other than Subtenant (any of the foregoing, a "**Transfer**"). Sublandlord's consent to an assignment of this Sublease or sublease of all or any portion of the Sublease Premises shall not be unreasonably withheld, conditioned or delayed; provided, however it shall not be unreasonable for Sublandlord to withhold consent if: (i) the transferee intends to use the Sublease Premises for a purpose which is not permitted by the Master Lease or this Sublease; (ii) the transferee intends to use, generate, store, treat or dispose of hazardous substances on or about the Sublease Premises (except for typical office supplies and cleaning products if stored, used and disposed of in compliance with all Laws and in compliance with the Master Lease); (iii) the transferee is either a government agency or instrumentality thereof; (iv) the transfer will result in more than a reasonable and safe number of occupants per floor within the Sublease Premises; (v) the transfer would trigger a recapture right by Master Landlord which Master Landlord would elect to exercise; (vi) the transferee is not a party of reasonable financial worth and/or financial stability that has and will continue to have sufficient financial strength to perform all of the remaining obligations of Subtenant under the Sublease from and after the date of transfer, as reasonably determined by Sublandlord taking into account all relevant facts and circumstances; (vii) the terms of the proposed transfer will allow the transferee to exercise a right of renewal, right of first offer, right of expansion or other similar right held by Subtenant (or will allow the transferee to occupy space leased by Subtenant pursuant to such right), (viii) the transferee is a business competitor of Sublandlord or one of Sublandlord's affiliates; or (ix) the Master Landlord withholds consent to the transfer. In connection with Subtenant's request for consent to any proposed assignment or sublease, Subtenant shall deliver to Sublandlord at least three (3) years of financial statements for the proposed transferee, which shall include cashflows, income statements and balance sheets, provided Sublandlord shall (if requested by Subtenant) deliver to Subtenant a non-disclosure agreement on Sublandlord's commercially reasonable form. If Sublandlord consents to any assignment of this Sublease or further subletting of the Sublease Premises, Sublandlord shall use reasonable efforts to obtain the consent of Master Landlord. Subtenant shall pay all costs and fees payable to Master Landlord under the Master Lease with respect to the proposed assignment or further subletting, as and when payable under the Master Lease, whether or not consent is granted by Master Landlord or Sublandlord. In addition thereto, Subtenant shall also reimburse Sublandlord for all out-of-pocket costs and expenses (including, without limitation, legal fees) incurred by Sublandlord with respect to any proposed assignment or further subletting (whether or not Sublandlord's consent is granted with respect thereto) within five (5) business days following written request therefor.

8.2. No permitted assignment shall be effective and no permitted sub-sublease shall commence unless and until any default by Subtenant hereunder has been cured. No permitted assignment or sub-subletting shall relieve Subtenant from Subtenant's obligations and agreements under this Sublease and Subtenant shall continue to be liable under this Sublease as a principal and not as a guarantor or surety, to the same extent as though no assignment or sub-subletting had been made.

8.3. Any Bonus Rent realized by Subtenant in connection with any Transfer shall be shared by Sublandlord and Subtenant as follows: fifty percent (50%) to Sublandlord and fifty percent (50%) to Subtenant, after payment to Master Landlord of any amount required to be paid under the Master Lease. As used herein, "**Bonus Rent**" shall mean the excess of (i) all consideration received by Subtenant on account of a sublease or assignment over (ii) the sum of the Base Rent payable by Subtenant to Sublandlord under this Sublease (prorated, in the case of a sub-sublease of less than all of the Sublease Premises, to reflect obligations allocable to only the portion of the Sublease Premises so sublet), after deducting reasonable charges incurred by Sublandlord for (i) any changes, and improvements to the Sublease Premises in connection with the Transfer, (ii) any free base rent reasonably provided to the transferee, (iii) marketing costs associated with such Transfer, (iv) reasonable attorneys' fees incurred in the documentation and negotiation of such Transfer and (v) any brokerage commission in connection with the Transfer.

8.4. In the event Subtenant seeks to assign the Sublease or further sublease all or any portion of the Sublease Premises for a term ending within the last twelve (12) months of this Sublease, Sublandlord shall have the option, in lieu of consenting to such transfer, to terminate the Sublease as to the affected portion of the Sublease Premises as of the proposed effective date of the proposed assignment or subletting set forth in Subtenant's notice. Such option to terminate shall be exercised, if at all, by Sublandlord giving

Subtenant written notice thereof within thirty-five (35) days following Sublandlord's receipt of Subtenant's written request. In the event of such termination by Sublandlord, from and after the effective date of such termination, Sublandlord and Subtenant shall have no further obligations or liabilities to each other with respect to the affected portion of the Sublease Premises, except with respect to obligations or liabilities which have accrued as of, or survive, such termination (in the same manner as if such termination date were the date originally fixed for the expiration of the Sublease Term). Without in any manner limiting the rights of Sublandlord, following any such termination by Sublandlord, Sublandlord may sublease or assign the affected portion of the Sublease Premises to the prospective assignee or sublessee proposed by Subtenant, without liability to the Subtenant. In the event Sublandlord terminates the Sublease as to a portion of the Sublease Premises, as opposed to the entire Sublease Premises, Rent under the Sublease shall be proportionately abated on a per rentable square foot basis. Sublandlord's failure to exercise such termination right as herein provided shall not be construed as Sublandlord's consent to the proposed assignment or subletting.

## **9. ALTERATIONS**

9.1. Except as expressly provided in this Sublease, Subtenant shall not make any alterations, improvements or additions in or to the Sublease Premises ("**Alterations**") without the prior written consent of the Sublandlord, which consent shall be given or withheld in Sublandlord's reasonable discretion. Subject to Master Landlord's prior written approval, Subtenant may install black-out shades on the windows of the Premises and a video wall (in a location reasonably approved by Sublandlord) within the Premises; provided, however, any such shade(s) and video wall (including all related components thereof) must be removed by Subtenant (and all damage caused by such removal repaired) on or before the expiration or sooner termination of the term of this Sublease. Subject to the terms of the Master Lease and this Sublease, Sublandlord shall use commercially reasonable efforts to allow Subtenant to work within Sublandlord's security system to badge-off access to Sublease Premises.

9.2. Notwithstanding any other provisions in this Sublease, no Alterations shall be made that would constitute a default under the Master Lease. If Sublandlord consents to any Alterations, Sublandlord shall use reasonable efforts to obtain the consent of Master Landlord, if required under the Master Lease, and Subtenant shall pay all costs incurred by Sublandlord in seeking or obtaining Master Landlord's consent (regardless of whether Master Landlord's consent is granted). If Alterations by Subtenant are consented to by Sublandlord and consented to by Master Landlord (if required under the Master Lease), Subtenant shall comply with all of the covenants of Sublandlord contained in the Master Lease pertaining to the performance of such Alterations.

9.3. Subject to Section 7.2 above, Subtenant shall indemnify, defend and hold harmless Sublandlord and Sublandlord Parties against liability, loss, cost, damage, liens and expense imposed upon Sublandlord arising out of any Alterations constructed or made by Subtenant, including those Alterations permitted under the terms of this Sublease.

9.4. Any permitted Alterations shall be made at Subtenant's sole cost and expense, including any cost to comply with applicable Laws, any management or supervision fee charged by Master Landlord, and any removal or restoration costs necessary or incurred pursuant to the provisions of the Master Lease. In addition to any fees payable to Master Landlord with respect to Alterations under the Master Lease, Subtenant shall reimburse Sublandlord for the reasonable review fees incurred by Sublandlord to third-party consultants and for the review of plans or any inspections that Sublandlord reasonably deems necessary with regards to the requested Alterations.

9.5. As of its execution hereof, Sublandlord approves Subtenant's construction of the Subtenant Improvements in the Sublease Premises, subject to its approval of plans and specifications, which approval shall not be unreasonably withheld, conditioned, or delayed. At the expiration or earlier termination of this Sublease, Subtenant shall remove the Subtenant Improvements and restore the Sublease Premises to its condition prior to their installation, at its sole cost and expense.

## **10. SURRENDER**



10.1. On the Expiration Date, or upon the earlier termination of this Sublease or of Subtenant's right to possession of the Sublease Premises, Subtenant shall at once surrender and deliver up the Sublease Premises to Sublandlord in the same condition as existed on the earlier of the Early Access Date and Sublease Commencement Date, excepting reasonable wear and tear; provided, however, conditions existing because of Subtenant's failure to perform maintenance, repairs or replacements as required of Subtenant under this Sublease shall not be deemed "reasonable wear and tear. Notwithstanding anything set forth in this Sublease or the Master Lease to the contrary, in the event Sublandlord exercises its option to extend the term of the Master Lease, then Subtenant shall (prior to the Expiration Date) remove all approved or permitted Alterations (including cosmetic Alterations) performed by Subtenant in the Sublease Premises and restore the Sublease Premises to the condition as existed on the earlier of the Early Access Date or Sublease Commencement Date. Subtenant shall surrender to Sublandlord all keys to the Sublease Premises.

10.2. As between Sublandlord and Subtenant, Subtenant shall not be required to remove any alterations performed by Sublandlord prior to the earlier of the Sublease Commencement Date and Early Access Date or to restore the Sublease Premises to their condition prior to Sublandlord's making of such alterations.

10.3. If Sublandlord is required under the Master Lease to remove alterations performed by Sublandlord prior to the expiration of the Master Lease, Subtenant shall permit Sublandlord to enter the Sublease Premises for a reasonable period of time, subject to such conditions as Subtenant may reasonably impose, for the purpose of removing such alterations and restoring the Sublease Premises as required by the Master Lease. However, if either Sublandlord or Subtenant reasonably determines that Sublandlord's entry prior to the Expiration Date is not compatible with Subtenant's continued use of the Sublease Premises, then at any time during the last forty-five (45) days of the Sublease Term, either party may terminate this Sublease upon not less than ten (10) days written notice to the other, with such termination to be effective on the date of Sublandlord's re-entry into the Sublease Premises for the purpose of removing such alterations and restoring the Sublease Premises.

## **11. CASUALTY AND EMINENT DOMAIN**

Notwithstanding anything set forth in this Sublease or the Master Lease (i) in the event of any damage, destruction, casualty or condemnation affecting the Sublease Premises, Rent payable hereunder shall be abated but only to the extent that Rent is abated under the Master Lease with respect to the Sublease Premises; and (ii) Subtenant shall have no right to terminate this Sublease in connection with any damage, destruction, casualty, condemnation or threat of condemnation except to the extent the Master Lease is also terminated as to the Master Premises or any material portion thereof.

## **12. HOLDING OVER**

Holding over by Subtenant is specifically prohibited, and Subtenant shall have no right to retain possession of the Sublease Premises following the expiration or earlier termination of the Sublease Term ("**Holding Over**"). If Subtenant fails to vacate the Sublease Premises or any portion thereof on or prior to the expiration or earlier termination of this Sublease, or if Subtenant fails to deliver the Sublease Premises to Sublandlord in the condition required by this Sublease then, in addition to any other right or remedy of Sublandlord under this Sublease, at law or in equity, Subtenant shall be liable to Sublandlord for all damages incurred by Sublandlord as a result of such Holding Over (including, but not limited to, attorneys' fees and expenses and any rent and other charges payable by Sublandlord to Master Landlord under the Master Lease) (including consequential damages) incurred by Sublandlord as a result of such Holding Over. No Holding Over by Subtenant or payment by Subtenant after the expiration or earlier termination of this Sublease shall be construed to extend the Sublease Term or prevent Sublandlord from immediately recovering possession of the Sublease Premises by summary proceedings or otherwise.

## **13. ENCUMBERING TITLE**

13.1. Subtenant shall not do any act which in any way encumbers the title of Master Landlord in and to the Building nor shall the interest or estate of Master Landlord or Sublandlord be in any way subject to any claim by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Subtenant, or by reason of any other act or omission of Subtenant. Any claim to, or lien upon, the Sublease Premises or Building arising from any act or omission of Subtenant shall accrue only against the subleasehold estate of Subtenant therein and shall be subject and subordinate to the paramount title and rights of Master Landlord in and to the Building and the interest of Sublandlord in the Master Premises.

13.2. Without limiting the generality of the foregoing, Subtenant shall not permit the Sublease Premises or Building to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished to Subtenant or claimed to have been furnished to Subtenant in connection with work of any character performed or claimed to have been performed on the Sublease Premises or anywhere in the Building by, or at the direction or sufferance of, Subtenant.

#### 14. SUBTENANT'S DEFAULT

14.1. Any one or more of the following events shall be considered a "**Default**" by Subtenant, as such term is used in this Sublease:

a. Subtenant fails to make any payment of Rent required to be made by Subtenant within three (3) business days following written notice from Sublandlord that the same is past due; or

b. Subtenant fails to fulfill, keep, observe or perform any of the other covenants and obligations herein contained to be fulfilled, kept, observed and performed by Subtenant, and such failure continues for more than fifteen (15) days after notice thereof in writing to Subtenant, or for such longer period (not to exceed an additional twenty (20) days) as may be reasonably required to cure such failure, provided Subtenant is continuously and diligently prosecuting such cure at all times to completion and such cure period does not cause Sublandlord to be in an event of default under the Master Lease; provided, such notice shall be in lieu of, and not in addition to, any notice required under Section 1161 et seq. of the California Code of Civil Procedure; or

c. Subtenant shall be adjudged an involuntary bankrupt, or a decree or order approving a petition or answer filed against Subtenant seeking reorganization of Subtenant under the Federal bankruptcy laws as now or hereafter amended, or under the laws of any State, shall be entered, and any such decree or judgment or order shall not have been vacated or stayed or set aside within sixty (60) days from the date of the entry or granting thereof; or

d. Subtenant shall file, or admit the jurisdiction of the court and the material allegations contained in, any petition in bankruptcy, or any petition pursuant or purporting to be pursuant to the Federal Bankruptcy laws now or hereafter amended, or Subtenant shall institute any proceedings for relief of Subtenant under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment of indebtedness, re-organization, arrangements, composition or extension; or

e. Subtenant shall (i) abandon the Sublease Premises during the Term for a continuous period in excess of five (5) consecutive business days and Subtenant is during that time in default of its other obligations under this Sublease (Subtenant waives any right to notice Subtenant may have under Section 1951.3 of the Civil Code of the State of California, the terms of this Section 14.1 being deemed such notice to Subtenant as required by said Section 1951.3) or (ii) assign this Sublease or further sublet the Sublease Premises other than in strict accordance with Section 8 of this Sublease; or

f. Subtenant fails to secure insurance or to provide proper evidence of insurance as set forth in Section 7 of this Sublease and does not cure such failure within three (3) days following notice from Sublandlord or fails to keep the Sublease Premises or the Building free of lien claims as set forth in Section

13 of this Sublease where such failure is not cured within five (5) business days following receipt of notice or actual knowledge of the imposition of any such lien; or

g. Subtenant, by its act or omission, causes an event or condition under the Master Lease which either is a default thereunder or, subject only to the delivery of any required notice or passage of any cure or grace period, would constitute a default thereunder, and such default is not cured within five (5) days less than any period allowed under the Master Lease for cure. Where notice of default from Master Landlord is required and given under the Master Lease, Sublandlord agrees to use good faith efforts to provide as quickly as reasonably practicable a copy of any such notice to Subtenant.

14.2. Upon the occurrence of any one or more Default(s), Sublandlord may exercise any remedy against Subtenant which Master Landlord may exercise for default by Sublandlord under the Master Lease in addition to any remedy available at law and/or in equity, and Sublandlord may resort to its remedies cumulatively or in the alternative. Without limiting the generality of the foregoing, Sublandlord may exercise the damage remedies available under any applicable law, including without limiting the foregoing, California Civil Code Sections 1951.2 and 1951.4 or any similar or successor statute which provides that a lessor may continue a lease in effect and recover damages as they become due. Subtenant expressly acknowledges and agrees that the restrictions on assignment and sub-subletting imposed by this Sublease are reasonable for purposes of California Civil Code Section 1951.4 and any successor or similar statute.

14.3. If Sublandlord provides Subtenant with written notice of Subtenant's failure to comply with this Sublease on three (3) separate occasions during any twelve (12) month period, Subtenant's subsequent violation shall, at Sublandlord's option, be an incurable Default by Subtenant. All notices sent under this Article shall be in satisfaction of, and not in addition to, notice required by Law.

14.4. If Subtenant shall default in the observance or performance of any term or covenant of this Sublease on Subtenant's part to be observed or performed, and if such default has not been cured following five (5) days' notice to Subtenant (or such shorter time in the event of an emergency), then Sublandlord may (but shall not be obligated to), immediately or at any time thereafter, perform the same for the account of Subtenant. If Sublandlord makes any expenditure or incurs any obligation for the payment of money in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements), then such sums paid, or obligations incurred, together with interest thereon at the lesser of (i) one and a half percent (1.5%) per month or (ii) the maximum rate allowable under Law from the date of the expenditure until repaid, shall be deemed to be Other Charges under this Sublease and shall be paid by Subtenant to Sublandlord within five (5) days after Sublandlord's demand therefor. Subtenant hereby expressly waives its rights under any statute to make repairs at the expense of Sublandlord.

## **15. PROVISIONS REGARDING MASTER LEASE**

15.1. This Sublease and all rights of the parties hereunder, are subject and subordinate to all of the terms, covenants and conditions of the Master Lease, except as otherwise expressly provided to the contrary in this Sublease. Subtenant agrees that it will not, by its act or omission to act, cause a default under the Master Lease. In furtherance of the foregoing, the parties hereby acknowledge, each to the other, that it is not practical in this Sublease to enumerate all of the rights and obligations of the various parties under the Master Lease and specifically to allocate those rights and obligations in this Sublease. Accordingly, in order to afford to Subtenant the benefits of this Sublease and of those provisions of the Master Lease which by their nature are intended to benefit the party in possession of the Sublease Premises, and in order to protect Sublandlord against a Default by Subtenant which might cause an event of default by Sublandlord under the Master Lease, Sublandlord and Subtenant covenant and agree as set forth in this Article 15.

15.2. Except as otherwise expressly provided in this Sublease, Sublandlord shall perform its covenants and obligations under the Master Lease which do not require for their performance possession of the Sublease Premises and/or which are not otherwise to be performed hereunder by Subtenant on behalf of Sublandlord, unless Sublandlord is prevented from performing such due to Subtenant's actions or inactions, including a Default by Subtenant. Except as otherwise expressly provided in this Sublease,



Subtenant shall perform all affirmative covenants, and shall refrain from performing any act which is prohibited by the negative covenants, of the Master Lease, where the obligation to perform or refrain from performing is by its nature imposed upon the party in possession of the Sublease Premises. In addition, whenever any period for notice from "Tenant" to "Landlord" is specified under the Master Lease, or any period within which "Tenant" is required to do anything under the Master Lease, the period applicable to Subtenant's obligation to give such notice to Sublandlord or to perform under this Sublease shall be two (2) business days shorter than the corresponding period applicable to "Tenant" or "Lessee" under the Master Lease (so that Sublandlord shall always have at least two (2) business days within which to give its own notice or performance to Master Landlord); further, wherever any period for notice from "Landlord" or "Lessor" to "Tenant" or "Lessee" is specified under the Master Lease, Sublandlord shall similarly have an additional period of at least two (2) business days within which to give notice to Subtenant under this Sublease.

15.3. Sublandlord shall not agree to an amendment to the Master Lease which materially adversely affects Subtenant's access to or occupancy of the Sublease Premises, unless Sublandlord shall first obtain Subtenant's prior written approval to such amendment. However, it is expressly agreed that: (a) the foregoing shall not prevent Sublandlord from entering into any agreement or amendment with Master Landlord which terminates the Master Lease with respect to the Sublease Premises in lieu of Master Landlord granting its Consent; (b) if, without the fault of Sublandlord, the Master Lease should terminate prior to the Expiration Date, Sublandlord shall have no liability to Subtenant; and (c) to the extent the Master Lease grants Sublandlord any discretionary right to terminate the Master Lease due to casualty or condemnation, Sublandlord shall be entitled to exercise or not exercise such right in its reasonable discretion and without liability to Subtenant.

15.4. So long as Subtenant is not in Default, Subtenant shall be entitled to all of the services and benefits with respect to the Sublease Premises which are to be provided by Master Landlord under the Master Lease. Notwithstanding anything to the contrary in the Master Lease or this Sublease, Sublandlord shall have no duty or obligation to perform any agreements, covenants and/or obligations of Master Landlord under the Master Lease which are, by their nature, the obligation of an owner or manager of real property. By way of illustration, Sublandlord shall not be obligated: (a) to provide any of the services or utilities that Master Landlord has agreed in the Master Lease to provide, (b) to make any of the repairs or restorations that Master Landlord has agreed in the Master Lease to make, (c) to comply with any Laws with which Master Landlord has agreed in the Master Lease to comply, if any, (d) to comply with any insurance provisions of the Master Lease with which Master Landlord has agreed in the Master Lease to comply, or (e) to take any action with respect to the operation, administration or control of the Project or any of the Common Areas that Master Landlord has agreed in the Master Lease to take. Sublandlord shall not be required to remove or otherwise remediate (or pay for the removal or remediation of) any hazardous materials or substances located in, on or under the Sublease Premises unless such hazardous materials or substances were brought into the Sublease Premises by Sublandlord and are required to be removed or remediated by Law. Sublandlord shall have no responsibility for or be liable to Subtenant for any default, failure or delay on the part of Master Landlord in the performance or observance by Master Landlord of any of its agreements, covenants and/or obligations under the Master Lease, nor shall such default by Master Landlord affect this Sublease or waive or defer the performance of any of Subtenant's obligations under this Sublease, including without limitation the obligation to pay Rent; and Subtenant hereby expressly waives the provisions of any statute, ordinance or judicial decision, now or hereafter in effect, which would give Subtenant the right to make repairs at the expense of Sublandlord, or to claim any actual or constructive eviction by virtue of any interruption in access, services or utilities to, or any failure to make repairs in or to, the Sublease Premises or the Building. Notwithstanding the foregoing, the parties do contemplate that Master Landlord will, in fact, perform its obligations under the Master Lease, that Sublandlord shall use good faith and diligent efforts to enforce the rights of the "Tenant" under the Master Lease on behalf of Subtenant, and that in the event of any default or failure of such performance by Master Landlord, Sublandlord agrees that it will, upon notice from Subtenant, promptly make demand upon Master Landlord to perform its obligations under the Master Lease and, provided that Subtenant specifically agrees to pay all costs and expenses of Sublandlord and provides Sublandlord with security reasonably satisfactory to Sublandlord to pay such costs and expenses, Sublandlord will take appropriate legal action to enforce the Master Lease. Any non-liability, release, waiver, indemnity or hold harmless provision in the Master

Lease for the benefit of Master Landlord shall be deemed to apply under this Sublease and inure to the benefit of both Sublandlord and Master Landlord.

15.5. If Subtenant desires to take any action which requires the consent of Master Landlord under the terms of the Master Lease, then, notwithstanding anything to the contrary herein: (a) Sublandlord, independently, shall have the same rights of approval or disapproval as Master Landlord has under the Master Lease; (b) Subtenant shall not take any such action until it obtains the consent of both Sublandlord and Master Landlord; and (c) Subtenant shall request that Sublandlord obtain Master Landlord's consent on Subtenant's behalf and Sublandlord shall use commercially reasonable efforts to obtain such consent. Subtenant shall pay all costs reasonably incurred by Sublandlord in seeking or procuring Master Landlord's consent. Any approval or consent required of Sublandlord conclusively shall be deemed reasonably withheld if approval or consent also is required of the Master Landlord, and Master Landlord fails to give Master Landlord's approval or consent. In all provisions of the Master Lease requiring Tenant to submit, exhibit to, supply or provide Landlord with evidence, certificates, or any other matter or thing, Subtenant shall be required to submit, exhibit to, supply or provide, as the case may be, the same to both Landlord and Sublandlord.

15.6. Notwithstanding any other provision of this Sublease, Subtenant shall not have any rights hereunder that are personal to Sublandlord or its affiliates as expressly provided in the Master Lease. Furthermore, (i) all acknowledgements, representations and warranties made by Master Landlord in the Master Lease are made solely by Master Landlord and not by Sublandlord, (ii) any rights of Sublandlord to extend, renew, expand, contract, cancel or terminate the Master Lease shall not apply to or benefit Subtenant in any manner, and (iii) Subtenant shall not have any right to require that Sublandlord otherwise exercise any option for Subtenant's benefit.

15.7. In addition to the obligations of Subtenant under the terms of this Sublease as set forth in this Sublease (and except as otherwise expressly provided to the contrary in this Sublease), Subtenant shall also have and perform for the benefit of Sublandlord all obligations of the "Tenant" as are set forth in the Master Lease, which are hereby incorporated into this Sublease as though set forth herein in full, substituting "Subtenant" wherever the term "Tenant" appears, "Sublandlord" wherever the term "Landlord" appears, and "Sublease Premises" wherever the term "Premises" appears (except for the definition of Premises, Tenant's Address and Landlord's Address in the Basic Lease Information). Notwithstanding the foregoing, the following provisions of the Master Lease are hereby expressly excluded from this Sublease and not incorporated herein, except as expressly set forth or referenced elsewhere in this Sublease, and then only to the extent to set forth or referenced: Original Master Lease Summary of Basic Lease Information (except for Numbers 2.1 and 7); Section 1.1.1 (Premises); Section 1.3 (Expansion Space); Section 1.4 (Right of First Offer); Article 2 (Lease Term); Article 3 (Base Rent); Article 4 (Additional Rent) (except for Section 4.2.2); third to last sentence of Section 6.2 (Overstandard Tenant Use); Section 6.3 (Interruption of Use); Section 6.4 (Fire Stairs); the last sentence of Section 8.1 (Landlord's Consent to Alterations); the requirement that Landlord make any Base Building Changes under Section 8.2 (Manner of Construction); Tenant's ability to order any work from Landlord under Section 8.3 (Payment for Improvements); last sentence of Section 8.5 (Landlord's Property); Section 10.4 (Form of Policies); Section 10.7 (Landlord's Insurance); Section 14.8 (Permitted Transfers) Section 14.10 (Occupancy of Others); the fourth and fifth sentences of Article 17 (Estoppel Certificates); the second and third sentences of Article 18 (Subordination); Section 19.5.2 (Abatement of Rent); Article 21 (Letter of Credit); Section 23.2 (Multi-Tenant Floors); Section 23.4 (Building Directory); Section 23.5 (West Entry Signage); Article 28 (Tenant Parking); the first two sentences of Section 29.13 (Landlord Exculpation); Section 29.18 (Notices); Section 29.24 (Brokers); Exhibit A and A-1 (Outline of Premises and Expansion Space); Exhibit B (Tenant Work Letter); Exhibit C (Notice of Lease Term Dates); Exhibit G (Form Letter of Credit Language); and the First Amendment. The second sentence of Section 8.1 of the Original Master Lease is hereby modified as between Sublandlord and Subtenant such that Subtenant may only make such decorative Alterations without Sublandlord's Consent provided such alterations do not cost more than Fifteen Thousand Dollars (\$15,000) in any twelve (12) month period.

Furthermore, notwithstanding the foregoing, in the following provisions of the Master Lease which are incorporated herein, all references to "Landlord" shall refer only to "Master Landlord": Section 6.1 (Standard

Tenant Services); Section 6.2 (Overstandard Tenant Use); the first sentence of Section 7.2 (Landlord's Repair Obligations); Article 11 (Damage and Destruction); Article 13 (Condemnation); Article 24 (Compliance with Law); Section 29.26 (Project or Building Name, Address and Signage); Landlord's ability to perform Renovations in Section 29.29 (Building Renovations); and Exhibit E (Estoppel Certificate) shall be modified to apply as between Sublandlord and Subtenant. Notwithstanding the foregoing, The California Asbestos Notice at Exhibit F is being transmitted to Subtenant by Sublandlord on behalf of Master Landlord. For avoidance of doubt, Subtenant understands and agrees that any density caps set forth in the Master Lease shall be subject to any applicable Laws or other restrictions imposed by Landlord or any government authority in connection with COVID-19 or otherwise.

15.8. Sublandlord shall have the right to enter the Sublease Premises to cure any default by Subtenant under this Sublease, which is also, or would be, with the passage of time or the giving of notice, an Event of Default under the Master Lease. Any sums paid and all reasonable costs and expenses of performing any such cure shall be deemed Rent payable by Subtenant to Sublandlord upon demand, together with interest thereon at the rate of eight percent (8%) per annum, from the date of expenditure until paid.

15.9. As between the parties hereto 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 only to the extent they are inconsistent with the terms of the Master Lease and their respective counterpart provisions in the Master Lease shall be excluded only to such extent.

15.10. In all provisions of the Master Lease requiring Tenant to designate Landlord as an additional or named insured on its insurance policy, Subtenant shall be required to so designate Master Landlord and Sublandlord on its insurance policy. Sublandlord shall have no obligation to maintain the insurance to be maintained by Landlord under the Master Lease.

15.11. Sublandlord shall have no obligation to restore or rebuild any portion of the Sublease Premises after any destruction or taking by eminent domain. Subtenant shall be entitled to receive any abatement of Rent as to the Sublease Premises during the Sublease Term resulting from any casualty, condemnation or interruption of services that Sublandlord has actually received under the Master Lease, less any expenses incurred by Sublandlord in obtaining such abatement. Sublandlord shall use commercially reasonable efforts to enforce its abatement rights under the Master Lease and shall keep Subtenant reasonably apprised of all such efforts on request of Subtenant.

## **16. MASTER LANDLORD'S CONSENT**

16.1. This Sublease and the obligations of the parties hereunder are expressly conditioned upon Sublandlord's obtaining the prior written consent of Master Landlord to this Sublease (the "**Consent**"). Notwithstanding the foregoing, the Consent shall contain Master Landlord's express consent to (i) Subtenant's Use stated in Section 1.9 above and the right of Subtenant's employees and agents to bring into the Sublease Premises government issued guns customarily used by Subtenant's employees and agents in the operation of the San Francisco Police Department, including, the right to exceed the Uniform Limit as permitted in Section 5.2 (ii) the performance of Subtenant Improvements and Sublandlord Improvements in the Sublease Premises, (iii) not to enter the Sublease Premises unless accompanied by a representative of Subtenant (except in the event of an emergency threatening immediate harm to property or persons); (iv) Master Landlord's consent to Subtenant using its own janitorial service; and (v) all material terms of this Sublease, including the Sublease Term; Subtenant's Rent; and Insurance and Indemnification obligations. Subtenant shall promptly deliver to Sublandlord any information reasonably requested by Master Landlord in connection with the Consent with respect to the nature and operation of Subtenant's business, the financial condition of Subtenant, and any other information reasonably requested by Master Landlord.

16.2. If Master Landlord fails to consent to this Sublease within thirty (30) days after the Execution Date, either party shall have the right to terminate this Sublease by giving written notice thereof to the other at any time thereafter, but before, Master Landlord grants such consent; provided, however,

neither party shall have a right to terminate pursuant to the foregoing if Master Landlord's refusal to grant consent is attributable to such party's actions or inaction.

16.3. Sublandlord and Subtenant hereby agree, for the benefit of Master Landlord, that this Sublease and Master Landlord's consent hereto shall not (a) create privity of contract between Master Landlord and Subtenant; (b) be deemed to have amended the Master Lease in any regard (unless Master Landlord shall have expressly agreed in writing to such amendment); or (c) be construed as a waiver of Master Landlord's right to consent to any assignment of the Master Lease by Sublandlord or any further subletting of the Sublease Premises, or as a waiver of Master Landlord's right to consent to any assignment by Subtenant of this Sublease or any further subletting of the Sublease Premises or any part thereof.

16.4. Subject to Subtenant's obligation to indemnify Sublandlord as set forth in Section 7 above, Subtenant and Sublandlord agree to jointly and severally indemnify, defend and hold Master Landlord harmless for all costs, losses and damages, including, without limitation, reasonable attorneys' fees, incurred by Master Landlord arising from Subtenant's specific use of the Sublease Premises (other than mere office use), including, without limitation the presence of guns and other weapons in the Sublease Premises. Upon the request of Master Landlord (in connection with the Consent or otherwise) Subtenant agrees to memorialize the foregoing indemnification in an agreement, reasonably acceptable to Master Landlord.

#### 17. INTENTIONALLY DELETED

#### 18. NOTICES

All notices which may or are required to be given by either party to the other shall be in writing and shall be deemed given when received or refused if personally delivered, or if sent by United States registered or certified mail, postage prepaid, return receipt requested, or if sent by a nationally recognized overnight commercial courier service providing receipted delivery, in any such case (a) if to Subtenant, addressed to Subtenant at the address specified in the Basic Sublease Provisions or at such other place as Subtenant may from time to time designate by notice in writing to Sublandlord (provided, however, if Subtenant has abandoned the Sublease Premises, any such notice may be properly sent to Subtenant's agent for service of process), or (b) if for Sublandlord, addressed to Sublandlord at the address specified in the Basic Sublease Provisions or at such other place as Sublandlord may from time to time designate by notice in writing to Subtenant. Each party agrees promptly to deliver a copy of any notice, demand, request, consent or approval received from Master Landlord. Any notice delivered by Sublandlord in connection with, or as a precondition to, a Default by Subtenant shall be in lieu of and not in addition to any notice to pay rent or notice to perform any covenant required under law.

#### 19. CASp

19.1. Pursuant to Section 1938 of the California Civil Code, Sublandlord hereby advises Subtenant that (i) the Sublease Premises, as delivered to Subtenant, have not undergone an inspection by a Certified Access Specialist ("**CASp**"), and (ii) to Sublandlord's actual knowledge, the Building has not undergone an inspection by a CASp. Sublandlord makes no representations or warranties with respect to the Sublease Premises or Building complying with any applicable federal, state and local standards, codes, rules and regulations governing physical access for persons with disabilities at places of public accommodation, including, but not limited to, the ADA, California Building Standards Code, or California Health and Safety Code.

19.2. The following disclosure is made pursuant to §1938 of the California Civil Code, which provides: "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 Sublease Premises." Notwithstanding the foregoing, if Subtenant elects to cause a CASp inspection, then the same will be performed at Subtenant's sole cost and expense, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Sublease Premises will be at Subtenant's cost and expense.

## 20. MISCELLANEOUS

20.1. **Signage.** Subject to terms and restrictions of the Master Lease, the Building rules and regulations, and further subject to the prior written consent of the Master Landlord, Subtenant shall, at Subtenant's sole cost and expense, be permitted to install building standard signage at the entrance to the Premises, provided that at the expiration of this Sublease Subtenant removes same at its sole cost and expense and repairs any damage to the Sublease Premises and Building caused by such installation and/or removal.

20.2. **Sublandlord Representations.** Sublandlord, as the tenant under the Master Lease identified in Section 1.3 above, represents and warrants to Subtenant that: (a) Exhibit B to this Sublease is a full and complete copy of the Master Lease, as redacted; (b) the Master Lease, as of the Execution Date, is in full force and effect and constitutes the entire agreement of Master Landlord and Sublandlord relating to the lease of the Sublease Premises, and (c) to the current actual knowledge of Sublandlord (without duty of inquiry or investigation), there exists no event of default under the Master Lease; (d) the person or persons executing this Sublease for Sublandlord are fully authorized to so act and no other action is required to bind Sublandlord to this Sublease; and (e) Sublandlord has the right and power to execute and deliver this Sublease and to perform its obligations hereunder, subject only to Master Landlord's consent.

20.3. **Subtenant Representations.** Subtenant represents and warrants to Sublandlord that: (a) Subtenant has reviewed and is familiar with all of the terms, agreements, covenants and conditions of the Master Lease and understands how such provisions pertain to the Sublease Premises and Subtenant's use and occupation thereof under this Sublease; (b) Subtenant has the right and power to execute and deliver this Sublease and to perform its obligations hereunder; (c) the person or persons executing this Sublease for Subtenant are fully authorized to so act and no other action is required to bind Subtenant to this Sublease; and (d) Subtenant is duly organized and in good standing in its state of formation and is authorized to conduct business in the state where the Sublease Premises are located.

20.4. **Brokers.** Each party warrants to the other that it has had no dealings with any broker or agent in connection with this Sublease, except those Brokers specified in the Basic Sublease Provisions. Sublandlord shall be responsible for payment of a real estate commission to the Brokers pursuant to a separate agreement. Each party covenants to protect, defend, indemnify and hold harmless the other party from and against any and all costs (including reasonable attorneys' fees), expense or liability for any compensation, commission and charges claimed by any broker or other agent, other than the Brokers, with respect to this Sublease or the negotiation thereof on behalf of such party.

20.5. **Entire Agreement.** There are no representations, warranties, agreements, arrangements or understandings, oral or written, between the parties or their representatives relating to the subject matter of this Sublease which are not fully expressed in this Sublease. This Sublease is subject to amendment only by a writing that makes reference to this Sublease and is signed by all parties hereto.

20.6. **Waiver.** No waiver of any provision of this Sublease or consent to any action shall constitute a waiver of any other provision of this Sublease or consent to any other action. No waiver or consent shall constitute a continuing waiver or consent, or commit a party to provide a future waiver, unless such provision is expressly set forth in writing. Any waiver given by a party shall be void if the party requesting such waiver has not provided a full and complete disclosure of all material facts relevant to the waiver requested.

20.7. **Interpretation; Headings.** The terms of this Sublease have been negotiated by the parties hereto and the language used in this Sublease shall be deemed to be the language chosen by the parties hereto to express their mutual intent. The parties acknowledge and agree that each party and its counsel have reviewed and revised this Sublease and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Sublease. The captions, headings and titles, if any, in this Sublease are solely for convenience of reference and shall not affect its interpretation.

20.8. **Prevailing Party Rights.** If there is any legal or arbitration action or proceeding between Sublandlord and Subtenant to enforce any provision of this Sublease or to protect or establish any right or remedy of either Sublandlord or Subtenant hereunder, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees shall be determined by the court or arbitration panel handling the proceeding and shall be included in and as part of such judgment.

20.9. **Sublandlord Liability.**

a. Notwithstanding anything to the contrary set forth in this Sublease, (a) Sublandlord's liability to Subtenant for any default in Sublandlord's obligations under this Sublease shall be limited to actual, direct damages, and under no circumstances shall Subtenant, its partners, members, shareholders, directors, agents, officers, employees, contractors, sublessees, successors and/or assigns be entitled to recover from Sublandlord (or otherwise be indemnified by Sublandlord) for (i) any losses, costs, claims, causes of action, damages or other liability incurred in connection with a failure of Master Landlord, its partners, members, shareholders, directors, agents, officers, employees, contractors, successors and/or assigns to perform or cause to be performed Master Landlord's obligations under the Master Lease, (ii) lost revenues, lost profits or other consequential, special or punitive damages arising in connection with this Sublease for any reason, or (iii) any damages or other liability arising from or incurred in connection with the condition of the Sublease Premises or suitability of the Sublease Premises for Subtenant's intended use, and (b) no personal liability shall at any time be asserted or enforceable against Sublandlord's partners, members, shareholders, directors, officers or agents or any of their assets on account of any action or inaction by Sublandlord or Sublandlord's partners, members, shareholders, directors, agents, officers, employees or contractors under this Sublease.

b. In the event of any assignment or transfer of the Sublandlord's interest under this Sublease, Sublandlord shall be and is hereby relieved of all of the covenants and obligations of Sublandlord under this Sublease accruing subsequent to the date of the transfer and it shall be deemed and construed, without further agreement between the Sublandlord and Subtenant, that any transferee has assumed and shall be obligated to carry out all covenants and obligations to be thereafter performed by Sublandlord hereunder. Sublandlord may transfer and deliver any then existing Security Deposit to the transferee of Sublandlord's interest in this Sublease, and thereupon Sublandlord shall be discharged from any further liability with respect thereto.

20.10. **Confidentiality.** Subtenant acknowledges that the terms of this Sublease are confidential between Sublandlord and Subtenant. Subtenant shall not disclose the economic terms of this Sublease, including the rental rates, to any third party other than Master Landlord, Subtenant's attorneys and advisors who are assisting Subtenant in the consummation of this transaction or in the enforcement or interpretation of Subtenant's rights hereunder, or except as otherwise required by Law.

20.11. **No Offer.** The submission of this Sublease to Subtenant does not constitute an offer to lease or otherwise create any right or interest of Subtenant in, the Sublease Premises. This Sublease shall become effective only upon the execution and delivery thereof by both Sublandlord and Subtenant. Sublandlord shall have no liability or obligation to Subtenant by reason of Sublandlord's rejection of this Sublease or a failure to execute, acknowledge and deliver same to Subtenant.

20.12. **Exhibits.** All Exhibits attached to this Sublease are incorporated herein by this reference.

20.13. **USA Patriot Act Disclosures.** Neither Subtenant nor any of its constituent partners, managers, members or shareholders, nor any beneficial owner of Subtenant or of any such partner, manager, member or shareholder (a) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to the Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("Order"); (b) is listed on any other list of terrorists or terrorist organizations maintained pursuant to the Order, the rules and regulations of OFAC or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"); (c) is engaged in activities prohibited in the Orders; or (d) has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering.

20.14. **Governing Law.** Irrespective of the place of execution or performance, this Sublease shall be governed by and construed in accordance with the laws of the State in which the Sublease Premises are located.

20.15. **Invalidity.** If any provision of this Sublease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Sublease and the application of that provision to other persons or circumstances shall not be affected but rather shall be enforced to the extent permitted by Law.

20.16. **Counterparts; Electronic Signature.** This Sublease may be executed in multiple counterparts, each of which shall constitute an original, and all of which when taken together shall constitute one instrument. Delivery via facsimile or PDF transmission of a counterpart of this Sublease executed by the party(ies) making such delivery shall constitute a valid execution and delivery of this Sublease for all purposes as if such party had delivered an original counterpart. Signatures may also be transmitted using electronic signature technology. The party's further consent and agree that (a) to the extent a party signs this document using electronic signature technology, by clicking "sign", such party is signing this Sublease electronically and (b) the electronic signatures appearing on this Sublease shall be treated, for purposes of validity, enforceability and admissibility, the same as hand-written signatures.

## 21. CITY PROVISIONS

21.1. **MacBride Principles – Northern Ireland.** The provisions of San Francisco Administrative Code Section 12F are incorporated into this Sublease by this reference and made part of this Sublease. Sublandlord confirms that Sublandlord has read and understood that City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

21.2. **Controller's Certification of Funds.** The terms of this Sublease are governed by and subject to the budgetary and fiscal provisions of the Charter of the City and County of San Francisco. Any City obligation for the payment or expenditure of money under this Sublease is contingent on the Controller of the City and County of San Francisco first certifying, under Section 3.105 of the Charter of the City and County of San Francisco, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure. Accordingly, if in any fiscal year of City after the fiscal year in which the Sublease Term commences, sufficient funds for the payment of Rent and any other payments required under this Sublease are not appropriated, then Subtenant may terminate this Sublease, without penalty, liability, or expense of any kind to City, as of the last date on which sufficient funds are appropriated. City will use its reasonable efforts to give Sublandlord reasonable advance notice of the termination.

21.3. **Prevailing Wages and Working Conditions.**



Any undefined, initially-capitalized term used in this Section has the meaning given to that term in City's Labor and Employment Code Section 101.1. Sublandlord will require its Contractors and Subcontractors performing work on any Covered Project at the Sublease Premises to pay Prevailing Wages in accordance with the requirements of City's Labor and Employment Code Article 103 and employ Apprentices in accordance with City's Labor and Employment Code Article 104. Neither Sublandlord nor City anticipate there will be a Covered Project at the Sublease Premises, but if there is then any contract, subcontract, or other type of agreement for the performance of a Covered Project shall (A) require the payment of the highest general Prevailing Rate of Wages as fixed and determined in accordance with City's Labor and Employment Code Section 103.2 to all persons performing labor or work for the Covered Project and employment of Apprentices in accordance with City's Labor and Employment Code Article Section 104.1, (B) require all records described in City's Labor and Employment Code Subsection 103.3(e) to be kept and submitted in compliance with the requirements of that subsection, (C) name the City, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage requirements of City's Labor and Employment Code Article 103 and apprenticeship requirements of City's Labor and Employment Code Article 104, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with City's Labor and Employment Code Articles 103 through 106, (D) include the Prevailing Rate of Wages or a statement that copies of the Prevailing Rate of Wages as fixed and determined in accordance with City's Labor and Employment Code Section 103.2 are on file at the job site and available to any interested party on request, and (E) include the following provisions:

(1) the Contractor will cooperate fully with the Labor Standards Enforcement Officer and other City employees and agents authorized to assist in the administration and enforcement of the Prevailing Wage requirements and other labor standards imposed on the Contractor by the City's Charter or the San Francisco Municipal Code;

(2) the Contractor agrees that the Labor Standards Enforcement Officer, and the Officer's designees, in the performance of their duties, shall have the right to engage in random inspections of job sites and to have access to the employees of the Contractor, employee time sheets, inspection logs, Contractor daily logs, payroll records, employee paychecks, employee paystubs, and proof of payment documents;

(3) the Contractor shall maintain a record in the format prescribed by the Office of Labor Standards Enforcement of sign-in and sign-out showing which employees have been present on the job site;

(4) the Contractor shall prominently post at each job site a sign informing employees that the project is subject to the City's Prevailing Wage requirements and that these requirements are enforced by the Labor Standards Enforcement Officer; and

(5) the Labor Standards Enforcement Officer may audit such records of the Contractor or Subcontractor as the Labor Standards Enforcement Officer reasonably deems necessary to determine compliance with the Prevailing Wage and other labor standards imposed by City's Charter or Municipal Code.

Failure to comply with any of these requirements may result in penalties and forfeitures consistent with analogous provisions of the California Labor Code, including Section 1776(h), as amended from time to time.

Sublandlord will reasonably cooperate with City in any action or proceeding against a Contractor or Subcontractor that fails to pay the Prevailing Rate of Wages or employ Apprentices as required. Sublandlord's failure to comply with its obligations under this Section will constitute a material breach of this Sublease. A Contractor's or Subcontractor's failure to comply with this Section will enable

City to seek the remedies specified in accordance with City's Labor and Employment Code Articles 103 through 106 against the breaching party.

**21.4. Bicycle Parking Facilities.** San Francisco Planning Code (the "**Planning Code**") Article 1.5, Section 155.3 requires that bicycle parking must be provided at City-leased buildings at no cost to Sublandlord. During the Sublease Term, City will have the right to install and maintain, at no cost to Sublandlord, all Class 1 Bicycle Parking Spaces (as defined in the Planning Code) and all Class 2 Bicycle Parking Spaces (as defined in the Planning Code) in the Building locations required under the Planning Code, subject to the terms of Article 9. Notwithstanding the foregoing, Subtenant acknowledges that it will not require any Class 1 Bicycle Parking Spaces or Class 2 Bicycle Parking Spaces in any portion of the Building.

**21.5. Resource-Efficient City Buildings.** Sublandlord acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Section 704(c)(3)(A) relating to the provision of adequate, accessible, and convenient areas for the collection, storage, and loading of 100% of recyclable, compostable, and refuse materials. Sublandlord will comply with all applicable provisions of that code section while this Sublease is in effect. Such compliance shall be limited to the extent Sublandlord has possession or control over the areas required to implement these requirements. Sublandlord shall cooperate in good faith with Subtenant in facilitating compliance, but shall not be responsible for obligations that are within the control of the Master Landlord under the Master Lease. The parties acknowledge that any construction activity performed by City will constitute a "Municipal Construction Project" as that term is defined in Section 701 of the San Francisco Environmental Code.

**21.6. Sunshine Ordinance.** In accordance with San Francisco Administrative Code Section 67.24(e), contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement, or other benefit until and unless that person or organization is awarded the contract, lease, agreement, or benefit. Information provided that is covered by this Section will be made available to the public on request.

**21.7. Conflicts of Interest.** Through its execution of this Sublease, Sublandlord acknowledges that it is familiar with the provisions of City's Campaign and Governmental Conduct Code Article III, Chapter 2 and California Government Code Section 87100 et seq. and Section 1090 et seq., and certifies that it does not know of any facts that would constitute a violation of those provisions. If Sublandlord becomes aware of any such fact during the Sublease Term, Sublandlord will immediately notify City.

**21.8. Notification of Prohibition on Contributions.** By executing this Sublease, Sublandlord acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who leases, or seeks to lease, to or from any department of City any land or building from making any campaign contribution to (a) a City elected official if the lease must be approved by that official, (b) a candidate for that City elective office, or (c) a committee controlled by that elected official or a candidate for that office, at any time from the submission of a proposal for the lease until the later of either the termination of negotiations for the lease or twelve (12) months after the date San Francisco approves the lease. Sublandlord acknowledges that the foregoing restriction applies only if the lease or a combination or series of leases or other contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one hundred thousand dollars (\$100,000) or more. Sublandlord further acknowledges that (i) the prohibition on contributions applies to each prospective party to the lease; any person with an ownership interest of more than 10 percent (10%) in Sublandlord; any subcontractor listed in the lease; and any committee that is sponsored or controlled by Sublandlord; and (ii) within thirty (30) days of the submission of a proposal for the lease, the San Francisco department with whom Sublandlord is leasing is obligated to submit to the Ethics Commission the parties to the lease and any subcontractor. Additionally, Sublandlord certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the San Francisco department with whom it is leasing.

**21.9. Preservative-Treated Wood Containing Arsenic.** Sublandlord may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Environment Code Section 1304. The term "preservative-treated wood containing arsenic" means wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Sublandlord may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Sublandlord from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" means a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**21.10. Non-Discrimination in City Contracts and Benefits Ordinance.**

a. Covenant Not to Discriminate

In the performance of this Sublease, Sublandlord will not to discriminate against any employee of Sublandlord, any City employee working with Sublandlord, any applicant for employment with Sublandlord, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of those protected classes, or in retaliation for opposition to discrimination against those classes.

b. Subcontracts

Sublandlord will include in all subcontracts relating to the Sublease Premises a non-discrimination clause applicable to the subcontractor in substantially the form of subsection (a) above. In addition, Sublandlord will incorporate by reference in all subcontracts the provisions of subsections 131.2(a), (c)-(k), and (m) and Section 132.3 of the San Francisco Labor and Employment Code and require all subcontractors to comply with those provisions. Sublandlord's failure to comply with the obligations in this subsection will constitute a material breach of this Sublease.

c. Non-Discrimination in Benefits

Sublandlord does not as of the date of this Sublease, and will not during the Sublease Term, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of the employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in subsection 131.2(b) of the San Francisco Labor and Employment Code.

d. CMD Form

As a condition to this Sublease, Sublandlord will execute City's Declaration: Nondiscrimination in Contracts and Benefits form with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Division (the "CMD"). Sublandlord hereby represents that prior to execution of this Sublease: (i) Sublandlord executed and submitted to the CMD the City's

Declaration: Nondiscrimination in Contracts and Benefits form with supporting documentation, and (ii) the CMD approved such form.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Articles 131 and 132 of the San Francisco Labor and Employment Code relating to non-discrimination by parties contracting for the lease of property to City are incorporated into this Section by reference and made a part of this Sublease as though fully set forth herein. Sublandlord will comply fully with and be bound by all of the provisions that apply to this Sublease under those Articles, including but not limited to the remedies provided in those Articles. Without limiting the foregoing, Sublandlord understands that pursuant to subsections 131.2(h) and 132.3(g) of the San Francisco Labor and Employment Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which that person was discriminated against in violation of the provisions of this Sublease may be assessed against Sublandlord and/or deducted from any payments due Sublandlord.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Sublease as of the Execution Date.

SUBLANDLORD:

RIPPLE LABS INC., a Delaware corporation

Signed by: Lara K. Owen 4/29/2025  
By: Lara K. Owen  
Name: Lara K. Owen  
Title: VP of Places

SUBTENANT:

City and County of San Francisco,  
a municipal corporation

DocuSigned by: Andrico Q. Penick 4/30/2025  
By: Andrico Q. Penick  
Name: Andrico Q. Penick  
Title: Director of Property

Pursuant to the authority granted to the Director of Property under San Francisco Administrative Code Section 23.26

RECOMMENDED:

DocuSigned by: Chief William Scott 4/30/2025  
By: Chief William Scott  
Name: William Scott  
Title: Chief of Police, San Francisco Police Department

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

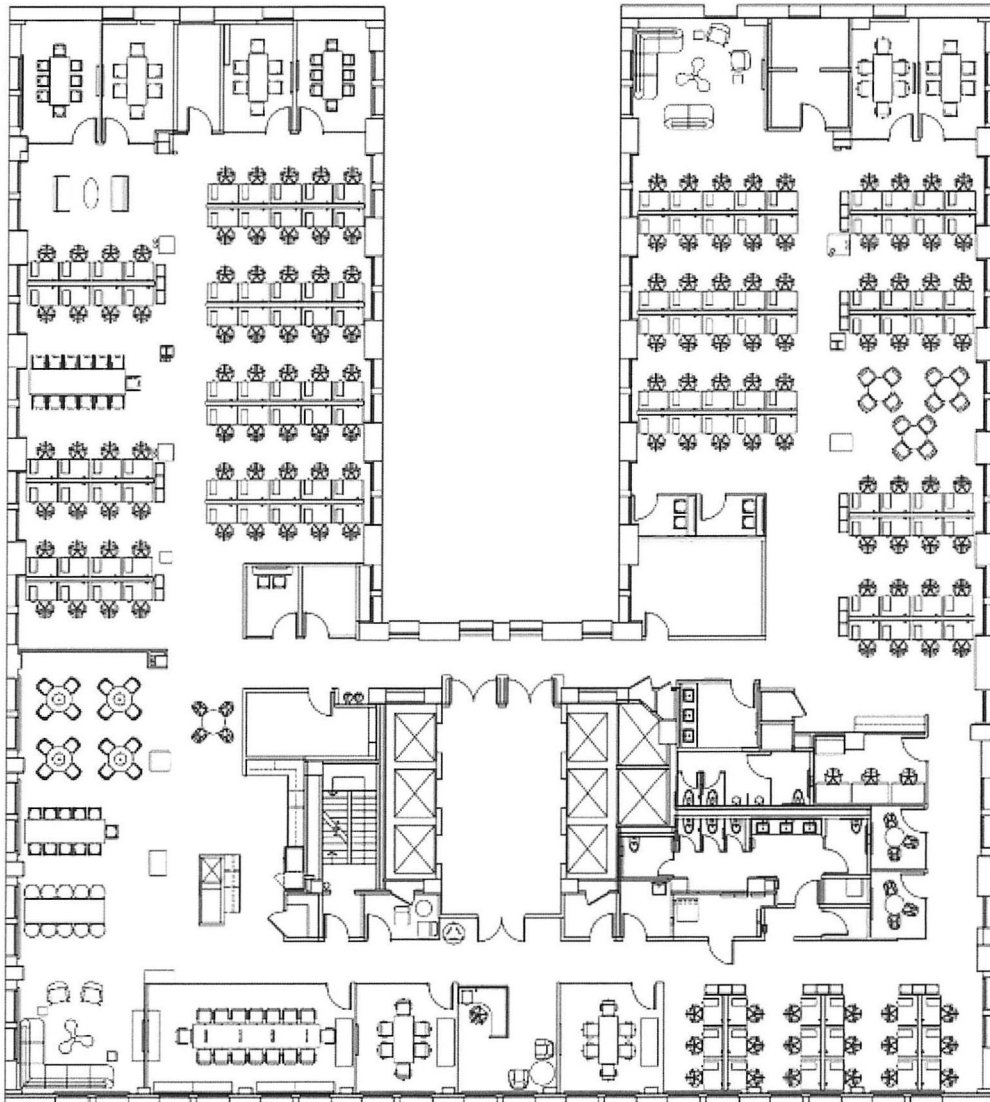
Signed by: Vicente P. Reyes 4/29/2025  
By: Vicente Reyes  
Name: Vicente Reyes  
Title: Deputy City Attorney



## EXHIBIT A

### DESIGNATION OF SUBLEASE PREMISES

The following floor plan may not accurately reflect the current as-built condition of the Sublease Premises and in no event shall this depiction be deemed to require Sublandlord to perform any of the improvements or alterations shown therein. Subtenant acknowledges that the terms of this Sublease govern Sublandlord's obligation to provide improvements to the Sublease Premises, if any.



**EXHIBIT B**  
**MASTER LEASE**  
**[See Attached]**

**OFFICE LEASE**

**315 MONTGOMERY STREET  
SAN FRANCISCO, CALIFORNIA**

**HWA 555 OWNERS, LLC,**  
a Delaware limited liability company,  
as Landlord,  
and  
**RIPPLE LABS INC.,**  
a Delaware corporation,  
as Tenant.

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- A OUTLINE OF PREMISES
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- E FORM OF TENANT'S ESTOPPEL CERTIFICATE
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- G FORM OF LETTER OF CREDIT



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## 315 MONTGOMERY STREET

### OFFICE LEASE

This Office Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between HWA 555 OWNERS, LLC, a Delaware limited liability company ("**Landlord**"), and RIPPLE LABS INC., a Delaware corporation ("**Tenant**").

### SUMMARY OF BASIC LEASE INFORMATION

TERMS OF LEASE	DESCRIPTION
1. Date:	December 6, 2016
2. Premises ( <u>Article 1</u> ):	
2.1 Building:	That certain seventeen (17) story office building located at 315 Montgomery Street, San Francisco, California, which consists of 232,321 rentable square feet.
2.2 Premises:	Approximately 28,566 rentable square feet consisting of (i) approximately 15,177 rentable square feet of space comprising the entire second (2 <sup>nd</sup> ) floor of the Building and commonly known as Suite 200, and (ii) approximately 13,389 rentable square feet of space comprising the entire third (3 <sup>rd</sup> ) floor of the Building and commonly known as Suite 300, all as further set forth in <u>Exhibit A</u> to the Lease.
3. Lease Term ( <u>Article 2</u> ):	
3.1 Length of Term:	Approximately seven (7) years and four (4) months from the Rent Commencement Date.
3.2 Lease Commencement Date:	The date of Landlord's delivery of the Premises to Tenant, which date is anticipated to be, and shall not be earlier than, thirty (30) days after the date of this Lease unless Tenant, in its sole discretion, elects by notice to Landlord to accept delivery of the Premises on an earlier date, in which case Landlord shall deliver the Premises to Tenant within three (3) days after its receipt of such notice.

3.3 Rent Commencement Date: The earliest to occur of (i) the date upon which Tenant first commences to conduct business in the Premises, (ii) the date that occurs one hundred twenty (120) days after the Lease Commencement Date.

3.4 Lease Expiration Date: If the Rent Commencement Date shall be the first day of a calendar month, then the day immediately preceding the seven (7) year four (4) month anniversary of the Rent Commencement Date; or, if the Rent Commencement Date shall be other than the first day of a calendar month, then the last day of the month in which the seven (7) year four (4) month anniversary of the Rent Commencement Date occurs.

4. Base Rent (Article 3):

<u>Period During Lease</u> <u>Term</u>	<u>Annual Base Rent</u>	<u>Monthly Installment</u> <u>of Base Rent</u>	<u>Annual Base Rent</u> <u>per Rentable</u> <u>Square Foot</u>
Lease Year 1*	\$1,999,620.00	\$166,635.00	\$70.00
Lease Year 2	\$2,059,608.60	\$171,634.05	\$72.10
Lease Year 3	\$2,121,396.84	\$176,783.07	\$74.26
Lease Year 4	\$2,185,038.72	\$182,086.56	\$76.49
Lease Year 5	\$2,250,589.92	\$187,549.16	\$78.79
Lease Year 6	\$2,318,107.68	\$193,175.64	\$81.15
Lease Year 7	\$2,387,650.80	\$198,970.90	\$83.58
Lease Year 8 (4 months)	\$2,459,280.36	\$204,940.03	\$86.09

\*Notwithstanding the foregoing Base Rent schedule or any contrary provision of this Lease, Tenant shall not be obligated to pay Base Rent with respect to the Premises as set forth in Section 3.2 below.

Landlord and Tenant hereby acknowledge and agree that, for Landlord's accounting purposes, the Base Rent allocable to the Premises during the period commencing on the Lease Commencement Date and continuing until the day immediately preceding the Rent



Commencement Date (the "**Construction Period**") shall be at the same rate per rentable square foot as is applicable to the Premises during the first (1<sup>st</sup>) Lease Year; provided, however, notwithstanding anything to the contrary in this First Amendment, Tenant shall not be obligated to pay Base Rent with respect to the Premises during such Construction Period.

5. Base Year (Article 4): Calendar year 2017. For the purposes of determining the amount of Tax Expenses applicable to the Base Year, the Tax Expenses for fiscal year 2016-2017 and fiscal year 2017-2018 shall be added together and then divided by two (2).
6. Tenant's Share (Article 4): 12.2959%.
7. Permitted Use (Article 5): Subject to the terms of this Lease, including without limitation Article 5, the Premises may be used for general office use and for any other lawful office use commonly allowed in comparable projects in the general vicinity of the Project, provided that Tenant's use of the Premises shall not be detrimental to the appearance or use of the Building as a first class office building.
8. Letter of Credit (Article 21): \$2,459,280.38.
9. Parking Passes: Four (4).
10. Address of Tenant (Section 29.18):  
Ripple Labs Inc.  
300 Montgomery St. 12th Floor  
San Francisco, CA 94104  
Attention: Joseph Gentel  
  
(Prior to Lease Commencement Date)  
  
and  
  
Ripple Labs Inc.  
315 Montgomery Street, Suite 300  
San Francisco, California 94111  
Attention: Joseph Gentel  
  
(After Lease Commencement Date)
11. Address of Landlord (Section 29.18): See Section 29.18 of the Lease.

12. Broker(s) (Section 29.24):

CBRE, Inc.  
101 California Street, 44<sup>th</sup> Floor  
San Francisco, California 94111  
(representing Landlord)

and

Newmark Cornish & Carey  
One Bush Street, Suite 400  
San Francisco, California 94104  
(representing Tenant)

13. Tenant Improvement Allowance  
(Exhibit B):

\$3,570,750.00 (i.e., \$125.00 per rentable  
square foot of the Premises).

## ARTICLE 1

### PREMISES, BUILDING, PROJECT, AND COMMON AREAS

#### 1.1 Premises, Building, Project and Common Areas.

1.1.1 **The Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The outline of the Premises is set forth in Exhibit A attached hereto and the Premises has the number of rentable square feet as set forth in Section 2.2 of the Summary. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of Exhibit A is to show the approximate location of the Premises in the "Building," as that term is defined in Section 1.1.2, below, only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "Project," as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as Exhibit B (the "**Tenant Work Letter**"), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Tenant Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair, but the foregoing shall not relieve Landlord from its ongoing maintenance and repair obligations under this Lease, nor relieve Landlord from any obligations under the Tenant Work Letter.

1.1.2 **The Building and The Project.** The Premises are a part of the building set forth in Section 2.1 of the Summary (the "**Building**"). The term "**Project**," as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, parking facilities and other improvements) upon which the Building and the Common Areas are located, (iii) those certain other buildings located near the Building and commonly known as 555 California Street and 345 Montgomery Street, and the land upon which such other buildings are located.

1.1.3 **Common Areas.** Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "**Common Areas**"). The Common Areas shall consist of the "Project Common Areas" and the "Building Common Areas." The term "**Project Common**

"Areas," as used in this Lease, shall mean the portion of the Project designated as such by Landlord. The term "**Building Common Areas**," as used in this Lease, shall mean the portions of the Common Areas located within the Building designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such reasonable rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas.

1.2 **Rentable Square Feet of Premises and Building.** For purposes of this Lease, "rentable square feet" in the Premises and the Building, as the case may be, shall be calculated pursuant to Landlord's then current method for measuring rentable square footage. Landlord and Tenant hereby stipulate and agree that the rentable area of the Premises is as set forth in Section 2.2 of the Summary.

1.3 **Expansion Space.** Landlord hereby grants to the originally named Tenant herein ("**Original Tenant**") and any "Permitted Transferee Assignee" (as defined in Section 14.8 below), the right to lease approximately 14,135 rentable square feet of space comprising the entire eighth (8<sup>th</sup>) floor of the Building (the "**Expansion Space**"), as further set forth in Exhibit A-1 to this Lease, upon the terms and conditions set forth in this Section 1.3 and this Lease. For purposes of this Lease, the rentable square feet of the Expansion Space shall be deemed as set forth in this Section 1.3.

1.3.1 **Method of Exercise.** The expansion option contained in this Section 1.3 may be exercised only by Original Tenant or a Permitted Transferee Assignee (and not by any other assignee, sublessee or other "Transferee," as that term is defined in Section 14.1, below, of Tenant's interest in this Lease). If Tenant elects to exercise its right to lease the Expansion Premises, then Tenant shall deliver notice to Landlord on or before April 1, 2017, stating that Tenant is irrevocably exercising its option to lease the Expansion Premises (the "**Expansion Notice**").

1.3.2 **Delivery of the Expansion Space.** If Tenant timely delivers an Expansion Notice to Landlord, then Landlord shall use commercially reasonable efforts to deliver the Expansion Space to Tenant on or before the date that occurs four (4) months following the expiration or earlier termination of the lease of the existing tenant of the Expansion Space, which delivery date is anticipated to occur on or before December 1, 2017. The actual date on which Landlord delivers the Expansion Space to Tenant is referred to herein as the "**Delivery Date**". Notwithstanding the foregoing, Landlord shall have no liability to Tenant for any damages resulting from any delay in delivering possession of the Expansion Space to Tenant on any particular delivery date designated by Landlord or designated in this Lease; provided, however, that except to the extent such delay is caused by fire or other casualty, or other cause beyond Landlord's reasonable control (excluding tenant holdover), if Landlord does not deliver the Expansion Space to Tenant on or before March 1, 2018, then in addition to the natural postponement of the Expansion Space Commencement Date which occurs by reason of the delayed Delivery Date, and in addition to the abatement of Base Rent applicable to the Expansion Space pursuant to Section 3.2 below as applicable to the Expansion Space pursuant to Section 1.3.3 below, Tenant shall receive one day of Base Rent abatement for each day which shall occur after March 1, 2018 through and including the Delivery Date.



1.3.3 **Expansion Rent.** The annual "Rent," as that term is defined in Section 4.1 of this Lease, payable by Tenant for Expansion Space leased by Tenant (the "Expansion Rent") shall be equal to the then current "Base Rent" and "Additional Rent," as those terms are defined in Article 3 and Section 4.1 of this Lease, respectively, for the initial Premises, and shall thereafter be adjusted and escalated at the same time and in the same manner as the Base Rent and Additional Rent for the initial Premises are adjusted and escalated pursuant to the terms of this Lease. Furthermore, for purposes of calculating Tenant's obligations under Article 4 of this Lease, Tenant's Share of Building Direct Expenses shall be increased by 6.0843%. Notwithstanding the immediately preceding sentence, the Base Rent applicable to the Expansion Space shall be abated upon the same terms applicable to the abatement of Base Rent applicable to the initial Premises, as set forth in Section 3.2, below, for the number of months equal to the product of (a) four (4), and (b) a percentage, which may be expressed as a fraction, the numerator of which shall have a number equal to the number of Base Rent payments to be made by Tenant from and after the Expansion Space Commencement Date until the expiration of the initial Lease Term, and the denominator of which shall be eighty-four (84).

1.3.4 **Construction of Expansion Space.** The Expansion Space shall be initially improved pursuant to the terms of the Tenant Work Letter, as if the Expansion Space was the Premises and the Expansion Space Commencement Date was the Rent Commencement Date. Subject to the terms of the Tenant Work Letter, Tenant shall accept the Expansion Space in its then existing "as is" condition, provided that in lieu of the Tenant Improvement Allowance set forth in Section 13 of the Summary, Tenant shall receive (i) an improvement allowance applicable to the Expansion Space in an amount per rentable square foot of the Expansion Space equal to the product of (a) One Hundred Twenty-Five Dollars (\$125.00), and (b) a percentage, which may be expressed as a fraction, the numerator of which shall have a number equal to the number of Base Rent payments to be made by Tenant from and after the Expansion Space Commencement Date until the expiration of the initial Lease Term, and the denominator of which shall be eighty-four (84).

1.3.5 **Amendment to Lease.** If Tenant timely exercises Tenant's right to lease Expansion Space as set forth herein, then, within fifteen (15) days thereafter, Landlord and Tenant shall execute an amendment adding such Expansion Space to this Lease upon the same terms and conditions as the initial Premises, except as otherwise set forth in this Section 1.3. Except to the extent inconsistent with the determination of Expansion Rent, all provisions of the Lease which vary based upon the rentable and usable square footage of the Premises shall be adjusted to reflect the addition of such Expansion Space to the Premises. The term of the Expansion Space shall commence on the Delivery Date. Subject to the abatement of Expansion Rent applicable to the Expansion Space as set forth in Section 1.3.3 above, and to the further abatement of Base Rent pursuant to Section 1.3.2 above by reason of any delay in the Delivery Date, if applicable, Tenant shall commence payment of Expansion Rent to Landlord upon that date (the "Expansion Space Commencement Date") which is the earlier to occur of (i) the date upon which Tenant first commences to conduct business in the Expansion Space, and (ii) the expiration of the Expansion Space Buildout Period. The "Expansion Space Buildout Period" shall be the number of days after the Delivery Date which equals 120 days times a fraction, the numerator of which shall have a number equal to the number of months from and after the Expansion Space Commencement Date until the expiration of the initial Lease Term, and the denominator of which shall be eighty-four (84). The lease term of the Expansion Space shall expire on the Lease Expiration Date.

1.3.6 **No Defaults.** The rights contained in this Section 1.3 shall be personal to Original Tenant and any Permitted Transferee Assignee, may only be exercised by Original Tenant or a Permitted Transferee Assignee (and not any other assignee, sublessee or other "Transferee," as that term is defined in Section 14.1 of this Lease, of Tenant's interest in this Lease) if the Lease then remains in full force and effect and if Original Tenant and/or any Permitted Transferee occupies at least seventy-five percent (75%) of the Premises (and for such purposes, Tenant shall be deemed in occupancy of portions of the Premises occupied by others pursuant to Section 14.10 below). Tenant shall not have the right to lease Expansion Space as provided in this Section 1.3, if, as of the date of the attempted exercise of the expansion option by Tenant, or as of the scheduled date of delivery of such Expansion Space to Tenant, an "Event of Default" (as defined in Section 19.1) shall have occurred and be continuing.

1.4 **Right of First Offer.** Landlord hereby grants to the Original Tenant and any Permitted Transferee Assignee a right of first offer with respect to all leasable space located on the fourth (4<sup>th</sup>) floor of the Building (the "**First Offer Space**"). Notwithstanding the foregoing, such first offer right of Tenant shall commence only following the expiration or earlier termination of the existing leases of the First Offer Space (including renewals and extensions, whether pursuant to rights currently existing or hereafter granted), and such right of first offer shall be subordinate to all such rights of tenants under leases of the First Offer Space existing as of the date hereof (all such tenants under existing leases of the First Offer Space, collectively, the "**Superior Right Holders**"). Tenant's right of first offer shall be on the terms and conditions set forth in this Section 1.4.

1.4.1 **Procedure for Offer.** Landlord shall notify Tenant (a "**First Offer Notice**") from time to time when the First Offer Space or any portion thereof becomes "Available," as that term is defined hereinbelow, for lease to third parties, provided that no Superior Right Holder wishes to lease such space. Pursuant to such First Offer Notice, Landlord shall offer to lease to Tenant the then available First Offer Space. A First Offer Notice shall describe the space so offered to Tenant. The rentable square footage of the space so offered to Tenant shall be as set forth in the First Offer Notice. The term of Tenant's lease of the space so offered to Tenant shall be as set forth in the First Offer Notice, except that the commencement date of such term shall not be less than ninety (90) days after the date of the First Offer Notice, and the lease term of the space so offered shall expire on the Lease Expiration Date. For purposes of this Section 1.4, the First Offer Space, or a portion thereof, shall be deemed to become "Available" when Landlord has determined that the Superior Right Holder will not extend or renew the term of its lease, or enter into a new lease, for such First Offer Space, or a portion thereof.

1.4.2 **Procedure for Acceptance.** If Tenant wishes to exercise Tenant's right of first offer with respect to the space described in a First Offer Notice, then within seven (7) business days of delivery of such First Offer Notice to Tenant, Tenant shall deliver notice to Landlord of Tenant's intention to (i) exercise its right of first offer with respect to the entire space described in such First Offer Notice, in which event the First Offer Rent shall be determined pursuant to the process set forth in Section 1.4.4, below, or (ii) reject its right of first offer with respect to the entire space described in such First Offer Notice. If Tenant rejects its right of first offer with respect to the entire space described in such First Offer Notice, or does not so notify Landlord within seven (7) business days of delivery thereof, then Landlord shall be free to lease the space described in such First Offer Notice to anyone to whom Landlord desires on any terms Landlord

desires, but the foregoing shall not impair Tenant's right of first offer with respect to other First Offer Space not yet offered to Tenant hereunder. Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its right of first offer, if at all, with respect to all of the space offered by Landlord to Tenant at any particular time, and Tenant may not elect to lease only a portion thereof. If Tenant does not exercise its right of first offer with respect to any space described in a First Offer Notice or if Tenant fails to respond to a First Offer Notice within seven (7) business days of delivery thereof, then Tenant's right of first offer as set forth in this Section 1.4 shall terminate as to all of the space described in such First Offer Notice, but the foregoing shall not impair Tenant's right of first offer with respect to other First Offer Space not yet offered to Tenant hereunder.

**1.4.3 First Offer Space Rent.** The annual "Rent," as that term is defined in Section 4.1 of this Lease, payable by Tenant for the First Offer Space (the "**First Offer Rent**") shall be equal to the "Fair Rental Value," as that term is defined in Section 2.2.3 of this Lease, for the First Offer Space, pursuant to transactions consummated within the nine (9)-month period preceding the "First Offer Commencement Date," as that term is defined in Section 1.4.6 of this Lease.

**1.4.4 Determination of First Offer Rent.** In the event Tenant timely exercises its right of first offer as set forth in this Sections 1.4, then Landlord and Tenant shall, within five (5) business days after Landlord's receipt of Tenant's notice, meet and attempt to agree upon the First Offer Rent (the "**First Offer Meeting**"). If Landlord and Tenant do not reach agreement as to the First Offer Rent within thirty (30) days after the First Offer Meeting (the "**First Offer Outside Agreement Date**"), then the First Offer Rent shall be determined pursuant to the valuation procedures and other terms of Section 2.2.4, below.

**1.4.5 Construction In First Offer Space.** Tenant shall accept the First Offer Space in its then existing "as is" condition, subject to any tenant improvement allowance granted as part of the determination of the First Offer Rent. The construction of improvements in the First Offer Space shall comply with the terms of Article 8 of this Lease.

**1.4.6 Amendment to Lease.** If Tenant timely exercises Tenant's right to lease First Offer Space as set forth herein, then, within fifteen (15) days thereafter, Landlord and Tenant shall execute an amendment to this Lease for such First Offer Space upon the terms and conditions as set forth in the First Offer Notice therefor and this Section 1.4. Except as determined otherwise as part of the First Offer Rent, Tenant shall commence payment of Rent for such First Offer Space, and the term of such First Offer Space (the "**First Offer Term**") shall commence, upon the date of delivery of such First Offer Space to Tenant (the "**First Offer Commencement Date**") and terminate on the Lease Expiration Date.

**1.4.7 Termination of Right of First Offer.** The rights contained in this Section 1.4 shall be personal to Original Tenant and any Permitted Transferee Assignee, and may only be exercised by Original Tenant or a Permitted Transferee Assignee (and not by any other assignee, sublessee or other Transferee of Tenant's interest in this Lease) if Original Tenant and/or any Permitted Transferee occupies at least seventy-five percent (75%) of the entire Premises (and for such purposes, Tenant shall be deemed in occupancy of portions of the Premises occupied by others pursuant to Section 14.10 below). The right of first offer granted herein shall terminate as

to particular First Offer Space upon the failure by Tenant to exercise its right of first offer with respect to such First Offer Space as offered by Landlord, but the foregoing shall not impair Tenant's right of first offer with respect to other First Offer Space not yet offered to Tenant hereunder. Tenant shall not have the right to lease First Offer Space, as provided in this Section 1.4, if, as of the date of the attempted exercise of any right of first offer by Tenant, or as of the scheduled date of delivery of such First Offer Space to Tenant, a monetary or other material Event of Default shall have occurred and be continuing hereunder. In addition, Tenant shall not have the right to lease First Offer Space, as provided in this Section 1.4, if Landlord reasonably anticipates that the First Offer Commencement Date shall occur during the final two (2) years of the Lease Term, unless Tenant validly exercises its right to extend the Lease Term with respect to the Premises pursuant to the terms of Section 2.2 of this Lease concurrently with Tenant's exercise of its right to lease the First Offer Space, which Landlord agrees that Tenant shall have the right to do notwithstanding the otherwise applicable dates for such exercise set forth in Section 2.2.1, below, provided that all other terms applicable to Tenant's exercise of its right to extend the Lease Term pursuant to Section 2.2 shall remain in full force and effect.

## ARTICLE 2

### LEASE TERM

2.1 **In General.** The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.4 of the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated or extended as hereinafter provided. If Landlord is unable for any reason to deliver possession of the Premises to Tenant on any specific date, then Landlord shall not be subject to any liability for its failure to do so, and such failure shall not affect the validity of this Lease or the obligations of Tenant hereunder. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) month period during the Lease Term; provided, however, that (i) the first Lease Year shall commence on the Rent Commencement Date and if the Rent Commencement Date is the first day of the calendar month, then the first Lease Year shall end on the last day of the month immediately preceding the first anniversary of the Rent Commencement Date, and if the Rent Commencement Date is other than the first day of the calendar month, then the first Lease Year shall end on the eleventh (11<sup>th</sup>) calendar month following the date in which the Rent Commencement Date occurs; (ii) the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and (iii) the last Lease Year shall end on the Lease Expiration Date (even if such last lease Year consists of less than twelve (12) months). At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in Exhibit C, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within ten (10) business days of receipt thereof. Tenant's failure to execute and return such notice to Landlord within such time shall be conclusive upon Tenant that the information set forth in such notice is as specified therein.



## 2.2 Option Term.

2.2.1 **Option Right.** Landlord hereby grants to the Original Tenant and any Permitted Transferee Assignee (as that term is defined in Section 14.8 below) one (1) option to extend the Lease Term for a period of five (5) years ("**Option Term**"), which option shall be exercised only by irrevocable written notice (the "**Exercise Notice**") delivered by Tenant to Landlord not earlier than eighteen (18) months and not later than twelve (12) months prior to the then expiration of the Lease Term, provided that the following conditions (the "**Option Conditions**") are satisfied: (i) as of the date of delivery of the Exercise Notice, an Event of Default shall not have occurred and be continuing; and (ii) the Lease then remains in full force and effect and Original Tenant and/or any Permitted Transferee has not sublet more than one (1) floor of the Premises at the time the option to extend is exercised and as of the commencement of the Option Term (and for such purposes, Tenant shall not be deemed to have sublet any portion of the Premises occupied by others pursuant to Section 14.10 below). Landlord may, at Landlord's option, exercised in Landlord's sole and absolute discretion, waive any of the Option Conditions in which case the option, if otherwise properly exercised by Tenant, shall remain in full force and effect. Upon the proper exercise of such option to extend, and provided that Tenant satisfies all of the Option Conditions (except those, if any, which are waived by Landlord), the Lease Term, as it applies to the Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.2 shall be personal to Original Tenant and a Permitted Transferee Assignee and may be exercised by Original Tenant or a Permitted Transferee Assignee only (and not by any other assignee, or any sublessee or other transferee, of Tenant's interest in the Lease). In the event that Tenant fails to timely and appropriately exercise its option to extend in accordance with the terms of this Section 2.2, then the option to extend granted to Tenant pursuant to the terms of this Section 2.2 shall automatically terminate and shall be of no further force or effect.

2.2.2 **Exercise of Option.** The annual rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the Fair Rental Value for the Premises as of the commencement date of the Option Term. If Tenant timely provides an Exercise Notice, then Landlord and Tenant shall meet and discuss the rent payable by Tenant during the Option Term (the "**Option Term Meeting**"). If Landlord and Tenant do not reach agreement as to the Fair Rental Value for the Premises during the Option Term within thirty (30) days of Tenant's delivery of the Exercise Notice (the "**Initial Agreement Date**"), then the Option Rent shall be determined pursuant to the process set forth in Section 2.2.4, below.

2.2.3 **Fair Rental Value.** The "**Fair Rental Value**," as used in this Lease, shall mean annual fair market rental value taking into account all relevant factors, determined as of the commencement of the Option Term (or the First Offer Commencement Date, as applicable) assuming that the Premises (or the First Offer Space, as applicable, the "**Applicable Area**"), in connection with the determination of Fair Rental Value thereof, is free and clear of all leases and tenancies (including this Lease), that the Applicable Area is available for the purposes permitted by this Lease, in the then rental market, that Landlord has had a reasonable time to locate a tenant, and that neither Landlord nor the prospective tenant is under any compulsion to rent.

2.2.4 **Determination of Option Rent.** In the event Tenant timely and appropriately delivers an Exercise Notice to Landlord and Landlord and Tenant do not reach agreement as to the Fair Rental Value for the Premises during the Option Term on or before the

Initial Agreement Date, then Landlord and Tenant shall attempt to agree upon the Option Rent using their best good faith efforts. If Landlord and Tenant fail to reach agreement upon the Option Rent applicable to the Option Term on or before the date that is ninety (90) days prior to the expiration of the initial Lease Term (the "**Outside Agreement Date**"), or if Landlord and Tenant fail to reach agreement upon the First Offer Rent on or before the First Offer Outside Agreement Date, then the Option Rent (or First Offer Rent, as applicable) shall be determined by arbitration pursuant to the terms of this Section 2.2.4. Each party shall make a separate determination of the Option Rent (or First Offer Rent, as applicable), within five (5) days following the Outside Agreement Date (or First Offer Outside Agreement Date, as applicable), and such determinations shall be submitted to arbitration in accordance with Sections 2.2.4.1 through 2.2.4.7, below.

2.2.4.1 Landlord and Tenant shall each appoint one arbitrator who shall be, at the option of the appointing party, a real estate broker or appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the leasing or appraisal, as the case may be, of commercial high-rise properties in the Financial District area of San Francisco, California. The determination of the arbitrators shall be limited solely to the issue of whether Landlord's or Tenant's submitted Option Rent (or First Offer Rent, as applicable) is the closest to the actual Option Rent (or First Offer Rent, as applicable), taking into account the requirements of Section 2.2.2, above, as determined by the arbitrators. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions. The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators**."

2.2.4.2 The two (2) Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the date of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators, except that (i) neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance, and (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant or their affiliates during the five (5) year period prior to such appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.4.3 The Neutral Arbitrator shall, within thirty (30) days of appointment of the Neutral Arbitrator, reach a decision as to whether the parties shall use Landlord's or Tenant's submitted Option Rent (or First Offer Rent, as applicable), and shall notify Landlord and Tenant thereof.

2.2.4.4 The decision of the Neutral Arbitrator shall be binding upon Landlord and Tenant.

2.2.4.5 If either Landlord or Tenant fails to appoint an Advocate Arbitrator within fifteen (15) days after the Outside Agreement Date, then either party may petition the presiding judge of the Superior Court of San Francisco County to appoint such Advocate Arbitrator

subject to the criteria in Section 2.2.4.1, above, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such Advocate Arbitrator.

2.2.4.6 If the two (2) Advocate Arbitrators fail to agree upon and appoint the Neutral Arbitrator, then either party may petition the presiding judge of the Superior Court of San Francisco County to appoint the Neutral Arbitrator, subject to criteria in Section 2.2.4.2, above, or if he or she refuses to act, either party may petition any judge having jurisdiction over the parties to appoint such arbitrator.

2.2.4.7 The cost of the arbitration shall be paid by Landlord and Tenant equally.

In the event that the Option Rent (or First Offer Rent, as applicable) shall not have been determined pursuant to the terms hereof prior to the commencement of the Option Term ((or First Offer Commencement Date, as applicable), Tenant shall be required to pay the Option Rent (or First Offer Rent, as applicable) initially provided by Landlord to Tenant, and upon the final determination of the Option Rent (or First Offer Rent, as applicable), the payments made by Tenant shall be reconciled with the actual amounts of Option Rent (or First Offer Rent, as applicable) due, and the appropriate party shall make any corresponding payment to the other party within thirty (30) days after the final determination of the Option Rent (or First Offer Rent, as applicable).

### ARTICLE 3

#### BASE RENT

3.1 **In General.** Commencing on the Rent Commencement Date set forth in Section 3.3 of the Summary (the "**Rent Commencement Date**"), Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever except as expressly set forth in this Lease. The Base Rent for the first full month of the Lease Term which occurs after the expiration of the Base Rent Abatement Period shall be paid at the time of Tenant's execution of this Lease. If any Rent payment date (including the Rent Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, the Rent for any fractional month shall accrue on a daily basis for the period from the date such payment is due to the end of such calendar month or to the end of the Lease Term at a rate per day which is equal to 1/365 of the applicable annual Rent. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Base Rent Abatement.** Provided that no Event of Default is occurring during the initial four (4) full calendar months of the Lease Term following the Rent Commencement Date (collectively, the "**Base Rent Abatement Period**"), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises during such Base Rent Abatement Period (the "**Base**

**Rent Abatement**"). The total amount of the Base Rent Abatement shall not exceed \$666,540.00. Tenant acknowledges and agrees that during such Base Rent Abatement Period, such abatement of Base Rent for the Premises shall have no effect on the calculation of any future increases in Base Rent or Direct Expenses payable by Tenant pursuant to the terms of this Lease, which increases shall be calculated without regard to such Base Rent Abatement. Additionally, Tenant shall be obligated to pay all "Additional Rent" (as that term is defined in Section 4.1 of this Lease) during the Base Rent Abatement Period. Tenant acknowledges and agrees that the foregoing Base Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the Base Rent and perform the terms and conditions otherwise required under this Lease. If an Event of Default shall occur prior to the expiration of the Base Rent Abatement Period, or if this Lease is terminated for any reason other than Landlord's breach of this Lease or an event of casualty or condemnation, then the dollar amount of the unapplied portion of the Base Rent Abatement as of the date of such Event of Default or termination, as the case may be, shall be converted to a credit to be applied to the Base Rent applicable at the end of the Lease Term and Tenant shall immediately be obligated to begin paying Base Rent for the Premises in full; provided, however, if Tenant cures such Event of Default and this Lease remains in full force and effect, then such credit shall then be applied commencing on the cure of such Event of Default.

#### ARTICLE 4

#### ADDITIONAL RENT

4.1 **General Terms.** In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2 of this Lease, respectively, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below; provided, however, that in no event shall any decrease in Direct Expenses for any "Expense Year," as that term is defined in Section 4.2.3 below, below Direct Expenses for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, are hereinafter collectively referred to as the "Additional Rent", and the Base Rent and the Additional Rent are herein collectively referred to as "Rent." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2. **Definitions of Key Terms Relating to Additional Rent.** As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "Base Year" shall mean the period set forth in Section 5 of the Summary.

4.2.2 "Direct Expenses" shall mean "Operating Expenses" and "Tax Expenses."

4.2.3 "Expense Year" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time



to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 **"Operating Expenses"** shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof, to the extent reasonably allocable to the Building, as determined in accordance with sound real estate management and accounting principles, consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining, and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project as reasonably determined by Landlord; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) the cost of parking area operation, repair, restoration, and maintenance; (vi) fees and other costs, including management and/or incentive fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space; (viii) subject to item (f), below, wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Project; (xi) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xii) amortization (including interest on the unamortized cost) over such period of time as Landlord shall reasonably determine, of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof; (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are reasonably anticipated to effect economies in the operation or maintenance of the Project, or any portion thereof, or to reduce current or future Operating Expenses, or (B) that are required under any governmental law or regulation by a federal, state or local governmental agency, except for capital repairs, replacements or other improvements to remedy a condition existing prior to the Lease Commencement Date which an applicable governmental authority, if it had knowledge of such condition prior to the Lease Commencement Date, would have then required to be remedied pursuant to then-current governmental laws or regulations in their form, existing as of the Lease Commencement Date and pursuant to the then-current interpretation of such governmental laws or regulations by the applicable governmental authority as of the Lease Commencement Date; provided, however, that any capital expenditure shall be amortized with interest over (X) its useful life as Landlord shall reasonably determine in accordance with sound real estate management and accounting principles consistently applied or

(Y) with respect to those items included under item (A) above, their anticipated recovery/payback period as Landlord shall reasonably determine in accordance with sound real estate management and accounting principles; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; and (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building, including, without limitation, any covenants, conditions and restrictions affecting the property, and reciprocal easement agreements affecting the property, any parking licenses, and any agreements with transit agencies affecting the Property (collectively, "**Underlying Documents**") to the extent such payments would otherwise qualify as Operating Expenses hereunder if made directly by Landlord. Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including marketing costs, legal fees, space planners' fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of improvements made for tenants occupying space in the Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest, costs of capital repairs and alterations, and costs of capital improvements and equipment;

(c) costs for which the Landlord is reimbursed (or would have been reimbursed if Landlord had carried the insurance Landlord is required to carry pursuant to this Lease or would have been reimbursed if Landlord had used commercially reasonable efforts to collect such amounts) by any tenant or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else, and electric power costs for which any tenant directly contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss or any other reserves of any kind;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and

other tenants or occupants, and Landlord's general corporate overhead and general and administrative expenses;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Project manager;

(g) amounts paid as ground rental for the Project by the Landlord;

(h) except for a Project management fee, overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord (excluding the parking facility), provided that any compensation paid to any concierge at the Project shall be includable as an Operating Expense;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project;

(k) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(m) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the comparable high-rise office projects in the general vicinity of the Project (the "**Comparable Buildings**"), with adjustment where appropriate for the size of the applicable project;

(n) costs arising from the gross negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors, or providers of materials or services;

(o) costs incurred to comply with laws relating to the removal of hazardous material (as defined under applicable law) which was in existence in the Building or on the Project prior to the Lease Commencement Date, and was of such a nature that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions that it then existed in the Building or on

the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto; and costs incurred to remove, remedy, contain, or treat hazardous material, which hazardous material is brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project and is of such a nature, at that time, that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material, in the state, and under the conditions, that it then exists in the Building or on the Project, would have then required the removal of such hazardous material or other remedial or containment action with respect thereto;

(p) the cost of acquiring sculpture, paintings, fountains or other objects of art;

(q) costs incurred in connection with any violations of "Applicable Law", as that term is defined in Article 24 of this Lease or any portion thereof which violation existed as of the date of this Lease (but not excluding costs that would have been incurred by Landlord absent such violation);

(r) in-house legal and/or accounting (as opposed to office building bookkeeping) fees;

(s) legal fees and costs, settlements, judgments or awards paid or incurred because of disputes between Landlord and Tenant, Landlord and other tenants or prospective occupants or prospective tenants/occupants;

(t) legal fees and costs concerning the negotiation and preparation of this Lease and amendments thereto, or any litigation between Landlord and Tenant;

(u) any finder's fees, brokerage commissions, job placement costs or job advertising cost;

(v) Any costs of acquisition or maintenance of signs in or on the Buildings or Project (other than the Building directory) identifying other tenants;

(w) Any costs or expenses incurred in removing and storing the property of former tenants or occupants of the Project;

(x) Any costs or expenses of installing, operating and maintaining any observatory, broadcasting facility, luncheon club, athletic or recreational club or child-care facility;

(y) Any advertising or promotional expenditures;

(z) fees payable by Landlord for management of the Project in excess of the greater of (i) the management fee generally charged at the Comparable Buildings, and (ii) three percent (3%) (the "**Management Fee Cap**") of Landlord's gross rental revenues, adjusted and grossed up to reflect a one hundred percent (100%) occupancy of the Project with all tenants paying full rent, as contrasted with free rent, half-rent and the like, including base rent, pass-throughs, and parking fees (but excluding the cost of after-hours services or utilities) from



the Project for any calendar year or portion thereof (the "Adjusted Gross Revenues"); provided that the fees payable by Landlord for management of the Project during the Base Year shall not be less than three percent (3%) of Landlord's Adjusted Gross Revenues;

(aa) Any costs or expenses actually covered by any warranty, rebate, guarantee or service contract (which shall not prohibit Landlord from passing through the costs of any such service contract if otherwise includable in Operating Expenses); and

(bb) Any costs or expenses arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitrations pertaining to the business of Landlord or the ownership or title to the Buildings or the Project (or the land upon which the same are located) or any portion thereof (including, without limitation, attorneys' fees, settlements, judgments or payments in lieu thereof).

If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least one hundred percent (100%) occupied during all or a portion of the Base Year or any Expense Year, Landlord shall make an appropriate adjustment to the components of Operating Expenses for such year to determine the amount of Operating Expenses that would have been incurred had the Project been one hundred percent (100%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Operating Expenses for the Base Year shall not include market-wide cost increases due to extraordinary circumstances, including, but not limited to, Force Majeure, boycotts, strikes, conservation surcharges, embargoes or shortages, or amortized costs relating to capital improvements, unless and to the extent such extraordinary circumstances are also present in the applicable Expense Year for which Operating Expenses are to be calculated. Landlord shall not (i) make a profit by charging items to Operating Expenses that are otherwise also charged separately to others and (ii) subject to Landlord's right to adjust the components of Operating Expenses described above in this paragraph, collect Operating Expenses from Tenant and all other tenants in the Building in an amount in excess of what Landlord incurs for the items included in Operating Expenses. If Landlord does not carry earthquake, terrorism or liability insurance for the Building during the Base Year but subsequently obtains earthquake, terrorism or liability insurance for the Building during the Lease Term, then from and after the date upon which Landlord obtains such earthquake, terrorism or liability insurance and continuing throughout the period during which Landlord maintains such insurance, Operating Expenses for the Base Year shall be deemed to be increased by the amount of the premium Landlord would have incurred had Landlord maintained such insurance for the same period of time during the Base Year as such insurance is maintained by Landlord during such subsequent Expense Year.

#### 4.2.5 **Taxes.**

4.2.5.1 "Tax Expenses" 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,

real estate excise taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) 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 within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; and (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises or the improvements thereon.

4.2.5.3 If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, subject to the terms of the last sentence of Section 4.2.5.1, above, Tenant shall pay Landlord within thirty (30) days after Landlord's demand Tenant's Share of any such increased Tax Expenses included by Landlord as Building Tax Expenses pursuant to the terms of this Lease, unless such increased Tax Expenses are applicable to the Base Year, in which case no payment shall be due from Tenant and the amount of Tax Expenses for the Base Year shall be recalculated for all purposes of this Lease for each Expense Year to take into account such increased Tax Expenses and Landlord shall make any applicable refund to Tenant within thirty (30) days of the determination of such increased Tax Expenses for the Base Year. Notwithstanding anything to the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.8.1, above), there shall be excluded from Tax Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any items paid by

Tenant under Section 4.5 of this Lease, and (iv) tax penalties incurred as a result of Landlord's failure to make payments and/or to file any tax or informational returns when due.

4.2.5.4 Notwithstanding anything to the contrary set forth in this Lease, the amount of Tax Expenses for the Base Year and any Expense Year shall be calculated without taking into account any decreases in real estate taxes obtained in connection with Proposition 8, and, therefore, the Tax Expenses in the Base Year and/or an Expense Year may be greater than those actually incurred by Landlord, but shall, nonetheless, be the Tax Expenses due under this Lease; provided that (i) any costs and expenses incurred by Landlord in securing any Proposition 8 reduction shall not be deducted from Tax Expenses nor included in Direct Expenses for purposes of this Lease, and (ii) tax refunds under Proposition 8 shall not be deducted from Tax Expenses nor refunded to Tenant, but rather shall be the sole property of Landlord. Landlord and Tenant acknowledge that the preceding sentence is not intended to in any way affect (A) the inclusion in Tax Expenses of the statutory two percent (2.0%) annual increase in Tax Expenses (as such statutory increase may be modified by subsequent legislation), or (B) the inclusion or exclusion of Tax Expenses pursuant to the terms of Proposition 13. Notwithstanding anything to the contrary set forth in this Lease, only Landlord may institute proceedings to reduce Tax Expenses and the filing of any such proceeding by Tenant without Landlord's consent shall constitute an event of default by Tenant under this Lease. Notwithstanding the foregoing, Landlord shall not be obligated to file any application or institute any proceeding seeking a reduction in Tax Expenses. The amount of Tax Expenses for the Base Year attributable to the valuation of the Project, inclusive of tenant improvements, shall be known as the "**Base Taxes**".

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary. The parties recognize that "Tenant's Share" set forth in the Summary has been calculated as the percentage of the leasable square footage of the Building contained in the Premises.

4.3 **Cost Pools.** Landlord shall have the right, from time to time, to equitably allocate some or all of the Direct Expenses for the Project among different portions or occupants of the Project (the "**Cost Pools**"), in Landlord's reasonable discretion. Such Cost Pools may include, but shall not be limited to, the office space tenants of a building of the Project or of the Project, and the retail space tenants of a building of the Project or of the Project. The Direct Expenses within each such Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable manner. In addition, the parties acknowledge that the Building is a part of a multi-building project and that the costs and expenses incurred in connection with the Project (i.e., the Direct Expenses) should be shared between the tenants of the Building and the tenants of the other buildings in the Project. Accordingly, Direct Expenses (which consists of Operating Expenses and Tax Expenses) are determined annually for the Project as a whole, and a portion of the Direct Expenses, which portion shall be determined by Landlord on a reasonable and equitable basis, shall be allocated to the tenants of the Building (as opposed to the tenants of any other buildings in the Project) and such portion shall be the Direct Expenses for purposes of this Lease. Such portion of Direct Expenses allocated to the tenants of the Building shall include all Direct Expenses attributable solely to the Building and a reasonable and equitable portion of the Direct Expenses attributable to the Project as a whole (and not include any Direct Expenses allocable solely to any other building of the Project).

4.4 **Calculation and Payment of Additional Rent.** If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses for such Expense Year exceeds Tenant's Share of Direct Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, an amount equal to the excess (the "Excess").

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant.** Landlord shall endeavor to give to Tenant by each May 31st following the end of the Base Year and each Expense Year, a statement (the "Statement") which shall state in reasonable detail the Direct Expenses incurred or accrued for the Base Year or such preceding Expense Year, and which shall indicate the amount of the Excess. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, with its next installment of Base Rent due, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Excess than the actual Excess, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease or, if none, Landlord shall refund such amount to Tenant. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall within thirty (30) days after receipt of the Statement pay to Landlord such amount, and if Tenant paid more as Estimated Excess than the actual Excess, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term, provided that Tenant shall not be responsible for Tenant's Share of any Operating Expenses which are first billed to Tenant more than two (2) calendar years after the end of the Expense Year to which such Operating Expenses relate.

4.4.2 **Statement of Estimated Direct Expenses.** In addition, Landlord shall endeavor to give Tenant on or before May 1st of the applicable year a yearly expense estimate statement (the "Estimate Statement") which shall set forth in reasonable detail Landlord's reasonable estimate (the "Estimate") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated excess (the "Estimated Excess") as calculated by comparing the Direct Expenses for such Expense Year, which shall be based upon the Estimate, to the amount of Direct Expenses for the Base Year. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Excess under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary. Thereafter, Tenant shall pay, with its next installment of Base Rent due, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term



Landlord shall maintain books and records with respect to Building Direct Expenses in accordance with sound real estate management and accounting principles consistently applied

**4.5 Taxes and Other Charges for Which Tenant Is Directly Responsible.**

4.5.1 Tenant shall be liable for and shall pay before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall within thirty (30) days after Landlord's demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.5.2 If the tenant improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which tenant improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1, above.

4.5.3 Notwithstanding any contrary provision herein, except to the extent included in Tax Expenses, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.6 **Landlord's Books and Records.** Upon Tenant's written request (an "Audit Request") given not more than six (6) months after Tenant's receipt of a Statement for a particular Expense Year, and provided that an Event of Default shall not have occurred and be continuing, Landlord shall furnish Tenant with such reasonable supporting documentation in connection with said Direct Expenses; provided, however, Tenant shall have the right to audit Direct Expenses for the Base Year concurrently with Tenant's initial audit of Landlord's records pursuant to this Section 4.6; provided further that Tenant delivers the Audit Request with respect to such initial audit on or before the date that occurs six (6) months after Tenant's receipt of the Statement for calendar year 2018. Landlord shall provide said information to Tenant within sixty (60) days after Tenant's written request therefor. Within sixty (60) days after receipt of such information by Tenant (the "Review Period"), if Tenant disputes the amount of Direct Expenses set forth in the Statement, an independent certified public accountant (which accountant (A) is a certified public accountant, (B) is a member of a nationally or regionally recognized accounting firm, and (C) is not working on a contingency fee basis), designated and paid for by Tenant, may, after reasonable notice to Landlord



and at reasonable times, inspect Landlord's records with respect to the Statement at Landlord's offices, provided that Tenant is not then in default under this Lease and Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, as the case may be. In connection with such inspection, Tenant and Tenant's agents must agree in advance to follow Landlord's reasonable rules and procedures regarding inspections of Landlord's records, and shall execute a commercially reasonable confidentiality agreement regarding such inspection. Tenant's failure to dispute the amount of Direct Expenses set forth in any Statement within the Review Period shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to dispute the amounts set forth in such Statement. If after such inspection, Tenant still disputes such Additional Rent, a determination as to the proper amount shall be made, at Tenant's expense, by an independent certified public accountant who is a member of a nationally or regionally recognized accounting firm which shall not already be providing accounting and/or lease administration services to Landlord or Tenant and shall not have provided accounting and/or lease administration services to Landlord or Tenant in the past three (3) years (the "**Accountant**"). The Accountant shall be mutually selected by Landlord and Tenant; provided that if such determination by the Accountant proves that Direct Expenses were overstated by more than five percent (5%), then the cost of the Accountant and the cost of such determination shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to inspect Landlord's books and records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to applicable law to inspect such books and records and/or to contest the amount of Direct Expenses payable by Tenant.

## ARTICLE 5

### USE OF PREMISES

5.1 **Permitted Use.** Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole discretion.

5.2 **Prohibited Uses.** Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of the Rules and Regulations set forth in Exhibit D, attached hereto, or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project) including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by Applicable Laws now or hereafter in effect, or any Underlying Documents; provided, however, Landlord shall not enforce, change or modify the Rules and Regulations in a manner that is intended to discriminate against Tenant and Landlord agrees that the Rules and Regulations shall not be unreasonably modified or enforced in a manner which will unreasonably interfere with the normal and customary conduct of Tenant's business. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other

tenants or occupants of the Building, or injure or annoy them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall comply with, and Tenant's rights and obligations under the Lease and Tenant's use of the Premises shall be subject and subordinate to, all recorded easements, covenants, conditions, and restrictions now or hereafter affecting the Project, provided that any easements, covenants, conditions, and restrictions recording after the date of this Lease shall not diminish Tenant's rights under this Lease or increase Tenant's obligations under this Lease.

## ARTICLE 6

### SERVICES AND UTILITIES

6.1 **Standard Tenant Services.** Landlord shall provide the following services on all days (unless otherwise stated below) during the Lease Term.

6.1.1 Subject to limitations imposed by all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating and air conditioning ("HVAC") when necessary for normal comfort for normal office use in the Premises from 8:00 A.M. to 6:00 P.M. Monday through Friday (collectively, the "**Building Hours**"), except for the date of observation of New Year's Day, Martin Luther King Day, President's Day, Independence Day, Labor Day, Memorial Day, Thanksgiving Day, Christmas Day and, at Landlord's discretion on at least ninety (90) days' prior notice to Tenant, other locally or nationally recognized holidays which are observed by other buildings comparable to and in the vicinity of the Building (collectively, the "**Holidays**").

6.1.2 Landlord shall furnish during the Lease Term, six (6) watts demand load per usable square foot of the Premises (the "Maximum Load") of electricity to the Premises on a submetered basis, exclusive of the electric required for Base Building HVAC for the Premises (but including electric required for any supplemental HVAC installed by Tenant in the Premises). Landlord shall be responsible, at its sole cost and expense, for installing, and making operational, submeters to measure the amount of electricity used by Tenant in the Premises. Where more than one meter measures the electrical consumption or demand of Tenant in the Building, the service rendered through each meter shall be aggregated, computed and billed as if one meter measured all of Tenant's electrical consumption and demand for the Premises. Bills for such submetered electricity shall be rendered at such time or times as Landlord may elect, but not more than once a month, and shall be payable by Tenant as Additional Rent (and not as an Operating Expense) within thirty (30) days of rendition thereof. The bill for such submetered electricity shall include (i) one hundred percent (100%) of the actual cost (the "**Actual Cost**") of the electricity utilized in the Premises for the same period from the utility company calculated as set below and (ii) a fee equal to five percent (5%) of the Actual Cost for such period to reimburse Landlord for Landlord's administrative charges to manage and read the submeters, determine the Actual Cost, and bill Tenant for the same. Such Actual Cost shall be determined on a per KW and per KWH basis by dividing the amount billed by the utility company for the KWs and KWHs consumed in the Building during each respective billing period by the total number each of KWs and KWHs consumed by the Building for such billing period as appearing on the utility company invoice.

Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises..

6.1.3 Landlord shall provide city water from the regular Building outlets for drinking, kitchenette / break room, lavatory and toilet purposes in the Building Common Areas.

6.1.4 Landlord shall provide janitorial services to the Premises five (5) days a week, except the date of observation of the Holidays, in and about the Premises and window washing services in a manner consistent with other comparable buildings in the vicinity of the Building.

6.1.5 Landlord shall provide nonexclusive, non-attended automatic passenger elevator service during the Building Hours, shall have one elevator available at all other times, including on the Holidays.

6.1.6 Landlord shall provide nonexclusive freight elevator service subject to scheduling by Landlord.

Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems.

6.2 **Overstandard Tenant Use.** Tenant shall not, without Landlord's prior written consent, use heat-generating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than Building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease. If Tenant uses water, electricity, heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease, Tenant shall pay to Landlord, within thirty (30) days after Landlord's demand, the actual cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and in such event Tenant shall pay the increased cost directly to Landlord, within thirty (30) days after Landlord's demand, at the rates charged by the public utility company furnishing the same, including the cost of installing, testing and maintaining of such additional metering devices. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation. If Tenant desires to use heat, ventilation or air conditioning during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time reasonably establish as appropriate for tenants of the Building generally, of Tenant's desired use in order to supply such utilities, and Landlord shall supply such utilities to Tenant at such hourly cost per floor to Tenant (which shall be treated as Additional Rent) as Landlord shall from time to time reasonably establish for tenants of the Building generally. As of the date of this Lease, the current charge for such after-hours service is (i) \$110.00 per hour per floor for fan only, (ii) \$120.00 per hour per floor for fan and heating, and (iii) \$380.00 per hour per floor for fan and chiller. Landlord shall not raise the hourly charge for after-hours service without thirty (30) days' prior notice to Tenant. Notwithstanding any provision

to the contrary contained in this Lease, Tenant shall promptly pay to Landlord, Landlord's standard charge for any services provided to Tenant which Landlord is not specifically obligated to provide to Tenant pursuant to the terms of this Lease.

6.3 **Interruption of Use.** Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent (except as specifically set forth in Section 19.5.2 of this Lease) or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; 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 (except as specifically set forth in Section 19.5.2 of this Lease) or performing any of its obligations under this Lease. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.4 **Fire Stairs.** Landlord hereby agrees that, provided Tenant installs a key-card access system reasonably approved by Landlord and that the fire stair doors remain connected to and controlled by the Building fire life safety system, then Landlord shall not prohibit Tenant from using the fire stairs between contiguous floors of the Premises for the regular travel of employees between such floors, except to the extent Landlord is otherwise ordered by a governmental entity having jurisdiction over the Premises to so prohibit Tenant from such use. Landlord hereby makes no representation to Tenant as to whether or not the use of the fire stairs between contiguous floors of the Premises for the regular travel of employees between such floors is allowed under applicable laws.

## **ARTICLE 7**

### **REPAIRS**

7.1 **Tenant's Repair Obligations.** Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures, furnishings, and systems and equipment therein (including, without limitation, plumbing fixtures and equipment such as dishwashers, garbage disposals, and insta-hot dispensers), and the floor or floors of the Building on which the Premises are located, in good order, repair and condition at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense, but under the supervision and subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, promptly and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, but need not, make such repairs and replacements, and Tenant shall pay Landlord the reasonable cost thereof, including a percentage of the cost thereof (to be



uniformly established for the Building and/or the Project) sufficient to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same. Tenant's obligations under this Section 7.1 are subject to Section 10.5 below. In addition, in no event shall Tenant be responsible for any repairs (i) to Landlord's property to the extent necessitated by the negligence or willful misconduct of Landlord or its agents, employees or contractors, or (ii) which are Landlord's responsibility pursuant to this Lease, including Section 7.2, and Articles 11 and 13 below.

**7.2 Landlord's Repair Obligations.** Notwithstanding the foregoing, Landlord shall be responsible for repairs to the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, the base building systems and equipment of the Building, and the Common Areas. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree; provided, however, that Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises. Tenant hereby waives and releases any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

## ARTICLE 8

### ADDITIONS AND ALTERATIONS

**8.1 Landlord's Consent to Alterations.** Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "Alterations") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than thirty (30) days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days' notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations are decorative only (i.e., installation of carpeting or painting of the Premises). The construction of the initial improvements to the Premises shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.

**8.2 Manner of Construction.** Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant from a list provided and approved by Landlord, and the removal requirements set forth in Section 8.5 below. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any



and all applicable federal, state, county or municipal laws, rules and regulations and pursuant to a valid building permit, issued by the city in which the Building is located (or other applicable governmental authority), all in conformance with Landlord's construction rules and regulations; provided, however, that prior to commencing to construct any Alteration, Tenant shall meet with Landlord to discuss Landlord's design parameters and code compliance issues. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the "Base Building," as that term is defined below, then Landlord shall, at Tenant's expense, make such changes to the Base Building. The "**Base Building**" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant of the Project, and so as not to obstruct the business of Landlord or other tenants in the Project. Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to 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 Tenant shall deliver to the Project construction manager a reproducible copy of the "as built" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

**8.3 Payment for Improvements.** If payment is made by Tenant directly to contractors, Tenant shall (i) comply with Landlord's requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors, and (ii) sign Landlord's standard contractor's rules and regulations. If Tenant orders any work directly from Landlord, Tenant shall pay to Landlord an amount equal to five percent (5%) of the cost of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work.

**8.4 Construction Insurance.** In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Tenant's contractors and subcontractors shall be required to carry Commercial General Liability insurance in an amount approved by Landlord and otherwise in accordance with the requirements of Article 10 of this Lease. Landlord may, in its reasonable discretion for Alterations costing in excess of One Hundred Thousand Dollars (\$100,000.00), require Tenant to obtain a performance and payment bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee.

8.5 **Landlord's Property.** All Alterations which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord, except that Tenant may remove any Alterations which Tenant can substantiate to Landlord have not been paid for with any Tenant improvement allowance funds provided to Tenant by Landlord, provided Tenant repairs any damage to the Premises and Building caused by such removal and returns the affected portion of the Premises to a building standard tenant improved condition as reasonably determined by Landlord. Furthermore, Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to remove any "Specialty Alterations", as that term is defined below, and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to their condition existing prior to the installation of such Specialty Alterations or, at Landlord's election, to a building standard tenant improved condition as determined by Landlord; provided, however, that notwithstanding the foregoing, upon request by Tenant at the time of Tenant's request for Landlord's consent to any Alteration or improvement, Landlord shall notify Tenant whether the applicable Alteration or improvement constitutes a Specialty Alteration that will be required to be removed pursuant to the terms of this Section 8.5 (and, if following Tenant's request Landlord fails to specify that any such Specialty Alteration will be subject to the removal requirement described herein, Landlord shall not have a subsequent right to designate such item as a Specialty Alteration which must be removed). If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or improvements in the Premises and return the affected portion of the Premises to their condition existing prior to the installation of such Alterations or improvements or, if elected by Landlord, to a building standard tenant improved condition as determined by Landlord, prior to the expiration or earlier termination of this Lease, then Rent shall continue to accrue under this Lease in accordance with Article 16, below, after the end of the Lease Term until such work shall be completed, and Landlord shall have the right, but not the obligation, to perform such work and to charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien, including but not limited to, court costs and reasonable attorneys' fees, in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease. As used herein, "**Specialty Alterations**" shall mean any Alteration that is not a normal and customary general office improvement, including, but not limited to improvements which (i) perforate, penetrate or require reinforcement of a floor slab (including, without limitation, interior stairwells or high-density filing or racking systems), (ii) consist of the installation of a raised flooring system, (iii) consist of the installation of a vault or other similar device or system intended to secure the Premises or a portion thereof in a manner that exceeds the level of security necessary for ordinary office space, (iv) involve material plumbing connections (such as, for example but not by way of limitation, kitchens (other than customary break-rooms with a refrigerator, sink, microwave, and dishwasher), saunas, showers, and executive bathrooms outside of the Building core and/or special fire safety systems), (v) consist of the dedication of any material portion of the Premises to non-office usage such as kitchens (other than customary break-rooms with a refrigerator, sink, microwave, and dishwasher), or (vi) can be seen from outside the Premises. Notwithstanding the immediately preceding sentence, skylights installed by Tenant and approved by Landlord (which approval shall not be unreasonably withheld) shall not be deemed a Specialty Alteration.

## ARTICLE 9

### COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under Applicable Laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by bond or otherwise within ten (10) business days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Building and Premises.

## ARTICLE 10

### INSURANCE

10.1 **Indemnification and Waiver.** Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever (including, but not limited to, any personal injuries resulting from a slip and fall in, upon or about the Premises) and agrees that Landlord, Landlord's managing agent and their respective partners, subpartners, members, directors, trustees officers, agents, servants, employees, and any mortgagee of Landlord (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. To the fullest extent allowed by law, Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) (collectively, "**Claims**") to the extent arising from (i) any cause in or on the Premises (including, but not limited to, a slip and fall), (ii) any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant or any such person (collectively, the "**Tenant Parties**"), in, on or about the Project, (iii) or any breach of the terms of this Lease, provided that the terms of the foregoing indemnity shall not apply to any Claims to the extent arising from (X) the negligence or willful misconduct of Landlord or any other Landlord Party, or (Y) Landlord's breach of this Lease. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's

occupancy of the Premises, unless and to the extent Landlord shall be found at fault in whole or in part, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as reasonable appraisers', accountants' and attorneys' fees.

To the fullest extent allowed by law, Landlord shall indemnify, defend, protect, and hold harmless the Tenant Parties from any and all Claims to the extent arising from the gross negligence or willful misconduct of Landlord or its agents, employees or contractors.

The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

**10.2 Tenant's Compliance With Landlord's Fire and Casualty Insurance.** Tenant shall, at Tenant's expense, comply with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

**10.3 Tenant's Insurance.** Tenant shall maintain the following coverages in the following amounts:

**10.3.1** Commercial General Liability Insurance on an occurrence form covering the insured against claims of bodily injury, personal/advertising injury and property damage (including loss of use thereof) arising out of Tenant's operations, and contractual liability of insured contracts, and including products and completed operations coverage, for limits of liability on a per location basis of not less than (limits may be any combination of primary and excess policies). Tenant may fulfill its insurance obligations under this Section 10.3.1 through a "blanket" insurance policy so long as (i) the Premises is specifically covered (by rider, endorsement or otherwise), and (ii) such blanket insurance policy complies with the terms and conditions of this Article 10:

Bodily Injury and	\$5,000,000 each occurrence
Property Damage Liability	\$5,000,000 annual aggregate
Personal Injury Liability	\$5,000,000 each occurrence
	\$5,000,000 annual aggregate

**10.3.2** Physical Damage Insurance covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the "Tenant Improvements," as that term is defined in the Tenant Work Letter, and any other improvements which exist in the Premises as of the Rent Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all other improvements, alterations and additions to the Premises. Such insurance shall be written on an "all risks" of physical loss or damage basis, for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance



clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year.

10.3.3 **Worker's Compensation and Employer's Liability** or other similar insurance pursuant to all applicable state and local statutes and regulations.

10.4 **Form of Policies.** The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord, and Landlord Parties as additional insureds, including Landlord's managing agent, if any; (ii) be issued by an insurance company having a rating of not less than "A-" "VII" in Best's Insurance Guide or which is otherwise acceptable to Landlord and permitted to do business in the State of California; (iv) be primary and noncontributory insurance as to all claims thereunder and provide that any insurance carried by Landlord or Landlord Parties is excess and is non-contributing with any insurance requirement of Tenant; (v) be in form and content reasonably acceptable to Landlord; and (vi) provide that at least thirty (30) days' (ten (10) days' for non-payment of premium) prior written notice of cancellation shall be given to Landlord, except that if such provision shall not be available then Tenant, rather than the insurer, shall give Landlord notice of such cancellation within ten (10) days after Tenant's receipt of notice thereof. Tenant shall deliver said certificates of insurance on a form reasonably acceptable to Landlord and copies of additional insured and waiver of subrogation endorsements thereof to Landlord on or before the Lease Commencement Date and at least five (5) days before the expiration dates thereof. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, after expiration of the applicable notice and cure period set forth in Section 19.1.5 below, the same shall constitute an Event of Default.

10.5 **Subrogation.** Landlord and Tenant intend that their respective property loss risks shall be borne by their respective insurance carriers, and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss, whether or not such loss is fully recoverable from such party's insurance carrier, and regardless of whether such loss is due to the negligence of the other party hereto. The parties each hereby waive all rights and claims against each other for any and all property losses, and waive all rights of subrogation of their respective insurers. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder.

10.6 **Additional Insurance Obligations.** Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but in no event in excess of the amounts and types of insurance then being required by landlords of buildings comparable to and in the vicinity of the Building for tenants leasing comparable premises.

10.7 **Landlord's Insurance.** Landlord shall carry commercial general liability insurance with respect to the Building during the Lease Term, and shall further insure the Building during



the Lease Term against loss or damage due to fire and other casualties covered within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage and special extended coverage. Such coverage shall be in such amounts, from such companies, and on such other terms and conditions, as Landlord may from time to time reasonably determine. Additionally, at the option of Landlord, such insurance coverage may include the risks of earthquakes and/or flood damage and additional hazards, a rental loss endorsement and one or more loss payee endorsements in favor of the holders of any mortgages or deeds of trust encumbering the interest of Landlord in the Building or the ground or underlying lessors of the Building, or any portion thereof. Notwithstanding the foregoing provisions of this Section 10.7, the coverage and amounts of insurance (including deductibles) carried by Landlord in connection with the Building shall, at a minimum, be comparable to the coverage and amounts of insurance (including deductibles) which are carried by reasonably prudent landlords of comparable buildings in the San Francisco Financial District (provided that in no event shall Landlord be required to carry earthquake or terrorism insurance); and Worker's Compensation and Employer's Liability coverage as required by applicable law.

#### ARTICLE 11

#### DAMAGE AND DESTRUCTION

11.1 Repair of Damage to Premises by Landlord. Tenant shall promptly notify Landlord of any damage to the Premises resulting from fire or any other casualty. If the Premises or any Common Areas serving or providing access to the Premises shall be 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 Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Upon the occurrence of any damage to the Premises, upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease, and Landlord shall repair any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. In the event that Landlord does not deliver the Landlord Repair Notice within sixty (60) days following the date the casualty becomes known to Landlord, unless Landlord or Tenant shall exercise its right to terminate this Lease pursuant to this Article 11, Tenant shall, at its sole cost and expense, repair any injury or damage to the Tenant Improvements and the Original Improvements installed in the Premises and shall return such Tenant Improvements and Original Improvements to their original condition. Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and

approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and the Premises are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises. In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith.

**11.2 Landlord's Option to Repair.** Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within two hundred seventy (270) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) at least \$500,000.00 of the cost to repair the damage is not fully covered by Landlord's insurance policies; (iv) Landlord decides to rebuild the Building or Common Areas so that they will be substantially different structurally or architecturally; or (v) the damage occurs during the last twelve (12) months of the Lease Term and the repairs cannot reasonably be completed within ninety (90) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); provided, however, that as a condition to such termination, all other leases in the Building for premises which are similarly affected by such damage must be concurrently terminated to the extent allowed under such leases; provided, further, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot, in the reasonable opinion of Landlord, be completed within two hundred seventy (270) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums), or ninety (90) days after discovery of the damage (when such repairs are made without the payment of overtime or other premiums) if the damage occurs during the last twelve (12) months of the Lease Term, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions are satisfied: (a) the damage to the Project by fire or other casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their

respective officers, agents, servants, employees, and independent contractors; (b) as a result of the damage, Tenant cannot reasonably conduct business from the Premises; and, (c) as a result of the damage to the Project, Tenant does not occupy or use the Premises at all (other than to retrieve Tenant's property or close-up business operations in the Premises).

11.3 **Waiver of Statutory Provisions.** The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

## **ARTICLE 12**

### **NONWAIVER**

No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

## **ARTICLE 13**

### **CONDEMNATION**

If the whole or any part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to

terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired, in each case for a period in excess of one hundred eighty (180) days, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises and otherwise in accordance with Section 19.5.2. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

#### ARTICLE 14

#### ASSIGNMENT AND SUBLETTING

14.1 **Transfers.** Except as provided in Section 14.8, below, Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors and visitors and invitees (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than thirty (30) days nor more than nine (9) months after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "**Transfer Premium**", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, provided that Landlord shall have the right to require Tenant to utilize Landlord's standard documents in connection with the documentation of Landlord's consent to



such Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space, and (v) an executed estoppel certificate from Tenant in the form attached hereto as **Exhibit E**. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's reasonable review and processing fees as then in effect for all Building tenants generally, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord.

14.2 **Landlord's Consent.** Landlord shall not unreasonably withhold or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice, and shall grant or withhold (and shall specify the reason(s) for withholding its consent) such consent within thirty (30) days following Landlord's receipt of a complete Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any Applicable Laws for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof;

14.2.4 Intentionally Omitted;

14.2.5 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.6 The proposed Transfer would cause a violation of another lease for space in the Project as in effect as of the date of this Lease, or would give an occupant of the Project as of the date of its lease a right to cancel its lease pursuant to a provision in its lease as of the date hereof; or

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent, or (ii) is negotiating with Landlord or has negotiated with Landlord during the four (4) month period immediately preceding the date Landlord receives the Transfer Notice, to lease space in the Project, and in the case of clause (i) and (ii), Landlord has reasonably comparable space in the Project available to lease such Transferee.



If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a suit for declaratory judgment and an injunction for the relief sought, and Tenant hereby waives the provisions of Section 1995.310 of the California Civil Code, or any successor statute, and all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee.

**14.3 Transfer Premium.** If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent reasonably provided to the Transferee, (iii) marketing costs associated with such Transfer, (iv) reasonable attorneys' fees incurred in the documentation and negotiation of such Transfer and (v) any brokerage commissions in connection with the Transfer. "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer.

**14.4 Landlord's Options as to Subject Space.** Notwithstanding anything to the contrary contained in this Article 14, only in the case of a proposed assignment of this Lease, or a proposed sublease having a term which, assuming all sublease renewal or extension rights are exercised, extends into the final twelve (12) months of the then current term of this Lease, but excluding any Permitted Transfer, Landlord shall have the option, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, to (i) recapture the Subject Space, or (ii) take an assignment or sublease of the Subject Space from Tenant. Such recapture or sublease or assignment notice, shall cancel and terminate this Lease, or create a sublease or

assignment, as the case may be, with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer. In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, then (A) the Rent reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises (but giving effect to any different rental rates applicable to portions of the Premises); (B) this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same; and (C) Landlord shall construct or cause to be constructed a demising wall separating that portion of the Premises recaptured by Landlord from that portion of the Premises retained by Tenant; provided that, Tenant hereby agrees that, notwithstanding Tenant's occupancy of its retained portion of the Premises during the construction of such demising wall by Landlord, Landlord shall be permitted to construct such demising wall during normal business hours, without any obligation to pay overtime or other premiums, and the construction of such demising wall by Landlord shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent, and Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the construction of such demising wall, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of its retained portion of the Premises or of Tenant's personal property or improvements resulting from the construction of such demising wall, or for any inconvenience or annoyance occasioned by the construction of such demising wall; and provided further that, Tenant shall be responsible for, and shall pay to Landlord promptly upon being billed therefor, fifty percent (50%) of all costs related to the construction of such demising wall, including Landlord's standard fee for its involvement with such demising wall. In the event Landlord elects to take an assignment or sublease of the Subject Space from Tenant, (1) such assignment or sublet shall be at a rental rate that shall be the lesser of (x) the proposed rent to be paid by Transferee upon such Transfer, or (y) the Rent then payable to Landlord pursuant to this Lease as of the effective date of such Transfer (including any scheduled escalations thereof during the term of such Transfer), pro-rated for the number of rentable square feet in such Subject Space, and (2) Landlord may, at Landlord's sole cost, construct improvements in the Subject Space on the condition that, upon the termination of the term of such Transfer, Landlord shall return the Subject Space to Tenant in substantially the same condition as received by Landlord (*i.e.*, prior to the making of such improvements by Landlord), ordinary wear and tear excepted. If Landlord declines, or fails to elect in a timely manner, to recapture, sublease or take an assignment of the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to transfer the Subject Space to the proposed Transferee, subject to provisions of this Article 14.

**14.5 Effect of Transfer.** If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this

Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's costs of such audit.

14.6 **Additional Transfers.** For purposes of this Lease, the term "Transfer" shall also include (i) if Tenant is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners or members, or transfer of fifty percent (50%) or more of partnership or membership interests, within a twelve (12)-month period, or the dissolution of the partnership or membership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period. Notwithstanding the foregoing, the term "Transfer" shall not include an initial or subsequent public offering of Tenant's stock on a national stock exchange or over the counter market, nor any capital infusion rounds (or equity issued in connection therewith).

14.7 **Occurrence of Default.** Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If an Event of Default shall have occurred and be continuing hereunder, Landlord is hereby irrevocably authorized to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such Event of Default is cured. Such Transferee shall rely on any representation by Landlord that an Event of Default has occurred hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Permitted Transfers.** Notwithstanding anything to the contrary contained in this Lease, (A) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant), (B) an assignment of the Lease to an entity which acquires all or substantially all of the stock or assets of Tenant, or (C) an assignment of the Lease to an entity which is the resulting entity of a merger or

consolidation of Tenant during the Term, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 (any such assignee or sublessee described in items (A) through (C) of this Section 14.8 is hereinafter referred to as a "**Permitted Transferee**" and any assignment or sublease to a Permitted Transferee pursuant to this Section 14.8 is referred to herein as a "**Permitted Transfer**"), provided that (i) Tenant notifies Landlord at least thirty (30) days prior to the effective date of any such Permitted Transfer and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such Permitted Transfer or Permitted Transferee as set forth above, (ii) Tenant is not in default, beyond the applicable notice and cure period, and such Permitted Transfer is not a subterfuge by Tenant to avoid its obligations under this Lease, (iii) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, (iv) in the case of an assignment of this Lease, such Permitted Transferee Assignee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") at least equal to the greater of (1) the Net Worth of Tenant on the date of this Lease, and (2) the Net Worth of Tenant on the day immediately preceding the effective date of such Permitted Transfer, (v) no Permitted Transfer, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and (vi) the liability of a Permitted Transferee Assignee under a Permitted Transfer shall be joint and several with Tenant. An assignee of Tenant's entire interest in this Lease who qualifies as a Permitted Transferee may also be referred to herein as a "**Permitted Transferee Assignee**." "**Control**," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of more than fifty percent (50%) of the voting interest in, any person or entity.

**14.9 Sublease Restrictions.** Notwithstanding anything to the contrary contained herein, Tenant shall not, and Tenant shall not permit any other occupant of the Premises to, enter into any lease, sublease, license, concession or other agreement for use or occupancy of the Premises or any portion thereof which provides for a rental or other payment for such use or occupancy based in whole or in part on the net income or profits derived by any person or entity from the property leased, occupied or used, or which would require the payment of any consideration that would not qualify as "rents from real property," as that term is defined in Section 856(d) of the Internal Revenue Code of 1986, as amended.

**14.10 Occupancy by Others.** Notwithstanding any contrary provision of this Article 14, the Original Tenant and any Permitted Transferee Assignee shall have the right, without the receipt of Landlord's consent and without payment to Landlord of the Transfer Premium, but on not less than ten (10) days prior written notice to Landlord, to permit the occupancy of up to fifteen percent (15%) of the Premises, in the aggregate, to any individual(s) or entities with an ongoing business relationship with Tenant (other than the dual occupancy of the Premises), which occupancy shall include the use of a corresponding interior support area and other portions of the Premises which shall be common to Tenant and the permitted occupants, on and subject to the following conditions: (i) each individual or entity shall be of a character and reputation consistent with the quality of the Building and the Project; (ii) no individual or entity shall occupy a separately demised portion of the Premises or which contains an entrance to such portion of the Premises other than the primary entrance to the Premises; (iii) the rent, if any, paid by such occupants shall not be greater than the rent and reasonable charges for support services allocable on a pro rata basis to the portion of the Premises occupied by such occupants, and (iv) such occupancy shall not



be a subterfuge by Tenant to avoid its obligations under this Lease or the restrictions on Transfers pursuant to this Article 14. Tenant shall promptly supply Landlord with any documents or information reasonably requested by Landlord regarding any such individuals or entities. Any occupancy permitted under this Section 14.10 shall not be deemed a Transfer under this Article 14. Notwithstanding the foregoing, no such occupancy shall relieve Tenant from any liability under this Lease.

## ARTICLE 15

### SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises.** No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant.** Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures, free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

## ARTICLE 16

### HOLDING OVER

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, without the express or implied consent of Landlord, such tenancy shall be a tenancy at sufferance on a day to day basis, and shall not constitute a renewal hereof or an extension for any further term, and in such case Rent shall be payable at a monthly rate equal to the product of (i) the Rent applicable during the last rental period of the Lease Term under this Lease, and (ii) a percentage equal to 150% during the first month immediately following the expiration or earlier termination

of the Lease Term, and 200% thereafter. Such tenancy shall be subject to every other applicable term, covenant and agreement contained herein. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises within thirty (30) days following the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom.

#### ARTICLE 17

#### ESTOPPEL CERTIFICATES

Within ten (10) business days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of Exhibit E, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term (but not more than once per calendar year, unless in connection with a proposed sale or financing of the Building), Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall, if not cured within five (5) business days after notice from Landlord pursuant to Section 19.1.4, below, constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception.

#### ARTICLE 18

#### SUBORDINATION

This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or

underlying leases (collectively, the "**Superior Holders**"), require in writing that this Lease be superior thereto. Landlord's delivery to Tenant of commercially reasonable non-disturbance agreement(s) (the "**Nondisturbance Agreement**") in favor of Tenant from any Superior Holders who come into existence after the date of this Lease shall be in consideration of, and a condition precedent to, Tenant's agreement that this Lease be subordinate to any such ground lease, mortgage or other lien. Promptly after the mutual execution and delivery of this Lease, Landlord shall use its reasonable efforts to obtain a Nondisturbance Agreement from any Superior Holder in existence as of the date of this Lease; provided, however, if Tenant provides comments to the form of the Nondisturbance Agreement provided by any such existing Superior Holder, and such Superior Holder charges a fee (including without limitation attorney fees) to review and negotiate such changes to the Nondisturbance Agreement, then any such fee shall be paid by Tenant. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) business days of request by Landlord, execute such further instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

## ARTICLE 19

### DEFAULTS; REMEDIES

19.1 **Events of Default.** The occurrence of any of the following shall constitute an "**Event of Default**" of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due, which failure is not cured within five (5) business days after written notice from Landlord that said amount was not paid when due, provided that if Tenant has previously received one (1) or more notices from Landlord during the immediately preceding twelve (12) month period stating that Tenant failed to pay any amount required to be paid by Tenant under this Lease when due, then Landlord shall not be required to deliver any notice to Tenant and a default shall immediately occur upon any failure by Tenant to pay any rent or any other charge required to be paid under the Lease when due; or

19.1.2 Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of

such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default; or

19.1.3 Abandonment of the Premises by Tenant within the meaning of the California Civil Code or

19.1.4 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than five (5) business days after notice from Landlord;

19.1.5 Tenant's failure to maintain or provide Landlord with evidence of insurance as require under Article 10 where such failure continues for more than five (5) business days after notice from Landlord.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default.** Upon the occurrence of any Event of Default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever,

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord 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 Tenant 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 Landlord may recover from Tenant the following:

(i) The worth at the time of award of the unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including, but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant,



whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the rate set forth in Article 25 of this Lease, but in no case greater than the maximum amount of such interest permitted by law. As used in Section 19.2.1(iii) above, 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 one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by Applicable Laws, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Subleases of Tenant.** If Landlord terminates this Lease on account of any Event of Default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder, but such rent or other consideration shall be taken into account in determining Landlord's recovery from Tenant by reason of such Event of Default.

19.4 **Efforts to Relet.** No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to

Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

**19.5 Landlord Default.**

**19.5.1 General.** Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursue the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

**19.5.2 Abatement of Rent.** In the event that Tenant is prevented from using, and does not use, the Premises or any portion thereof, as a result of (i) any repair, maintenance or alteration performed by Landlord, or which Landlord failed to perform, after the Rent Commencement Date and required by this Lease, which substantially interferes with Tenant's use of the Premises, or (ii) any failure to provide services, utilities or access to the Premises as required by this Lease (either such set of circumstances as set forth in items (i) or (ii), above, to be known as an "Abatement Event"), then Tenant shall give Landlord notice of such Abatement Event, and if such Abatement Event continues for five (5) consecutive business days after Landlord's receipt of any such notice (the "Eligibility Period") and either (A) Landlord does not diligently commence and pursue to completion the remedy of such Abatement Event or (B) Landlord receives proceeds from its rental interruption insurance which covers such Abatement Event, then the Base Rent, Tenant's Share of Direct Expenses, and Tenant's obligation to pay for parking (to the extent not utilized by Tenant) shall be abated 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 for the normal conduct of Tenant's business, the Premises or a portion thereof, in the proportion that the rentable area of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable area 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 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 Tenant's Share of Direct Expenses for the entire Premises and Tenant's obligation to pay for parking shall be abated 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 (other than to retrieve Tenant's property or close-up business operations in such portion of the Premises), the Rent allocable to such reoccupied portion, based on the proportion that the rentable area of such reoccupied portion of the Premises bears to the total rentable area of the Premises, shall be payable by Tenant from the date Tenant reoccupies such portion of the Premises. To the extent an Abatement Event is caused by an event covered by Articles 11 or 13 of this Lease, then Tenant's right to abate rent shall be governed by the terms of such Article 11 or

13, as applicable, and the Eligibility Period shall not be applicable thereto. Such right to abate Base Rent and Tenant's Share of Direct Expenses shall be Tenant's sole and exclusive remedy for rent abatement at law or in equity for an Abatement Event. Except as provided in this Section 19.5.2, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

## ARTICLE 20

### COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

## ARTICLE 21

### LETTER OF CREDIT

21.1. **Delivery of Letter of Credit.** Tenant shall deliver to Landlord an unconditional, clean, irrevocable letter of credit (the "**L-C**") in the amount set forth in Section 21.3.1 below (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local office located in the City of New York, New York, San Francisco, California or San Jose, California which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A" (or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "**Bank's Credit Rating Threshold**"), and which L-C shall be in the form of Exhibit G, attached hereto. Landlord hereby approves Silicon Valley Bank as the "Bank" as of the date of this Lease. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than ninety-five (95) days after the expiration of the Lease Term, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease; or (B) Tenant has filed a voluntary petition under the

U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) business days following Landlord's notice to Tenant of such receivership or conservatorship (the "**L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to draw upon the L-C and hold the cash proceeds thereof as provided in this Article 21; provided that Landlord shall not be required to hold the cash proceeds thereof for more than ninety (90) days, and if Tenant has failed to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1 within ninety (90) days, then Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) and ninety (90) day periods). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its interest in this Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's sole and absolute discretion, and the attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within thirty (30) days of billing.

**21.2. Application of L-C.** Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may,



but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 21.1(H) above), draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

### **21.3. L-C Amount; Maintenance of L-C by Tenant.**

**21.3.1 L-C Amount.** The L-C Amount shall be equal to the amount set forth in Section 8 of the Summary.

**21.3.2 In General.** If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within ten (10) business days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall be reasonably acceptable to Landlord and comply with all of the provisions of this Article 21. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or

to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights under the immediately preceding sentence, (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, (II) Landlord agrees to pay to Tenant on or prior to the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease, and (III) within ten (10) business days after the first (1<sup>st</sup>) Reduction Date occurring after the date Landlord draws down on such L-C, and provided that Tenant then satisfies the "L-C Reduction Conditions," as that term is defined in Section 21.9, below (including without limitation that Tenant is not then in default under this Lease and an Event of Default has not previously occurred under this Lease more than once during the immediately preceding twelve (12) month period), then Landlord shall pay Tenant the amount of the reduction in the L-C Amount; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

**21.4. Transfer and Encumbrance.** The L-C shall also provide (or otherwise allow) that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all of its interest in and to the L-C to Landlord's lender or to another party, person or entity, as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in and under this Lease, Landlord shall transfer the L-C (or the unapplied proceeds thereof drawn by Landlord) to the transferee. Thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to assignee new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith; provided that, Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within thirty (30) days after Tenant's receipt of an invoice from Landlord therefor.

**21.5. L-C Not a Security Deposit.** Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit,

and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a 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 a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

**21.6. Non-Interference By Tenant.** Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

**21.7. Waiver of Certain Relief.** Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

21.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

**21.8. Remedy for Improper Drafts.** Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the "Default Rate" (as that term is defined below in Article 25) and reasonable actual out-of-pocket attorneys' fees (the "**Improper Draw Repayment Amount**"), provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days

after demand, Tenant shall have the right to deduct the Improper Draw Repayment Amount from the next installment(s) of Base Rent and other amounts payable by Tenant pursuant to this Lease; provided, however, if there is not enough Base Rent and other amounts payable by Tenant pursuant to this Lease prior to the then scheduled expiration of the Lease Term in order for Tenant to fully recoup the Improper Draw Repayment Amount, then Tenant may bring an action pursuant to Section 29.22, below, against Landlord for contract damages in the amount of the Improper Draw Repayment Amount.

21.9. **Reduction of L-C Amount.** Provided that on or prior to the applicable Reduction Date, Tenant tenders to Landlord (a) evidence reasonably satisfactory to Landlord demonstrating the Tenant satisfies the "L-C Reduction Conditions," as that term is defined below, and (b) a certificate of amendment to the existing L-C, conforming in all respects to the requirements of this Article 21, in the amount of the applicable L-C Amount as of such Reduction Date, the L-C Amount shall be reduced to the following amounts.

Reduction Date	L-C Amount After Reduction
The fourth (4 <sup>th</sup> ) anniversary of the Rent Commencement Date	\$1,886,268.05.
The fifth (5 <sup>th</sup> ) anniversary of the Rent Commencement Date	\$1,310,796.44
The sixth (6 <sup>th</sup> ) anniversary of the Rent Commencement Date	\$737,784.11

For purposes of this Section 21.9, the "L-C Reduction Conditions" shall mean that (i) as of the date of such certificate, Tenant is not then in default under this Lease and a monetary or other material Event of Default has not previously occurred under this Lease more than once during the immediately preceding twelve (12) month period, and (ii) Tenant has (a) achieved positive "Net Income," as determined in accordance with generally accepted accounting practices, for each of the immediately preceding four (4) consecutive trailing quarters, and (b) as of the date of such certificate, cash on hand (i.e., funds that are immediately available to Tenant and can be spent as needed, as opposed to assets that must be sold to generate cash) of at least Twenty Million Dollars (\$20,000,000.00). In the event Tenant fails to deliver to Landlord evidence reasonably satisfactory to Landlord demonstrating that Tenant satisfies the L-C Reduction Conditions in clauses (i) and (ii) prior to the applicable Reduction Date, or if Tenant fails to deliver a certificate of amendment to the existing L-C as required by this Section 21.9, then the L-C Amount shall not be reduced upon such applicable Reduction Date, but the terms of this Section 21.9 shall remain effective and the L-C Amount shall thereafter be reduced, to the amount applicable to such Reduction Date, on the date Tenant delivers to Landlord evidence reasonably satisfactory to Landlord demonstrating that Tenant then satisfies the L-C Reduction Conditions (provided that no such reductions shall be permitted in the event this Lease is terminated early as a result of an Event of Default).



**ARTICLE 22**

**INTENTIONALLY OMITTED**

**ARTICLE 23**

**SIGNS**

23.1 **Full Floors.** Tenant, if the Premises comprise an entire floor of the Building, at its sole cost and expense, may install, without Landlord approval, identification signage anywhere in the Premises, provided that such signs must not be visible from the exterior of the Premises, and provided all signs are in keeping with the quality, design and style of the Building.

23.2 **Multi-Tenant Floors.** If other tenants occupy space on the floor on which the Premises is located, Tenant's identifying signage shall be provided by Landlord, at Tenant's cost, and such signage shall be comparable to that used by Landlord for other similar floors in the Building and shall comply with Landlord's then-current Building standard signage program.

23.3 **Prohibited Signage and Other Items.** Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Tenant may not install any signs on the exterior or roof of the Project or the Common Areas. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

23.4 **Building Directory.** Tenant shall have the right, at no charge to Tenant, to one Building standard directory listing on Landlord's directory board located in the lobby of the Building for so long as such directory board exists, except that Tenant may have up to two additional listings for approved subtenants of the Premises or any portion thereof. Landlord shall have the right, in Landlord's sole and absolute discretion, to remove such directory board and replace the same with an electronic or similar directory or utilize Landlord's access control or concierge personnel to provide directory services to visitors and guests of the Building, in which case Tenant and Tenant's subtenants shall be provided such electronic or other such directory services.

23.5 **West Side Entry Signage.** To the extent allowed pursuant to Applicable Laws and Landlord's prior approval, Tenant may install, at Tenant's sole cost and expense, one (1) sign identifying Tenant's name and/or logo located at West Side Entry to the second (2<sup>nd</sup>) floor of the Building ("**Entry Signage**"). The Entry Signage shall in no event include an "Objectionable Name," as that term is defined below. The graphics, materials, color, design, lettering, lighting, size, specifications and exact location of the Entry Signage (collectively, the "**Sign Specifications**") shall be subject to the prior written approval of Landlord, which approval may be withheld in Landlord's reasonable discretion, and shall be consistent and compatible with the quality and nature of the Building. The Entry Signage shall not have a name which relates to an

entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Building, or which would otherwise reasonably offend a landlord of the Comparable Buildings (an "**Objectable Name**"). The parties hereby agree that the following name, or any reasonable derivation thereof, shall be deemed not to constitute an Objectable Name: "Ripple Labs Inc." The rights contained in this Section 23.5 shall be personal to Original Tenant and its Permitted Transferee Assignees, and may only be exercised and maintained by such parties if they have not sublet more than one (1) floor of the Premises (and for such purposes, Tenant shall not be deemed to have sublet any portions of the Premises occupied by others pursuant to Section 14.10 above). The costs of the Entry Signage and the installation, design, construction, and any and all other costs associated with the Entry Signage, including, without limitation, utility charges and hook-up fees, permits, and maintenance and repairs, shall be the sole responsibility of Tenant. Should the Entry Signage require repairs and/or maintenance, as determined in Landlord's reasonable judgment, Landlord shall have the right to provide notice thereof to Tenant and Tenant shall cause such repairs and/or maintenance to be performed within ten (10) business days after receipt of such notice from Landlord, at Tenant's sole cost and expense. Should Tenant fail to perform such repairs and/or maintenance within the periods described in the immediately preceding sentence, Landlord shall, upon the delivery of an additional five (5) business days' prior written notice, have the right to cause such work to be performed and to charge Tenant as Additional Rent for the cost of such work. Upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, cause the Entry Signage to be removed and shall cause the areas in which such Entry Signage was located to be restored to the condition existing immediately prior to the placement of such Entry Signage (excepting normal wear and tear). If Tenant fails to timely remove such Entry Signage or to restore the areas in which such Tenant's Signage was located, as provided in the immediately preceding sentence, then Landlord on ten (10) business days' notice to Tenant may perform such work, and all costs incurred by Landlord in so performing shall be reimbursed by Tenant to Landlord within thirty (30) days after Tenant's receipt of an invoice therefor. The terms and conditions of this Section 23.5 shall survive the expiration or earlier termination of this Lease.

## ARTICLE 24

### COMPLIANCE WITH LAW

**24.1 Landlord's Obligations.** Landlord shall comply with all laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, including any such governmental regulations related to disabled access (collectively, "**Applicable Laws**") relating to the Base Building, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees, or would otherwise materially and adversely affect Tenant's use of or access to the Premises. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent not prohibited by the terms of Article 4 of this Lease, above.

**24.2 Tenant's Obligations.** Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any Applicable Laws.

At its sole cost and expense, Tenant shall promptly comply with any Applicable Laws which relate to (i) Tenant's use of the Premises, (ii) any Alterations made by Tenant to the Premises, and any Tenant Improvements in the Premises, or (iii) the Base Building, but as to the Base Building, only to the extent such obligations are triggered by Alterations made by Tenant to the Premises to the extent such Alterations are not normal and customary business office improvements, or triggered by the Tenant Improvements to the extent such Tenant Improvements are not normal and customary business office improvements, or triggered by Tenant's use of the Premises for non-general office use. Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations and to cooperate with Landlord, including, without limitation, by taking such actions as Landlord may reasonably require, in Landlord's efforts to comply with such standards or regulations. Except as otherwise set forth as Landlord's Work under the Tenant Work Letter, Tenant shall be responsible, at its sole cost and expense, to make all alterations to the Premises as are required to comply with the governmental rules, regulations, requirements or standards described in this Article 24. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant. Tenant shall promptly pay all fines, penalties and damages that may arise out of or be imposed because of its failure to comply with the provisions of this Article 24. For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises has not undergone inspection by a Certified Access Specialists (CASp).

**24.3 In General.** Pursuant to this Article 24 above, except as otherwise set forth as Landlord's Work under the Tenant Work Letter, Tenant, at its cost, is responsible for making any required disability access improvements to the Premises; and, if anything done by Tenant in its use or occupancy of the Premises shall create, require or cause imposition of any requirement by any public authority for any disability access improvements in or to the Building, Tenant shall, at Landlord's option, either perform such improvements at Tenant's sole cost and expense or reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such work. Except as provided hereinabove or elsewhere in this Lease, Landlord, at its cost (which may be included in Operating Expenses to the extent permitted under this Lease), is responsible for making any required disability access improvements to the Building (outside the Premises). Tenant hereby agrees to use reasonable efforts to notify Landlord if Tenant makes any Alterations or improvements to the Premises that might impact accessibility to the Premises or Building under any disability access laws, and any disability access improvements to the Project or Premises required due to Alterations or improvements made to the Premises by Tenant shall be the responsibility of Tenant. Landlord hereby agrees to use reasonable efforts to notify Tenant if Landlord makes any alterations or improvements to the Premises that might impact accessibility to the Premises or Building under any disability access laws.

## ARTICLE 25

### LATE CHARGES

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) business days after Tenant's receipt of written notice from Landlord that said amount is due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any reasonable attorneys' fees incurred by Landlord by reason of Tenant's failure to pay Rent and/or other charges when due hereunder; provided, however, with regard to the first (1<sup>st</sup>) failure in any twelve (12) month period, Landlord will waive such late charge to the extent Tenant cures such failure within five (5) business days following Tenant's receipt of written notice from Landlord that the same was not received when due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at a rate per annum (the "**Default Rate**") equal to the lesser of (i) the annual "Bank Prime Loan" rate cited in the Federal Reserve Statistical Release Publication H.15(519), published on the first Tuesday of each calendar month (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published) plus two (2) percentage points, and (ii) the highest rate permitted by Applicable Laws.

## ARTICLE 26

### LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT

26.1 **Landlord's Cure.** All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Reimbursement.** Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all reasonable expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all reasonable legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.



## ARTICLE 27

### ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times (during Building Hours with respect to items (i) and (ii) below) and upon at least twenty-four (24) hours prior notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers, or during the last twelve (12) months of the Lease Term, to prospective tenants; (iii) post notices of nonresponsibility; or (iv) repair the Premises or alter, improve or repair the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time to (A) perform services required of Landlord, including janitorial service; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform within the applicable notice and cure period under this Lease. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, including, without limitation, Section 19.5.2 of this Lease, and may take such reasonable steps as required to accomplish the stated purposes; provided, however, except for (x) entrances pursuant to item (B), above or due to emergencies, (y) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (z) repairs which are the obligation of Tenant hereunder, any such entry shall be performed in a manner so as not to unreasonably interfere with Tenant's use of the Premises and shall be performed after normal business hours if reasonably practical and consistent with the practices of the landlords of the Comparable Buildings. With respect to items (y) and (z) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises. 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. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord in this Lease.

## ARTICLE 28

### TENANT PARKING

Tenant may rent from Landlord, commencing on the Lease Commencement Date, the number of parking passes set forth in Section 9 of the Summary, on a monthly basis throughout the Lease Term, which parking passes shall pertain to the Project parking facility. Tenant may decrease the number of parking passes rented by Tenant upon at least thirty (30) days prior written notice to Landlord; provided, however, thereafter the number of parking passes that Tenant shall

have the right to rent from Landlord shall be reduced to the number of parking passes actually rented by Tenant. Tenant shall pay to Landlord for automobile parking passes on a monthly basis the prevailing rate charged from time to time at the location of such parking passes. In addition, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located (including any sticker or other identification system established by Landlord and the prohibition of vehicle repair and maintenance activities in the Project's parking facilities), Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations and Tenant not being in default under this Lease. Tenant's use of the Project parking facility shall be at Tenant's sole risk and Tenant acknowledges and agrees that Landlord shall have no liability whatsoever for damage to the vehicles of Tenant, its employees and/or visitors, or for other personal injury or property damage or theft relating to or connected with the parking rights granted herein or any of Tenant's, its employees' and/or visitors' use of the parking facilities. Tenant's rights hereunder are subject to the terms of any Underlying Documents. Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease (except as specifically set forth in Section 19.5.2 of this Lease), from time to time, close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval. Tenant may validate visitor parking by such method or methods as the Landlord may establish, at the validation rate from time to time generally applicable to visitor parking.

## ARTICLE 29

### MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions.** The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect.** Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights.** No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease.** Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) business days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) business days following the request therefor.

29.5 **Transfer of Landlord's Interest.** Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer, Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any Security Deposit, Letter of Credit and/or Letter of Credit Proceeds, and, subject to Article 18 above, Tenant shall attorn to such transferee.

29.6 **Prohibition Against Recording.** Except as provided in Section 29.4 of this Lease, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title.** Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties.** Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments.** Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence.** Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such

term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty.** In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

29.13 **Landlord Exculpation.** The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount (the "**Liability Threshold**") which is equal to the interest of Landlord in the Building, including any sales or insurance proceeds thereafter receivable or theretofore received and then held by Landlord or the Landlord Parties in connection with the Project, Building or Premises. Neither Landlord, nor any of the Landlord Parties shall have any liability under this Lease in excess of the Liability Threshold, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring ("**Lost Profits**"). Notwithstanding anything to the contrary set forth in this Lease, in no event shall Tenant be liable to Landlord for injury or damage to, or interference with, Landlord's business, including but not limited to, Lost Profits, except for damages expressly provided for in Section 16 of the Lease with regard to Tenant's failure to timely surrender the Premises to Landlord. In no event shall any damages expressly provided for in Section 19.2.1 above be deemed Lost Profits.

29.14 **Entire Agreement.** It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.



29.15 **Right to Lease.** Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure.** Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant.** Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem 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.

29.18 **Notices.** All notices, demands, statements, designations, approvals or other communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (A) sent by United States certified or registered mail, postage prepaid, return receipt requested ("**Mail**"), (B) delivered by a nationally recognized overnight courier, or (C) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth below, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (i) three (3) days after the date it is posted if sent by Mail, (ii) the date the overnight courier delivery is made, or (iii) the date personal delivery is made. As of the date of this Lease, any Notices to Landlord must be sent, transmitted, or delivered, as the case may be, to the following addresses:

HWA 555 Owners, LLC  
c/o Vornado Realty Trust  
888 Seventh Avenue  
New York, New York 10019  
Attn: President – New York Office Division

with a copy to:

Vornado Realty Trust  
210 Route 4 East  
Paramus, New Jersey 07652  
Attn: Chief Financial Officer

and

Allen Matkins Leck Gamble Mallory & Natsis LLP  
1901 Avenue of the Stars, Suite 1800  
Los Angeles, California 90067  
Attention: Anton N. Natsis, Esq.

29.19 **Joint and Several.** If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several. In the event that the Tenant is a married individual, the terms, covenants and conditions of this Lease shall be binding upon the marital community of which the Tenant is a member.

29.20 **Authority.** If Tenant is a corporation, trust, partnership or limited liability company, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State of California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after execution of this Lease, deliver to Landlord satisfactory evidence of such authority and, if an entity, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of formation and (ii) qualification to do business in the State of California.

29.21 **Attorneys' Fees.** In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; JUDICIAL REFERENCE.** This Lease shall be construed and enforced in accordance with the laws of the State of California. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE. IF THE JURY WAIVER PROVISIONS OF THIS SECTION 29.22 ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THEN THE FOLLOWING PROVISIONS SHALL APPLY. IT IS THE DESIRE AND INTENTION OF THE PARTIES TO AGREE UPON A MECHANISM AND PROCEDURE UNDER WHICH CONTROVERSIES AND DISPUTES ARISING OUT OF THIS LEASE OR RELATED TO THE PREMISES WILL BE RESOLVED IN A PROMPT AND EXPEDITIOUS MANNER. ACCORDINGLY, EXCEPT WITH RESPECT TO ACTIONS FOR UNLAWFUL OR FORCIBLE DETAINER OR WITH RESPECT TO THE PREJUDGMENT REMEDY OF ATTACHMENT, ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR SUBSIDIARIES OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE, WHETHER SOUNDING IN CONTRACT,

TORT, OR OTHERWISE, SHALL BE HEARD AND RESOLVED BY A REFEREE UNDER THE PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, SECTIONS 638 — 645.1, INCLUSIVE (AS SAME MAY BE AMENDED, OR ANY SUCCESSOR STATUTE(S) THERETO) (THE "REFEREE SECTIONS"). ANY FEE TO INITIATE THE JUDICIAL REFERENCE PROCEEDINGS AND ALL FEES CHARGED AND COSTS INCURRED BY THE REFEREE SHALL BE PAID BY THE PARTY INITIATING SUCH PROCEDURE (EXCEPT THAT IF A REPORTER IS REQUESTED BY EITHER PARTY, THEN A REPORTER SHALL BE PRESENT AT ALL PROCEEDINGS WHERE REQUESTED AND THE FEES OF SUCH REPORTER — EXCEPT FOR COPIES ORDERED BY THE OTHER PARTIES — SHALL BE BORNE BY THE PARTY REQUESTING THE REPORTER); PROVIDED HOWEVER, THAT ALLOCATION OF THE COSTS AND FEES, INCLUDING ANY INITIATION FEE, OF SUCH PROCEEDING SHALL BE ULTIMATELY DETERMINED IN ACCORDANCE WITH SECTION 29.21 ABOVE. THE VENUE OF THE PROCEEDINGS SHALL BE IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED. WITHIN TEN (10) DAYS OF RECEIPT BY ANY PARTY OF A WRITTEN REQUEST TO RESOLVE ANY DISPUTE OR CONTROVERSY PURSUANT TO THIS SECTION 29.22, THE PARTIES SHALL AGREE UPON A SINGLE REFEREE WHO SHALL TRY ALL ISSUES, WHETHER OF FACT OR LAW, AND REPORT A FINDING AND JUDGMENT ON SUCH ISSUES AS REQUIRED BY THE REFEREE SECTIONS. IF THE PARTIES ARE UNABLE TO AGREE UPON A REFEREE WITHIN SUCH TEN (10) DAY PERIOD, THEN ANY PARTY MAY THEREAFTER FILE A LAWSUIT IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED FOR THE PURPOSE OF APPOINTMENT OF A REFEREE UNDER THE REFEREE SECTIONS. IF THE REFEREE IS APPOINTED BY THE COURT, THE REFEREE SHALL BE A NEUTRAL AND IMPARTIAL RETIRED JUDGE WITH SUBSTANTIAL EXPERIENCE IN THE RELEVANT MATTERS TO BE DETERMINED, FROM JAMS, THE AMERICAN ARBITRATION ASSOCIATION OR SIMILAR MEDIATION/ARBITRATION ENTITY. THE PROPOSED REFEREE MAY BE CHALLENGED BY ANY PARTY FOR ANY OF THE GROUNDS LISTED IN THE REFEREE SECTIONS. THE REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES OF FACT AND LAW AND REPORT HIS OR HER DECISION ON SUCH ISSUES, AND TO ISSUE ALL RECOGNIZED REMEDIES AVAILABLE AT LAW OR IN EQUITY FOR ANY CAUSE OF ACTION THAT IS BEFORE THE REFEREE, INCLUDING AN AWARD OF ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THIS LEASE. THE REFEREE SHALL NOT, HOWEVER, HAVE THE POWER TO AWARD PUNITIVE DAMAGES, NOR ANY OTHER DAMAGES WHICH ARE NOT PERMITTED BY THE EXPRESS PROVISIONS OF THIS LEASE, AND THE PARTIES HEREBY WAIVE ANY RIGHT TO RECOVER ANY SUCH DAMAGES. THE PARTIES SHALL BE ENTITLED TO CONDUCT ALL DISCOVERY AS PROVIDED IN THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE REFEREE SHALL OVERSEE DISCOVERY AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE, WITH RIGHTS TO REGULATE DISCOVERY AND TO ISSUE AND ENFORCE SUBPOENAS, PROTECTIVE ORDERS AND OTHER LIMITATIONS ON DISCOVERY AVAILABLE UNDER CALIFORNIA LAW. THE REFERENCE PROCEEDING SHALL BE CONDUCTED IN ACCORDANCE WITH CALIFORNIA LAW (INCLUDING THE RULES OF EVIDENCE), AND IN ALL REGARDS, THE REFEREE SHALL FOLLOW CALIFORNIA LAW APPLICABLE AT THE TIME OF THE REFERENCE PROCEEDING. THE PARTIES SHALL PROMPTLY AND DILIGENTLY

COOPERATE WITH ONE ANOTHER AND THE REFEREE, AND SHALL PERFORM SUCH ACTS AS MAY BE NECESSARY TO OBTAIN A PROMPT AND EXPEDITIOUS RESOLUTION OF THE DISPUTE OR CONTROVERSY IN ACCORDANCE WITH THE TERMS OF THIS SECTION 29.22. IN THIS REGARD, THE PARTIES AGREE THAT THE PARTIES AND THE REFEREE SHALL USE BEST EFFORTS TO ENSURE THAT (A) DISCOVERY BE CONDUCTED FOR A PERIOD NO LONGER THAN SIX (6) MONTHS FROM THE DATE THE REFEREE IS APPOINTED, EXCLUDING MOTIONS REGARDING DISCOVERY, AND (B) A TRIAL DATE BE SET WITHIN NINE (9) MONTHS OF THE DATE THE REFEREE IS APPOINTED. IN ACCORDANCE WITH SECTION 644 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, THE DECISION OF THE REFEREE UPON THE WHOLE ISSUE MUST STAND AS THE DECISION OF THE COURT, AND UPON THE FILING OF THE STATEMENT OF DECISION WITH THE CLERK OF THE COURT, OR WITH THE JUDGE IF THERE IS NO CLERK, JUDGMENT MAY BE ENTERED THEREON IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. ANY DECISION OF THE REFEREE AND/OR JUDGMENT OR OTHER ORDER ENTERED THEREON SHALL BE APPEALABLE TO THE SAME EXTENT AND IN THE SAME MANNER THAT SUCH DECISION, JUDGMENT, OR ORDER WOULD BE APPEALABLE IF RENDERED BY A JUDGE OF THE SUPERIOR COURT IN WHICH VENUE IS PROPER HEREUNDER. THE REFEREE SHALL IN HIS/HER STATEMENT OF DECISION SET FORTH HIS/HER FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH THE CODE OF CIVIL PROCEDURE. NOTHING IN THIS SECTION 29.22 SHALL PREJUDICE THE RIGHT OF ANY PARTY TO OBTAIN PROVISIONAL RELIEF OR OTHER EQUITABLE REMEDIES FROM A COURT OF COMPETENT JURISDICTION AS SHALL OTHERWISE BE AVAILABLE UNDER THE CODE OF CIVIL PROCEDURE AND/OR APPLICABLE COURT RULES.

29.23 **Submission of Lease.** Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers (except that Landlord's indemnity of Tenant shall also apply to any leasing commission or equivalent compensation alleged to be owing to the Brokers), occurring by, through, or under the indemnifying party. Pursuant to the terms of separate agreements, Landlord shall pay the Brokers any fees, commissions or other compensation payable to them in connection with this Lease. The terms of this Section 29.24 shall survive the expiration or earlier termination of the Lease Term.



29.25 **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 and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord.

29.26 **Project or Building Name, Address and Signage.** Landlord shall have the right at any time to change the name and/or address of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Counterparts.** This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality.** Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants.

29.29 **Building Renovations.** It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Tenant Work Letter. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Project, the Building and/or the Premises. Tenant hereby agrees that such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent (except as expressly set forth in Section 19.5.2 of this Lease). Landlord shall have no responsibility and shall not be liable to Tenant for any injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations, or for any inconvenience or annoyance occasioned by such Renovations. Landlord shall use commercially reasonable efforts to minimize any disruption to Tenant's business caused by any such Renovations, and without limitation, Landlord shall perform any extraordinarily noisy or disruptive work after Business Hours or on weekends to the extent such procedures would be generally followed by operators of comparable buildings in the San Francisco Financial District (except to the extent an emergency and/or applicable laws require otherwise, as reasonably determined by Landlord).

29.30 **No Violation.** Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement,

instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

**29.31 Communications and Computer Lines.** Tenant may install, maintain, replace, remove or use any communications or computer wires and cables serving the Premises (collectively, the "**Lines**"), provided that (i) Tenant shall obtain Landlord's prior written consent (not to be unreasonably withheld or delayed), use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Project, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, shall be surrounded by a protective conduit reasonably acceptable to Landlord, and shall be identified in accordance with the "Identification Requirements," as that term is set forth hereinbelow, (iv) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, (v) as a condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith. All Lines shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, telephone number and the name of the person to contact in the case of an emergency (A) every four feet (4') outside the Premises (specifically including, but not limited to, the electrical room risers and other Common Areas); and (B) at the Lines' termination point(s) (collectively, the "**Identification Requirements**"). Landlord reserves the right, upon notice to Tenant prior to the expiration or earlier termination of this Lease, to require that Tenant, at Tenant's sole cost and expense, remove any Lines installed by Tenant and located in or serving the Premises prior to the expiration or earlier termination of this Lease.

**29.32 Transportation Management.** Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Project and/or the Building, to the extent required by applicable law.

**29.33 Asbestos Disclosures.** Landlord has advised Tenant that there is asbestos-containing material ("**ACM**") in the Building. Attached hereto as **Exhibit F** is a copy of the disclosure notice delivered annually to all tenants of the Building regarding ACM in the Building. Tenant acknowledges that such notice complies with the requirements of Section 25915 *et. seq.* and Section 25359.7 of the California Health and Safety Code.

**29.34 OFAC Compliance.**

**29.34.1 Representations and Warranties.** Tenant represents and warrants that to the best of Tenant's actual knowledge, (a) Tenant and each person or entity owning an interest in Tenant is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "**List**"), and (ii) not a person or entity with whom a citizen of

the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly), (d) none of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by law or that the Lease, as amended, is in violation of law, and (e) Tenant has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term "**Embargoed Person**" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 *et seq.*, The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law.

**29.34.2 Compliance with Laws.** Tenant covenants and agrees (a) to comply with all requirements of law applicable to Tenant relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) to immediately notify Landlord in writing if, to Tenant's actual knowledge, any of the representations, warranties or covenants set forth in this paragraph or the preceding Section are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not to knowingly use funds from any "**Prohibited Person**" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under the Lease, as amended, and (d) at the request of Landlord, to provide such information as may be reasonably requested by Landlord and reasonably available to Tenant to determine Tenant's compliance with the terms hereof.

**29.34.3 Event of Default; Indemnity.** Tenant hereby acknowledges and agrees that Tenant's inclusion on the List at any time during the term of this Lease, shall be an Event of Default under this Lease unless Tenant's name was improperly placed on the List and Tenant takes reasonable measures to cause its name to be removed from the List promptly after having notice of such inclusion. Notwithstanding anything herein to the contrary, Tenant shall not knowingly permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be an Event of Default under this Lease. Tenant shall indemnify and hold Landlord harmless and against from all losses, damages, liabilities, cost and expenses (including, without limitation, reasonable attorneys' fees and expenses) that are incurred by Landlord and/or its affiliate that derive from a claim made by a third party against Landlord and/or its affiliates arising or alleged to arise from a misrepresentation made by Tenant hereunder or a breach of any covenant to be performed by Tenant under this Section 29.34.

**29.34.4 Documentation.** Tenant shall provide documentary and other reasonable evidence of Tenant's identity and ownership as may be reasonably requested by Landlord at any time and reasonably available to Tenant (and without breach of any confidentiality obligations) to enable Landlord to verify Tenant's identity or to comply with any legal request.

29.35 GAAP. Landlord and Tenant hereby agree that any and all references in this Lease to "generally accepted accounting principles" and/or "GAAP," if any, shall be deemed to be references to "generally accepted accounting principles or International Financial Reporting Standards (IFRS)."

*[Remainder of page intentionally left blank; signature pages to follow]*




IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"LANDLORD":

HWA 555 OWNERS, LLC,  
a Delaware limited liability company


By: Hudson Waterfront Associates I, L.P.,  
a Delaware limited partnership, its sole member

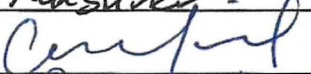
By: Hudson Waterfront I Corporation,  
a Delaware corporation, its sole general partner

By:   
\_\_\_\_\_  
David R. Greenbaum  
President

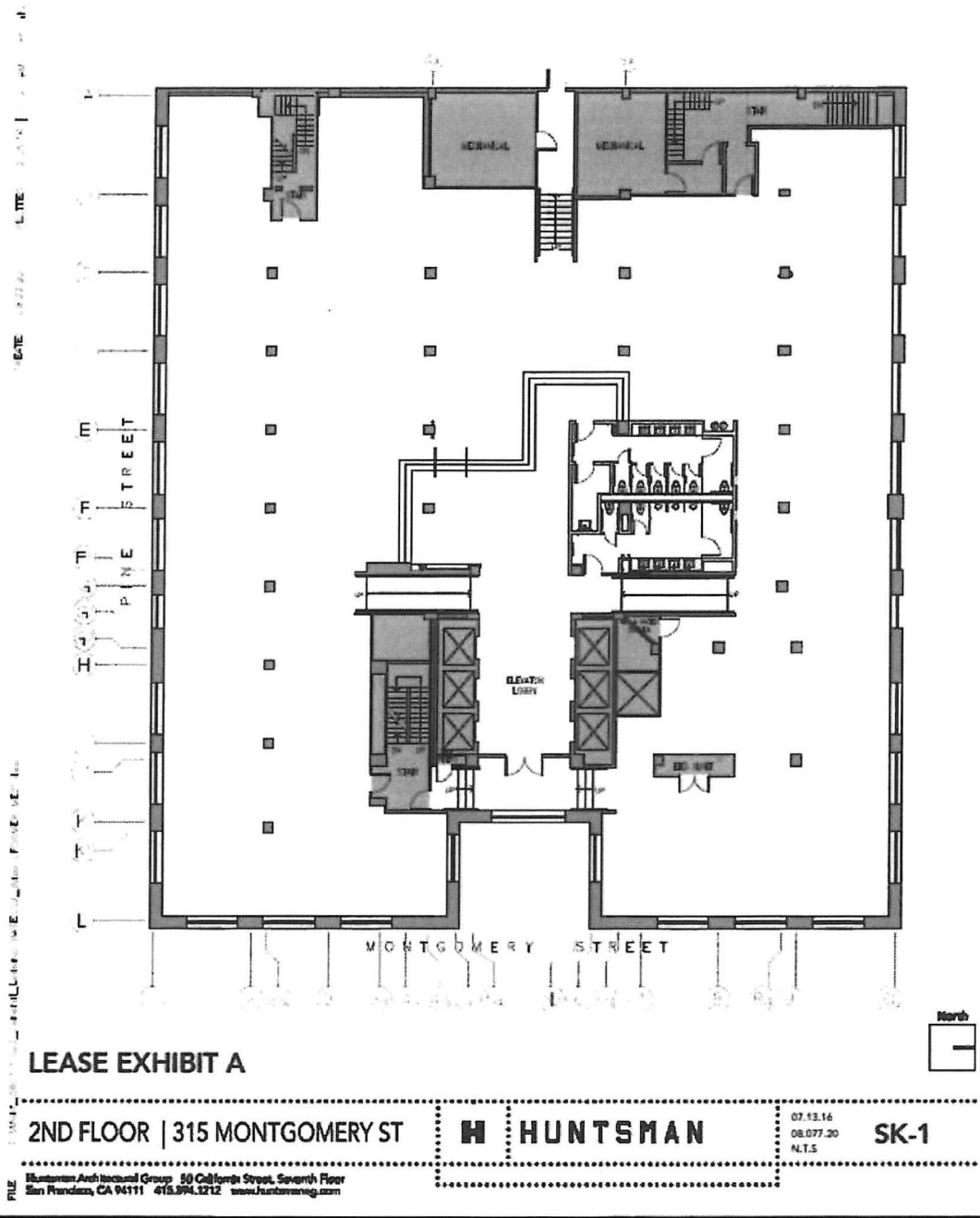
"TENANT":

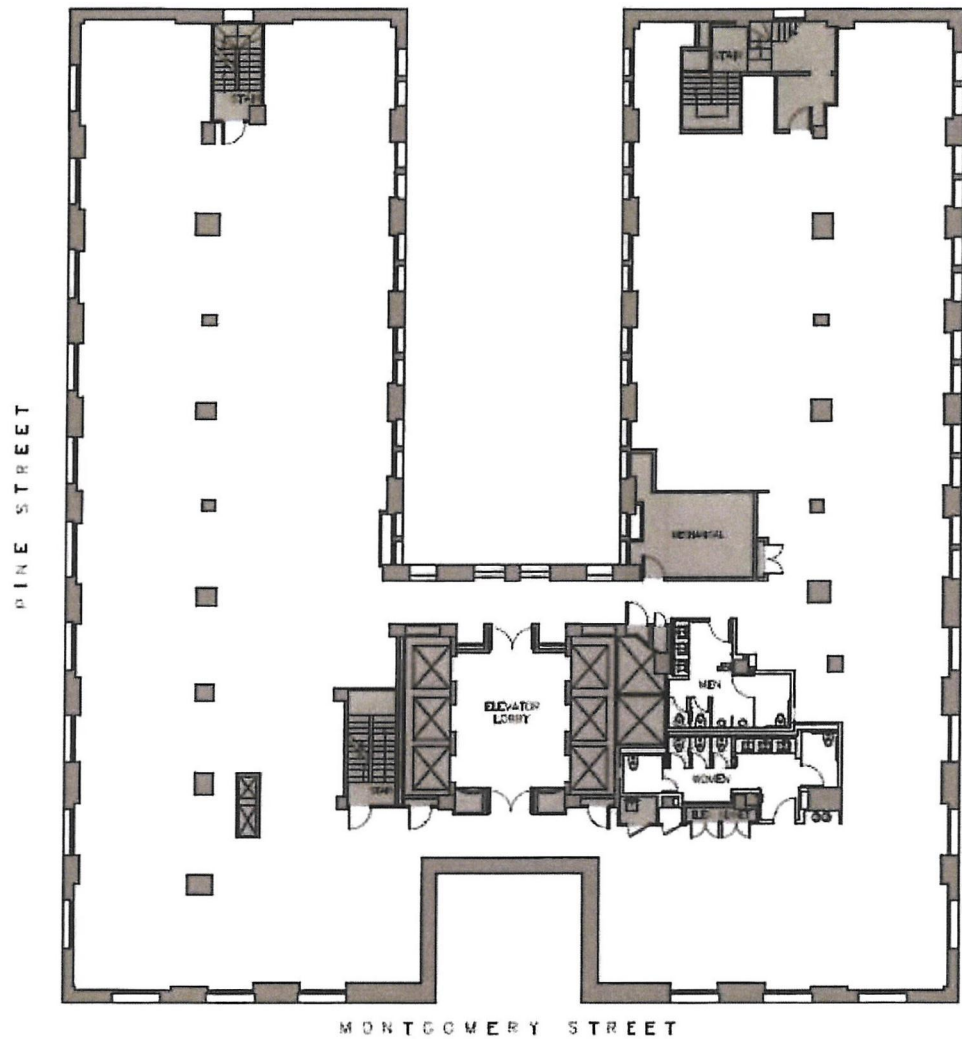
RIPPLE LABS INC.,  
a Delaware corporation

By:   
\_\_\_\_\_  
Name: Peter Eames  
Its: Treasurer

By:   
\_\_\_\_\_  
Name: Cameron Kinloch  
Its: VP of Finance

**EXHIBIT A**  
**315 MONTGOMERY STREET**  
**OUTLINE OF PREMISES**





## LEASE EXHIBIT A

3RD FLOOR | 315 MONTGOMERY ST

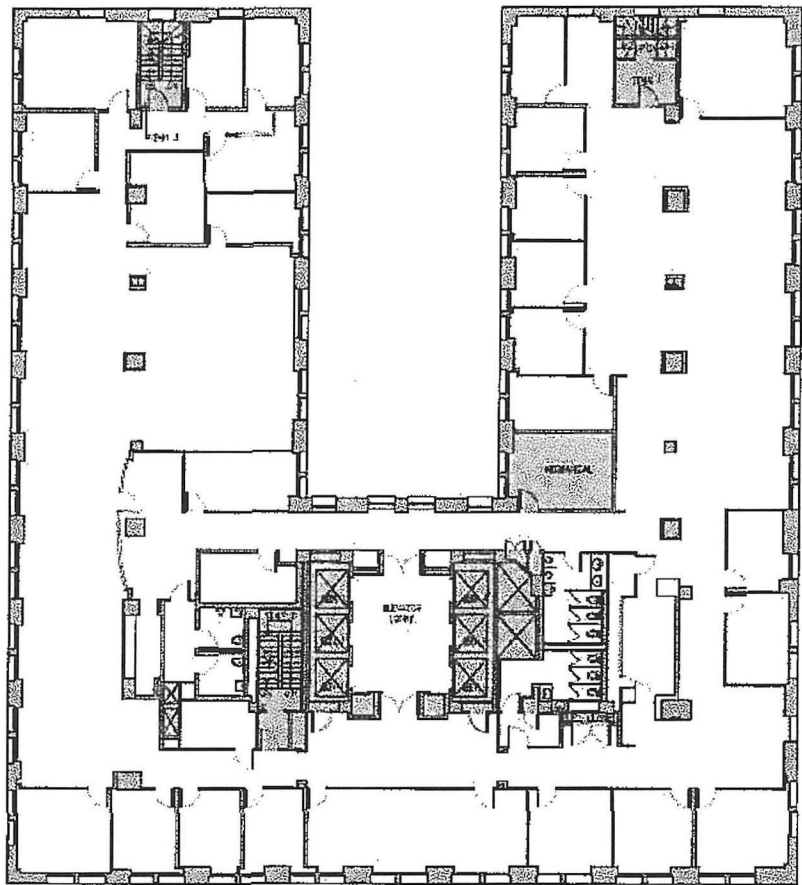
**H HUNTSMAN**

07.12.16  
08.07.20  
N.T.S

**SK-1**

Huntman Architectural Group 90 California Street, Seventh Floor  
San Francisco, CA 94111 415.394.1212 www.huntmanag.com

EXHIBIT A-1  
315 MONTGOMERY STREET  
OUTLINE OF EXPANSION SPACE



**LEASE EXHIBIT A**



8TH FLOOR | 315 MONTGOMERY ST

**H HUNTSMAN**

07.13.16  
08.07.20  
N.Y.S.

**SK-1**

Huntman Architectural Group 80 California Street, Seventh Floor  
San Francisco, CA 94111 415.394.1212 www.huntmanag.com



**EXHIBIT B**

**315 MONTGOMERY STREET**

**TENANT WORK LETTER**

This Tenant Work Letter shall set forth the terms and conditions relating to the initial improvement of the Premises for Tenant. This Tenant Work Letter is essentially organized chronologically and addresses the issues of construction, in sequence, as such issues will arise during the actual construction of the initial improvement of the Premises. All references in this Tenant Work Letter to Articles or Sections of "this Lease" shall mean the relevant portions of Articles 1 through 29 of the Office Lease to which this Tenant Work Letter is attached as Exhibit B, and all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portions of Sections 1 through 6 of this Tenant Work Letter.

**SECTION 1**

**DELIVERY OF THE PREMISES AND BASE BUILDING; LANDLORD WORK**

1.1 **Premises; Base Building.** Upon the full execution and delivery of this Lease by Landlord and Tenant, Landlord shall deliver the Premises and "Base Building," as that term is defined in Section 8.2 of this Lease, to Tenant, and Tenant shall accept the Premises and Base Building from Landlord in their presently existing, "as-is" condition.

1.2 **Landlord Work.** Notwithstanding anything to the contrary set forth in Section 1.1 of this Tenant Work Letter, using Building standard methods, materials and finishes, Landlord shall, at Landlord's sole cost and expense, perform the following work (collectively, the "**Landlord Work**"). Except as expressly specified below, the Landlord Work shall be performed prior to Landlord's delivery of the Premises to Tenant. Tenant may not change or alter the Landlord Work.

1.2.1 Primary HVAC will be stubbed to the floor. HVAC distribution to Tenant's layout will be part of the Tenant Improvements.

1.2.2 Provide a commercially reasonable level slab, including all infill around column bases. Final slab preparation for Tenant's floor covering will be part of the Tenant Improvements.

1.2.3 Existing primary sprinkler loop will remain in place, provided that Landlord shall perform any work required to cause the loop to comply with Code applicable to shell delivery condition. Modifications of Landlord's sprinkler pipe layout to accommodate Tenant's layout will be a Tenant Improvement.

1.2.4 Provide a primary connection to the Building Standard life safety panel. The installation of life-safety devices, tie-ins and connections to the primary Building life safety panel will be part of the Tenant Improvements.

1.2.5 Provide a Building standard electrical panel.

1.2.6 Prior to the Rent Commencement Date, provide Building standard window coverings on the exterior perimeter window line of the Premises (excluding the interior light well on the third (3<sup>rd</sup>) floor of the Building). Landlord shall provide specification of standard window covering to Tenant prior to installing, and Tenant may elect, at Tenant's sole cost and expense

(provided that Tenant shall receive a credit in an amount equal to the cost of the Building standard window coverings), to upgrade the window coverings subject to Landlord's prior approval, which may be granted or withheld in Landlord's sole and absolute discretion.

1.2.7 Prior to the Rent Commencement Date, upgrade the finishes in the common area restrooms located on the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) floors of the Building to be upgraded to current Building standards consistent with the finishes in the common area restrooms located on the eleventh (11<sup>th</sup>) floor of the Building, as existing as of the date of this Lease.

1.2.8 Prior to the date that occurs thirty (30) days following the full execution and delivery of the Lease by Landlord and Tenant, Landlord shall construct a Building riser standard riser closet on second (2<sup>nd</sup>) floor of the Building.

1.2.9 Prior to the date that occurs thirty (30) days following the full execution and delivery of the Lease by Landlord and Tenant, Landlord to repair all fire proofing for the existing fire rated walls within the Premises to the extent required by "Code", as that term is defined in Section 2.2.1.5, below.

1.2.10 Any asbestos containing materials ("ACM") discovered in the Premises in connection with Tenant's construction of the Tenant Improvements shall be abated or remediated by Landlord at Landlord's cost, other than in the grout in the exposed brick walls in the Premises, to the extent Landlord's failure to so abate or remediate would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's employees or create a material health hazard for Tenant's employees or would otherwise materially and adversely affect Tenant's use of, or access to, the Premises.

1.2.8 Cause the "path of travel" to the Premises (i.e., the most direct route through the common areas of the Building starting from the entrance of the Building and ending at the entrance to the Premises) to comply with Code and Applicable Laws related to handicap access, which were enacted and enforced as of the date of this Lease, including but not limited to building codes and other governmental laws, ordinances and regulations enacted in conformity with Title 24 accessibility standards, to the extent such compliance is required in order to allow Tenant to obtain a certificate of occupancy, or its legal equivalent, for the Premises for general office use. Tenant shall pay Landlord's architect market fee for a copy of the "Path of Travel" drawings.

## SECTION 2

### TENANT IMPROVEMENTS

2.1 **Tenant Improvement Allowance.** Tenant shall be entitled to a one-time tenant improvement allowance (the "**Tenant Improvement Allowance**") in the amount set forth in Section 13 of the Summary for the costs relating to the initial design and construction of Tenant's improvements, which are permanently affixed to the Premises (the "**Tenant Improvements**"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter in a total amount which exceeds the Tenant Improvement Allowance. As more particularly set forth in Section 8.5 of this Lease, all Tenant Improvements for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of the Lease. Tenant hereby acknowledges and agrees that any unused portion of the Tenant Improvement Allowance remaining as of the first anniversary of the Rent Commencement Date, shall revert to Landlord and Tenant shall have no further right thereto.

## 2.2 Disbursement of the Tenant Improvement Allowance.

2.2.1 Tenant Improvement Allowance Items. Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "**Tenant Improvement Allowance Items**");

2.2.1.1 Payment of the fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter, which fees shall, notwithstanding anything to the contrary contained in this Tenant Work Letter, not exceed an aggregate amount equal to \$7.00 per rentable square foot of the Premises;

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.1.3 The cost of construction of the Tenant Improvements, including, without limitation, testing and inspection costs, trash removal costs, and contractors' fees and general conditions;

2.2.1.4 The cost of any changes in the Base Building when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.5 The cost of any changes to the Construction Drawings or Tenant Improvements required by all applicable building codes (the "**Code**");

2.2.1.6 The cost of the "Coordination Fee," as that term is defined in Section 4.2.2.1 of this Tenant Work Letter;

2.2.1.7 Sales and use taxes.

2.2.2 Disbursement of Tenant Improvement Allowance. During the construction of the Tenant Improvements, Landlord shall make monthly disbursements of the Tenant Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows:

2.2.2.1 Tenant may request disbursements of the Tenant Improvement Allowance only by delivering to Landlord a "Disbursement Request," as that term is defined in Section 2.2.2.2 below. Subject to the terms of this Section 2.2.2.1, Landlord shall disburse a portion of the Tenant Improvement Allowance to Tenant, from time to time, within thirty (30) days after the date that Tenant gives to Landlord the applicable Disbursement Request; it being understood, however that Tenant may, simultaneously with a Disbursement Request, request that Landlord make the applicable disbursement of the Tenant Improvement Allowance on Tenant's behalf to Tenant's designated contractor. Tenant shall not be entitled to any disbursements of the Tenant Improvement Allowance if an Event of Default has occurred and is continuing. If a particular Disbursement Request requests Landlord to disburse more than fifty percent (50%) of the Tenant Improvement Allowance, then Landlord shall not be required to make the disbursement of the Tenant Improvement Allowance that is contemplated thereby unless all contractors, subcontractors, materialmen, architects, engineers and other persons who may file a lien against the real property upon which the Project is located (the "**Real Property**") in connection with the performance of the Tenant Improvements provide to Landlord waivers of lien concurrently with such disbursement of the Tenant Improvement Allowance (it being understood that Landlord shall

accept partial waivers of lien to the extent that the applicable contractor, subcontractor, materialman, architect, engineer or other person has not received payment in full). Landlord shall not be required to make disbursements of the Tenant Improvement Allowance more frequently than once during any particular calendar month. Tenant shall not have the right to request disbursements of the Tenant Improvement Allowance in an amount that is greater than the excess of (I) the aggregate amounts that Tenant has theretofore paid or that then remain payable in each case to Tenant's contractors, subcontractors, materialmen, suppliers or consultants, as the case may be, for either (a) materials that have been delivered to the Premises for the Tenant Improvements, (b) labor that has been performed in the Premises for the Tenant Improvements, or (c) the services from which are derived "Soft Costs," as that term is defined below, that have been performed for the Tenant Improvements, as the case may be, over (II) the aggregate amount of disbursements theretofore made by Landlord from the Tenant Improvement Allowance (such excess at any particular time being referred to herein as the "**Maximum Disbursement Amount**"). As used herein, the term "**Soft Costs**" shall refer to all costs incurred by Tenant for architectural, design, engineering and other consultants' services, and permit fees, in connection with the construction of the Tenant Improvements, or that are not otherwise set forth in Tenant's contract with its "Contractor," as that term is defined in Section 4.1.1 below.

2.2.2.2 The term "**Disbursement Request**" shall mean a request for a disbursement of the Tenant Improvement Allowance signed by the chief financial officer of Tenant (or another officer of Tenant who performs the functions ordinarily performed by a chief financial officer), together with:

- (A) such officer's certification that the amount so requested does not exceed the Maximum Disbursement Amount,
- (B) copies of the contracts, work orders, purchase orders, change orders and other documents pursuant to which Tenant has engaged third parties to perform the Tenant Improvements (or provide materials or services in connection therewith) (except to the extent that Tenant has provided such copies to Landlord with a prior Disbursement Request),
- (C) copies of reasonable documentation (such as bills and invoices) that indicate that the applicable work has been completed, the applicable materials have been furnished, or the applicable services have been performed, as the case may be,
- (D) waivers of lien from all contractors, subcontractors, materialmen, architects, engineers and other persons who may file a lien against the Real Property in connection with the performance of the Tenant Improvements, and for which previous disbursements of the Tenant Improvement Allowance have been made (except to the extent Tenant gave such waivers of lien to Landlord in connection with a prior Disbursement Request); it being understood that all lien waivers shall conform to the forms prescribed by California Civil Code Section 8132, 8134, 8136 and 8138, as applicable,
- (E) in connection with a disbursement of the Tenant Improvement Allowance for costs which do not constitute Soft Costs, a certificate of Tenant's licensed architect that Tenant engages in accordance with the terms of Section 3.1 below, stating that, in his or her opinion, the portion of the Tenant Improvements theretofore substantially completed and for which the disbursement is requested was performed in a good and workmanlike manner and substantially in accordance with the plans and specifications for such Tenant Improvements, as approved by Landlord, and



(F) notwithstanding the foregoing to the contrary, in connection with (x) a disbursement of the entire amount of the Tenant Improvement Allowance, (y) a partial disbursement of the Tenant Improvement Allowance which, when added to the aggregate amount of disbursements theretofore made by Landlord from the Tenant Improvement Allowance, constitutes the entire amount of the Tenant Improvement Allowance, or (z) a disbursement of the Tenant Improvement Allowance which would otherwise constitute a final disbursement of the Tenant Improvement Allowance, (i) an unconditional, final waiver of lien and release from each contractor, subcontractor, materialman, architect, engineer and any other person who may file a lien against the Building or the Real Property in connection with the performance of the Tenant Improvements, (ii) letters of completion from the San Francisco Department of Building Inspection for all work permits Tenant has obtained in connection with the performance of the Tenant Improvements and (iii) the "Close-Out Package," as that term is defined below. Nothing contained in this Section 2.2.2.2 shall be deemed to affect or impair Tenant's obligation to discharge of record any mechanic's lien that is filed against the Real Property as set forth in Article 9 of this Lease. For purposes hereof, the term "**Close-Out Package**" shall mean a package assembled by Tenant consisting of one (1) hard copy of the signed set of architectural and engineered drawings prepared in connection with the Tenant Improvements and two (2) copies of closing binders which shall each contain the following:

- (1) Two (2) copies of compact discs of engineered drawings (mechanical, electrical, plumbing, life safety, fire sprinkler, etc.) in CADD format
- (2) Two (2) copies of compact discs of architectural drawings in CADD format
- (3) A final certified air-balance report from an independent contractor
- (4) A final report prepared by an independent environmental consultant (to the extent applicable)
- (5) Maintenance manual and warranties
- (6) Permit cards with final signatures
- (7) Summary report of landfill diversion rates (70% required)
- (8) LEED-CI credit tracking spreadsheet (to the extent applicable)

**2.3 Building Standards.** Landlord has established or may establish specifications for certain Building standard components to be used in the construction of the Tenant Improvements in the Premises. The quality of Tenant Improvements shall be equal to or of greater quality than the quality of such Building standards, provided that Landlord may, at Landlord's option, require the Tenant Improvements to comply with certain Building standards. Landlord may make changes to said specifications for Building standards from time to time.

**2.4 Removal of Tenant Improvements.** Any Tenant Improvements that require the use of Building risers, raceways, shafts and/or conduits, shall be subject to Landlord's reasonable

rules, regulations, and restrictions, including the requirement that any cabling vendor must be selected from a list provided by Landlord, and that the amount and location of any such cabling must be approved by Landlord. All Tenant Improvements for which the Tenant Improvement Allowance has been made available shall be deemed Landlord's property under the terms of the Lease; provided, however, Landlord may, by written notice to Tenant prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to remove any Tenant Improvements that are "Specialty Alterations," as that term is defined in Section 8.5 of the Lease, and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to their condition existing prior to the installment of such Tenant Improvements. Upon request by Tenant at the time of Tenant's request for Landlord's consent to the Final Space Plan (as defined in Section 3.2 below) or the Final Working Drawings (as defined in Section 3.3 below), Landlord shall notify Tenant whether the applicable Tenant Improvement are Specialty Alterations and will be required to be removed pursuant to the terms of this Section 2.4.

**2.5 Preliminary Space Plan Allowance.** In addition to the Tenant Improvement Allowance, Landlord shall pay an amount up to Fifteen Cents (\$0.15) per rentable square foot of the Premises (the "Space Plan Allowance") for the preparation by Tenant's Architect of a preliminary space plan for the Premises (the "Space Plan"). In no event shall Landlord make disbursements from the Space Plan Allowance for costs which are either (i) unrelated to the Space Plan, or (ii) with respect to the Space Plan, in a total amount which exceeds the Space Plan Allowance. The procedure for disbursement of the Space Plan Allowance shall be the same as the procedure to disburse the Tenant Improvement Allowance.

### **SECTION 3**

#### **CONSTRUCTION DRAWINGS**

**3.1 Selection of Architect/Construction Drawings.** Tenant shall retain an architect/space planner designated by Tenant and approved in advance by Landlord (the "Architect") to prepare the "Construction Drawings," as that term is defined in this Section 3.1. Subject to the terms of Section 3.5, below, Tenant shall retain the engineering consultants designated by Landlord (the "Engineers") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises, which work is not part of the Base Building. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "Construction Drawings." All Construction Drawings shall comply with the drawing format and specifications determined by Landlord, and shall be subject to Landlord's approval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Construction Drawings as set forth in this Section 3, shall be for its sole purpose and shall not imply Landlord's review of the same, or 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, and Tenant's waiver and indemnity set forth in this Lease shall specifically apply to the Construction Drawings.

3.2 **Final Space Plan.** Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises before any architectural working drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require.

3.3 **Final Working Drawings.** After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, B.T.U. calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete (except to the extent certain construction is being completed on a "design-build" basis pursuant to Section 3.5, below) the "Final Working Drawings," as that term is defined below, in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow all of Tenant's Agents 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. Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Working Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Working Drawings for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Working Drawings in accordance with such review and any disapproval of Landlord in connection therewith. In addition, if the Final Working Drawings or any amendment thereof or supplement thereto shall require alterations in the Base Building (as contrasted with the Tenant Improvements), and if Landlord in its sole and exclusive discretion agrees to any such alterations, and notifies Tenant of the need and cost for such alterations, then Tenant shall pay the cost of such required changes in advance upon receipt of notice thereof. Tenant shall pay all direct architectural and/or engineering fees in connection therewith, plus Landlord's prevailing rate for servicing and overhead.

3.4 **Approved Working Drawings.** The Final Working Drawings shall be approved by Landlord (the "**Approved Working Drawings**") prior to the commencement of construction of the Premises by Tenant. After approval by Landlord of the Final Working Drawings, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications

or alterations in the Approved Working Drawings may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld.

3.5 **Design Build.** As set forth above, the HVAC and electrical work may be constructed on a "design-build" basis. All design-build drawings provided by subcontractors shall be subject to the following conditions: (i) Landlord shall hire a third-party engineer ("**Third-Party Engineer**"), selected by Landlord, at Tenant's sole cost and expense, to provide performance specification for Tenant's HVAC and electrical design, (ii) Landlord shall submit Tenant's design-build drawings to the Third-Party Engineer, for their review, at Tenant's sole cost and expense (not to exceed \$28,566.00), (iii) the Third-Party Engineer shall perform a peer review of Tenant's MEP drawings, at Tenant's sole cost and expense, (iv) the Third-Party Engineer shall provide support services as needed to Tenant, at Tenant's sole cost and expense, and (v) the Third-Party Engineer shall conduct a prepare a final punchlist upon the substantial completion of the Tenant Improvements to confirm that HVAC electrical work and MEP work was completed as designed.

## **SECTION 4**

### **CONSTRUCTION OF THE TENANT IMPROVEMENTS**

#### **4.1 Tenant's Selection of Contractors.**

4.1.1 **The Contractor.** A general contractor shall be retained by Tenant to construct the Tenant Improvements. Such general contractor ("**Contractor**") shall be either (i) Principal Builders, and (ii) any other general contractor selected by Tenant from a list of general contractors supplied by Landlord, and Tenant shall deliver to Landlord notice of its selection of the Contractor upon such selection.

4.1.2 **Tenant's Agents.** All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**") must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed; provided, however, Landlord may nevertheless designate and require the use of particular mechanical, engineering, plumbing, fire life-safety and other Base Building subcontractors. If Landlord does not approve any of Tenant's proposed subcontractors, laborers, materialmen or suppliers, Tenant shall submit other proposed subcontractors, laborers, materialmen or suppliers for Landlord's written approval. All of Tenant's Agents retained directly by Tenant shall all be union labor in compliance with the then existing master labor agreements.

#### **4.2 Construction of Tenant Improvements by Tenant's Agents.**

4.2.1 **Construction Contract; Cost Budget.** Tenant shall engage the Contractor under an AIA A101 Stipulated Sum Agreement (1997 Version) accompanied by Landlord's standard AIA A201 General Conditions (1997 Version) as modified by Landlord (collectively, the "**Contract**"). Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.8, above, in connection with the design and construction of the Tenant 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**"). If the Final Costs exceed the Tenant Improvement Allowance (after deducting from the



Tenant Improvement Allowance any amounts expended in connection with the preparation of the Construction Drawings, and the cost of all other Tenant Improvement Allowance Items incurred prior to the commencement of construction of the Tenant Improvements) (the "**Over-Allowance Amount**") then Tenant shall pay a percentage of each amount disbursed by Landlord to the Contractor or otherwise disbursed under this Tenant Work Letter, which percentage shall be equal to the Over-Allowance Amount divided by the amount of the Final Costs. In the event that, after the Final Costs have been delivered by Tenant to Landlord, any revisions, changes or substitutions shall be made to the Final Working Drawings or the Tenant Improvements, or the Final Costs shall change for any reason, the above amounts shall be adjusted as equitable to reflect any additional or reduced costs which arise in connection therewith. In the event that Tenant fails to timely pay the Over-Allowance Amount as provided in this Section 4.2.1, then Landlord may, at its option, cause the cessation of work in the Premises until Tenant makes payment of the applicable portion of the Over-Allowance Amount then due (and such failure to pay such payment shall be treated as a Tenant default in accordance with the terms of Section 5.5 below).

#### **4.2.2 Tenant's Agents.**

**4.2.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work.** Tenant's and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Working Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iii) Tenant shall abide by all rules made by Landlord's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Tenant Work Letter, including, without limitation, the construction of the Tenant Improvements. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to \$57,132.00 (i.e., \$2.00 per rentable square foot of the Premises), which Coordination Fee shall be for services relating to the coordination of the construction of the Tenant Improvements and for Landlord's review of the Construction Drawings, and for freight elevator usage during Building Hours; and notwithstanding anything to the contrary contained in this Work Letter or the Lease, no other fees or charges shall be payable or reimbursable by Tenant to Landlord in connection with such services, whether provided by Landlord's internal staff or by third parties retained by Landlord.

**4.2.2.2 Indemnity.** Tenant's indemnity of Landlord as set forth in this Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in this Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.

**4.2.2.3 Requirements of Tenant's Agents.** Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements

for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors, and (ii) the Lease Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

#### **4.2.2.4 Insurance Requirements.**

**4.2.2.4.1 General Coverages.** All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as Landlord shall reasonably require of Building tenants generally for construction in the Building.

**4.2.2.4.2 Special Coverages.** Tenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to this Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord including, but not limited to, the requirement that all of Tenant's Agents shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts not less than \$5,000,000 per incident, \$5,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in this Lease.

**4.2.2.4.3 General Terms.** Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before any equipment of Tenant's Agents is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant 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. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord, except for Products and Completed Operations Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the Tenant Improvements and acceptance by Landlord and Tenant. All policies carried under this Section 4.2.2.4 shall insure Landlord and Tenant, as their interests may appear, as well as Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance and that any other insurance maintained by

Landlord is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not serve to limit the indemnification of Landlord by Tenant under Section 4.2.2.2 of this Tenant Work Letter. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a co-obligee.

**4.2.3 Governmental Compliance.** The Tenant Improvements shall comply in all respects with the following: (i) all state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

**4.2.4 Inspection by Landlord.** Landlord shall have the right, at its sole cost and expense, to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Tenant Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of, the Tenant Improvements shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Tenant Improvements and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

**4.2.5 Meetings.** Commencing upon the execution of this Lease, Tenant shall hold meetings at a reasonable time and with such frequency as Tenant shall reasonably determine, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Tenant Improvements, which meetings shall be held at a location designated by Tenant, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, at Landlord's sole cost and expense, all such meetings, and, upon Landlord's reasonable request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

**4.3 Notice of Completion; Copy of Record Set of Plans.** Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause a valid 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 (x) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (y) 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 this Lease, and (z) to deliver to Landlord two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises, 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.

## **SECTION 5**

### **MISCELLANEOUS**

5.1 **Tenant's Representative.** Tenant has designated Joseph Gentel as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 **Landlord's Representative.** Landlord has designated Diana Rosenblatt as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 **Freight Elevator Service.** Landlord shall, consistent with its obligations to other tenants of the Building, make the freight elevator reasonably available to Tenant, Contractor and Tenant's Agents in connection with the construction of the Tenant Improvements and the initial decorating, furnishing and moving into the Premises.

5.4 **Time of the Essence in This Tenant Work Letter.** Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by Landlord.

5.5 **Tenant's Lease Default.** Notwithstanding any provision to the contrary contained in the Lease or this Tenant Work Letter, if any monetary or other material Event of Default occurs under the Lease or this Tenant Work Letter (including, without limitation, any failure by Tenant to fund any portion of the Over-Allowance Amount), at any time on or before the Substantial Completion of the Tenant Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may, without any liability whatsoever, cause the cessation of construction of the Tenant Improvements (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Tenant Improvements and any costs occasioned thereby), until such time as such Event of Default is cured pursuant to the terms of the Lease, and (ii) all other obligations of Landlord under the terms of the Lease and this Tenant Work Letter shall be forgiven until such time as such Event of Default is cured pursuant to the terms of the Lease.



**EXHIBIT C**

**315 MONTGOMERY STREET**

**NOTICE OF LEASE TERM DATES**

To: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: Office Lease dated \_\_\_\_\_, 201\_ between HWA 555 OWNERS, LLC, a Delaware limited liability company ("Landlord"), and \_\_\_\_\_, a \_\_\_\_\_ ("Tenant") concerning Suite \_\_\_\_\_ on floor(s) \_\_\_\_\_ of the office building located at 315 Montgomery Street, San Francisco, California 94104.

Gentlemen:

In accordance with the Office Lease (the "Lease"), we wish to advise you and/or confirm as follows:

1. The Lease Term shall commence on or has commenced on \_\_\_\_\_ for a term of \_\_\_\_\_ ending on \_\_\_\_\_.
2. Rent commenced to accrue on \_\_\_\_\_, in the amount of \_\_\_\_\_.
3. If the Rent Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter, with the exception of the final billing, shall be for the full amount of the monthly installment as provided for in the Lease.
4. Your rent checks should be made payable to \_\_\_\_\_ at \_\_\_\_\_.
5. The exact number of rentable/usable square feet within the Premises is \_\_\_\_\_ square feet.
6. Tenant's Share as adjusted based upon the exact number of rentable square feet within the Premises is \_\_\_\_\_%.

**"Landlord":**

\_\_\_\_\_  
a \_\_\_\_\_

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

Agreed to and Accepted as  
of \_\_\_\_\_, 20I\_.

**"Tenant":**

\_\_\_\_\_  
a \_\_\_\_\_

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

**EXHIBIT D**

**315 MONTGOMERY STREET**

**RULES AND REGULATIONS**

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices, and toilet rooms, either furnished to, or otherwise procured by, Tenant and in the event of the loss of keys so furnished, Tenant shall pay to Landlord the cost of replacing same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such changes.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register. Access to the Building may be refused unless the person seeking access has proper identification or has a previously arranged pass for access to the Building. Landlord will furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. The Landlord and his agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment of any kind shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on

supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. Any damage to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility and expense of Tenant.

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. The requirements of Tenant will be attended to only upon application at the management office for the Project or at such office location designated by Landlord. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without the prior written consent of the Landlord. Tenant shall not disturb, solicit, peddle, or canvass any occupant of the Project and shall cooperate with Landlord and its agents of Landlord to prevent same.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees shall have caused same.

9. Tenant shall not overload the floor of the Premises, nor mark, drive nails or screws, or drill into the partitions, woodwork or drywall or in any way deface the Premises or any part thereof without Landlord's prior written consent. Tenant shall not purchase spring water, ice, towel, linen, maintenance or other like services from any person or persons not approved by Landlord.

10. Except for vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord.

11. Tenant shall not use or keep in or on the Premises, the Building, or the Project any kerosene, gasoline or other inflammable or combustible fluid, chemical, substance or material.

12. Tenant shall not without the prior written consent of Landlord use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or interfere with other tenants or those having business therein, whether by the use of any musical instrument, radio, phonograph, or in any other way. Tenant shall not throw anything out of doors, windows or skylights or down passageways.



14. Tenant shall not bring into or keep within the Project, the Building or the Premises any firearms, animals, birds, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

15. No cooking shall be done or permitted on the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors, provided that such use is in accordance with all applicable federal, state, county and city laws, codes, ordinances, rules and regulations.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except as such storage may be incidental to the use of the Premises provided for in the Summary. Tenant shall not occupy or permit any portion of the Premises to be occupied as an office for a messenger-type operation or dispatch office, public stenographer or typist, or for the manufacture or sale of liquor, narcotics, or tobacco in any form, or as a medical office, or as a barber or manicure shop, or as an employment bureau without the express prior written consent of Landlord. Tenant shall not engage or pay any employees on the Premises except those actually working for such tenant on the Premises nor advertise for laborers giving an address at the Premises.

17. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

18. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall refrain from attempting to adjust any controls.

20. Tenant shall store all its trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage in city in which the Building is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes at such times as Landlord shall designate.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

22. Any persons employed by Tenant to do janitorial work shall be subject to the prior written approval of Landlord, and while in the Building and outside of the Premises, shall be subject to and under the control and direction of the Building manager (but not as an agent or servant of such manager or of Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord, and no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord standard drapes. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance in writing by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without the prior written consent of Landlord. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings which are attached to the windows in the Premises, if any, which have a view of any interior portion of the Building or Building Common Areas.

24. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills.

25. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with the State of California "No-Smoking" law set forth in California Labor Code Section 6404.5, and any local "No-Smoking" ordinance which may be in effect from time to time and which is not superseded by such State law.

27. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

28. All office equipment of any electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise and annoyance.

29. Tenant shall not use in any space or in the public halls of the Building, any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without the prior written consent of Landlord.

31. No tenant shall use or permit the use of any portion of the Premises for living quarters, sleeping apartments or lodging rooms.

Landlord reserves the right at any time upon at least thirty (30) days' prior notice to Tenant to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's reasonable judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them.

**EXHIBIT E**

**315 MONTGOMERY STREET**

**FORM OF TENANT'S ESTOPPEL CERTIFICATE**

The undersigned as Tenant under that certain Office Lease (the "Lease") made and entered into as of \_\_\_\_\_, 201\_ by and between HWA 555 OWNERS, LLC, a Delaware limited liability company, as Landlord, and the undersigned as Tenant, for Premises on the \_\_\_\_\_ floor(s) of the office building located at 315 Montgomery Street, San Francisco, California 94104, certifies as follows:

1. Attached hereto as **Exhibit A** is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in **Exhibit A** represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Lease Term commenced on \_\_\_\_\_, and the Lease Term expires on \_\_\_\_\_, and the undersigned has no option to terminate or cancel the Lease (except as otherwise expressly set forth in the Lease) or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on \_\_\_\_\_.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in **Exhibit A**.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. Deleted.

7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through \_\_\_\_\_. The current monthly installment of Base Rent is \$ \_\_\_\_\_.

8. To the actual knowledge of the undersigned, all conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.

9. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except as provided in the Lease.



10. To the actual knowledge of the undersigned, as of the date hereof, there are no existing defenses or offsets, or, to the undersigned's actual knowledge, claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation or partnership, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in the State of California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

14. To the undersigned's actual knowledge, all tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full.

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

"Tenant":

\_\_\_\_\_

a \_\_\_\_\_

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

Its: \_\_\_\_\_

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

Its: \_\_\_\_\_

**EXHIBIT F**

**315 MONTGOMERY STREET**

**CALIFORNIA ASBESTOS NOTICE**

Tenant  
Address  
C,S,Z

[Date]

Re: Notice of Known or Presumed Asbestos-Containing Materials at 315 Montgomery, San Francisco, CA (Building)

Dear Tenant:

Management is sending you this letter to make you aware of certain information about known or presumed asbestos-containing materials in the Building. As you may know, asbestos-containing materials (ACMs) were historically and commonly used in the construction of commercial buildings across the country. ACMs were widely used because of their beneficial qualities such as fire-resistance and noise and temperature insulating properties.

Some common types of ACMs include surfacing materials (such as spray-on fireproofing, stucco, plaster and textured paint), flooring materials (such as vinyl floor tile and vinyl floor sheeting) and their associated mastics, carpet mastic, thermal system insulation (such as pipe or duct wrap, boiler wrap and cooling tower insulation), roofing materials, drywall joint compound, acoustic ceiling tiles, transite board, base cove and associated mastic, caulking, window glazing and fire doors. Certain materials are presumed to contain ACM (P ACM). PACM consists of thermal system insulation such as pipe, duct and boiler insulation and surfacing material such as fireproofing in buildings constructed prior to 1981, and asphalt or vinyl flooring installed prior to 1981. Intact ACM in good condition is not required under law to be removed from any commercial building except prior to demolition and renovation projects where those materials would be impacted. Moreover, ACMs generally are not thought to present a threat to human health unless there is a substantial and prolonged release into the air, which does not typically occur unless:

- (1) the ACMs are in a deteriorated condition, or
- (2) the ACMs have been significantly disturbed (such as through abrasive cleaning, maintenance or renovation activities that occur without proper engineering controls).

The health risks generally associated with asbestos result from the inhalation of asbestos fibers. The inhalation of asbestos fibers has been associated with serious lung diseases including asbestosis, lung cancer and mesothelioma. Asbestos is known to the State of California to cause cancer.

**All existing building materials should be considered asbestos containing unless records have proven otherwise. To inquire which records already exist, tenants are to schedule a meeting with the Building Office.**

The surveys indicate that ACM and P ACM were all observed in good condition. Additionally, random air sampling conducted in December 2013 and January 2014 (see attached letter from RGA Environmental) revealed no findings above the regulatory limits.

For further information about the location of known ACM, suspected ACM ("SACM") or PACM in the Building, please consult the "Asbestos and Hazardous Material Operations & Maintenance Plan, HWA 555 Owners, LLC (Landlord) as managed by SO Hudson 555 Management, Inc. (Management)" ("Asbestos O&M Manual"), a copy of which is available at the Building manager's office during normal business hours. The Asbestos O&M Manual includes, but is not limited to, a description of the program and how it will be overseen, the administrative controls that are in place, an overview of the applicable regulations, the responsibilities of various parties, a description of the periodic surveillance that is to be conducted, a description of the emergency response actions, a description of work procedures, air monitoring plans, waste management programs, fireproofing respray specifications and training program details.

**In the event that you encounter any suspect ACM or P ACM that has not been identified in the Asbestos O&M Manual, or encounter any ACM or PACM that is damaged or in poor condition, please do not disturb the ACM and immediately notify the Building Manager at (415) 392-1697 or the Building Construction Manager at (415) 392-1697.**

For further information about the specific types and locations of these identified ACMs, please consult the Asbestos and Hazardous Materials Operations & Maintenance Plan ("the O&M Plan"), which is maintained in our Building Management Office. If you would like to review a copy of the written O&M Plan, it will be made available for you upon request to review during regular business hours by contacting Diana Rosenblatt, Property Manager or Construction Manager at 415-392-1697. The Building Management Office maintains the O&M Plan as well as all records of the Building's asbestos information including any Building asbestos surveys, sampling and abatement reports.

The O&M Plan is designed to minimize the potential of any harmful asbestos exposure to any person in the Building. The O&M Plan includes a schedule of actions to be taken in order to (1) maintain any Building ACMs in good condition, and (2) to prevent any significant disturbance of such ACMs. The O&M Plan also includes, but is not limited to, a description of the program and how it will be overseen, the administrative controls that are in place, an overview of the applicable regulations, the responsibilities of various parties, a description of the periodic surveillance that is to be conducted, a description of the emergency response actions, a description of work procedures, air monitoring plans, waste management programs, fireproofing re-spray specifications and training program details. The O&M Plan describes the risks associated with asbestos exposure and how to prevent such exposure. The O&M Plan also describes a number of activities which should be avoided in order to prevent a release of asbestos fibers. In particular, you should be aware that some of the activities which may present a health risk (because those activities may cause an airborne release of asbestos fibers) include moving,

drilling, boring or otherwise disturbing ACMs. Consequently, such activities should not be attempted by any person not qualified to handle ACMs, and you must obtain the approval of Building management prior to engaging in any such activities. Please contact Diana Rosenblatt, Property Manager at 415-392-1697 for more information in this regard.

Because of the presence of ACM in the Building, we are also providing you with the following warning, which is commonly known as a California Proposition 65 warning:

**WARNING: This Building contains asbestos, a chemical known to the State of California to cause cancer.**

Building management is committed to maintaining a safe and pleasant physical working environment for all employees and tenants. Please contact Diana Rosenblatt if you have any questions regarding the contents of this letter.

Respectfully,

**SO Hudson SSS Management Inc.**



**L/C DRAFT LANGUAGE**

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER \_\_\_\_\_

ISSUE DATE: \_\_\_\_\_

ISSUING BANK:  
SILICON VALLEY BANK  
3003 TASMAN DRIVE  
2ND FLOOR, MAIL SORT HF210  
SANTA CLARA, CALIFORNIA 95054

BENEFICIARY:  
HWA 555 OWNERS, LLC  
C/O VORNADO REALTY TRUST  
888 SEVENTH AVENUE  
NEW YORK, NY 10019

APPLICANT:  
RIPPLE LABS, INC.  
300 MONTGOMERY ST. 12<sup>TH</sup> FLOOR  
SAN FRANCISCO, CA 94104

AMOUNT: US\$2,459,280.38 (TWO MILLION FOUR HUNDRED FIFTY NINE THOUSAND TWO HUNDRED EIGHTY AND 38/100 U.S. DOLLARS)

EXPIRATION DATE: ONE YEAR FROM ISSUANCE

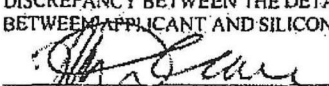
LOCATION: SANTA CLARA, CALIFORNIA

DEAR SIRS:

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. SVBSF \_\_\_\_\_ FOR THE ACCOUNT OF RIPPLE LABS, INC. FOR THE SUM OF TWO MILLION FOUR HUNDRED FIFTY NINE THOUSAND TWO HUNDRED EIGHTY AND 38/100 U.S. DOLLARS (\$2,459,280.38), WHICH IS EFFECTIVE IMMEDIATELY AND EXPIRING AT OUR CLOSE OF BUSINESS ON \_\_\_\_\_ FUNDS ARE AVAILABLE AGAINST YOUR OR YOUR TRANSFEREE'S SIGHT DRAFT(S) DRAWN ON US AT SIGHT AND ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. THE ORIGINAL OF THIS LETTER OF CREDIT AND ALL AMENDMENT(S), IF ANY.
2. BENEFICIARY'S DATED AND SIGNED STATEMENT (I) STATING THAT:  
"BENEFICIARY IS OTHERWISE ALLOWED TO DRAW DOWN ON THE LETTER OF CREDIT PURSUANT TO THE TERMS OF THAT CERTAIN OFFICE LEASE BY AND BETWEEN BENEFICIARY AND APPLICANT DATED [INSERT LEASE DATE], AS AMENDED (COLLECTIVELY, THE "LEASE")", AND/OR

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT IS APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

  
Applicant's Authorized Signatory

12/8/2016  
DATE

(II) BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. \_\_\_\_\_ AS THE RESULT OF THE FILING OF A VOLUNTARY PETITION UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE BY THE TENANT UNDER THE LEASE, WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING"; OR

(III) BENEFICIARY IS ENTITLED TO DRAW DOWN THE FULL AMOUNT OF LETTER OF CREDIT NO. \_\_\_\_\_ AS THE RESULT OF AN INVOLUNTARY PETITION HAVING BEEN FILED UNDER THE U.S. BANKRUPTCY CODE OR A STATE BANKRUPTCY CODE AGAINST THE TENANT UNDER THE LEASE, WHICH FILING HAS NOT BEEN DISMISSED AT THE TIME OF THIS DRAWING."; OR

(IV) BENEFICIARY HAS RECEIVED A NOTICE OF NON-EXTENSION FROM SILICON VALLEY BANK, AND THE APPLICANT HAS NOT PROVIDED THE BENEFICIARY WITH A REPLACEMENT LETTER OF CREDIT ACCEPTABLE TO THE BENEFICIARY."

PARTIAL DRAWS AND MULTIPLE PRESENTATIONS ARE PERMITTED HEREUNDER.

THIS ORIGINAL LETTER OF CREDIT MUST ACCOMPANY ANY DRAWINGS HEREUNDER FOR ENDORSEMENT OF THE DRAWING AMOUNT AND WILL BE RETURNED TO THE BENEFICIARY UNLESS IT IS FULLY UTILIZED.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED FOR AN ADDITIONAL PERIOD OF ONE YEAR, WITHOUT AMENDMENT, FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE UNLESS AT LEAST 45 DAYS PRIOR TO THE THEN CURRENT EXPIRATION DATE, WE SEND YOU A NOTICE BY REGISTERED MAIL OR OVERNIGHT COURIER SERVICE AT THE ABOVE ADDRESS (OR ANY OTHER ADDRESS INDICATED BY YOU, IN A WRITTEN NOTICE TO US THE RECEIPT OF WHICH WE HAVE ACKNOWLEDGED, AS THE ADDRESS TO WHICH WE SHOULD SEND SUCH NOTICE) THAT WE ELECT NO TO CONSIDER THIS LETTER OF CREDIT EXTENDED FOR ANY SUCH ADDITIONAL PERIOD.. IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND DECEMBER 9, 2024.

THIS LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE BENEFICIARY AS TRANSFEREE AND ONLY UP TO THE THEN AVAILABLE AMOUNT, ASSUMING SUCH TRANSFER TO SUCH TRANSFEREE WOULD BE IN COMPLIANCE WITH THEN APPLICABLE LAW AND REGULATION, INCLUDING BUT NOT LIMITED TO THE REGULATIONS OF THE U. S. DEPARTMENT OF TREASURY AND U. S. DEPARTMENT OF COMMERCE. AT THE TIME OF TRANSFER, THE ORIGINAL LETTER OF CREDIT AND ORIGINAL AMENDMENT(S), IF ANY, MUST BE SURRENDERED TO US AT OUR ADDRESS INDICATED IN THIS LETTER OF CREDIT TOGETHER WITH OUR TRANSFER FORM ATTACHED HERETO AS EXHIBIT "A" DULY EXECUTED. THE CORRECTNESS OF THE SIGNATURE AND TITLE OF THE PERSON SIGNING THE TRANSFER FORM MUST BE VERIFIED BY BENEFICIARY'S BANK. APPLICANT SHALL PAY OUR TRANSFER FEE OF ¼ OF 1% OF THE TRANSFER AMOUNT (MINIMUM US\$250.00) UNDER THIS LETTER OF CREDIT.

DRAFT(S) AND DOCUMENTS MUST INDICATE THE NUMBER AND DATE OF THIS LETTER OF CREDIT.

WE HEREBY AGREE THAT DRAFTS DRAWN UNDER AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED UPON PRESENTATION AT OUR OFFICE (THE "BANK'S OFFICE") AT: SILICON VALLEY BANK, 3003 TASMAN DRIVE, SANTA CLARA CA 95054, ATTN: GLOBAL TRADE FINANCE. PRESENTATION OF A DRAWING UNDER THIS LETTER OF CREDIT MAY BE MADE ON OR PRIOR TO THE THEN CURRENT EXPIRATION DATE HEREOF BY HAND DELIVERY, COURIER SERVICE, OVERNIGHT MAIL, OR FACSIMILE. SHOULD

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT IS APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

  
Applicant's Authorized Signatory

12/8/2016  
DATE

BENEFICIARY WISH TO MAKE PRESENTATIONS UNDER THIS LETTER OF CREDIT ENTIRELY BY FACSIMILE TRANSMISSION IT NEED NOT TRANSMIT THIS LETTER OF CREDIT AND AMENDMENT(S), IF ANY. PRESENTATION BY FACSIMILE TRANSMISSION SHALL BE BY TRANSMISSION OF THE ABOVE REQUIRED SIGHT DRAFT DRAWN ON US TOGETHER WITH BENEFICIARY'S SIGNED STATEMENT AS PROVIDED ABOVE TO OUR FACSIMILE NUMBER, (408) 496-2418 OR (408) 969-6510 ATTENTION: THE MANAGER, STANDBY LETTER OF CREDIT NEGOTIATION SECTION, WITH TELEPHONIC CONFIRMATION OF OUR RECEIPT OF SUCH FACSIMILE TRANSMISSION AT OUR TELEPHONE NUMBER: (408) 654-6274 OR (408) 654-7716 OR TO SUCH OTHER FACSIMILE OR TELEPHONE NUMBERS, AS TO WHICH YOU HAVE RECEIVED WRITTEN NOTICE FROM US AS BEING THE APPLICABLE SUCH NUMBER). WE AGREE TO NOTIFY YOU IN WRITING, BY REGISTERED MAIL, COURIER SERVICE OR HAND DELIVERY, OF ANY CHANGE IN SUCH DIRECTION. ANY FACSIMILE PRESENTATION PURSUANT TO THIS PARAGRAPH SHALL ALSO STATE THEREON THAT THE ORIGINAL OF SUCH SIGHT DRAFT AND BENEFICIARY'S SIGNED STATEMENT ARE BEING REMITTED, FOR DELIVERY ON THE NEXT BUSINESS DAY, TO SILICON VALLEY BANK AT THE APPLICABLE ADDRESS FOR PRESENTMENT PURSUANT TO THIS PARAGRAPH ABOVE. HOWEVER, THE BANK WILL DETERMINE HONOR OR DISHONOR ON THE BASIS OF PRESENTATION BY FACSIMILE ALONE, AND WILL NOT EXAMINE THE ORIGINALS. IN ADDITION, THE ABSENCE OF THE AFORESAID TELEPHONE ADVICE SHALL NOT AFFECT OUR OBLIGATION TO HONOR ANY DRAW REQUEST.

WE HEREBY AGREE WITH THE BENEFICIARY THAT DRAFTS DRAWN IN ACCORDANCE WITH THE TERMS STIPULATED HEREIN WILL BE DULY HONORED UPON PRESENTATION AND DELIVERY OF DOCUMENTS AS SPECIFIED IF PRESENTED TO SILICON VALLEY BANK AT OUR ADDRESS SHOWN ABOVE ON OR BEFORE THE EXPIRATION DATE OF THIS LETTER OF CREDIT OR ANY AUTOMATICALLY EXTENDED EXPIRATION DATE AS HEREIN ABOVE SET FORTH.

IF ANY INSTRUCTIONS ACCOMPANYING A DRAWING UNDER THIS LETTER OF CREDIT REQUEST THAT PAYMENT IS TO BE MADE BY TRANSFER TO YOUR ACCOUNT WITH ANOTHER BANK, WE WILL ONLY EFFECT SUCH PAYMENT BY FED WIRE TO A U.S. REGULATED BANK, AND WE AND/OR SUCH OTHER BANK MAY RELY ON AN ACCOUNT NUMBER SPECIFIED IN SUCH INSTRUCTIONS EVEN IF THE NUMBER IDENTIFIES A PERSON OR ENTITY DIFFERENT FROM THE INTENDED PAYEE.

IN THE EVENT THAT THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT NO SVBSF \_\_\_\_\_ IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED, WE HEREBY AGREE TO ISSUE A "CERTIFIED TRUE COPY" OF THIS STANDBY LETTER OF CREDIT NO. SVBSF \_\_\_\_\_ UPON OUR RECEIPT OF YOUR INDEMNITY LETTER, WHICH FORM WILL BE SENT TO YOU UPON OUR RECEIPT OF YOUR WRITTEN REQUEST THAT THIS STANDBY LETTER OF CREDIT NO. SVBSF \_\_\_\_\_ IS LOST, STOLEN, MUTILATED, OR OTHERWISE DESTROYED. .

EXCEPT SO FAR AS IS OTHERWISE STATED HEREIN, THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590.

SILICON VALLEY BANK,

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
AUTHORIZED SIGNATURE

**EXHIBIT A**

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT IS APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

  
Applicant's Authorized Signature:

12/8/2016  
DATE



## TRANSFER FORM

DATE: \_\_\_\_\_

TO: SILICON VALLEY BANK  
3003 TASMAN DRIVE  
SANTA CLARA, CA 95054  
ATTN: INTERNATIONAL DIVISION  
STANDBY LETTERS OF CREDIT

RE: IRREVOCABLE STANDBY LETTER OF CREDIT  
NO. \_\_\_\_\_ ISSUED BY  
SILICON VALLEY BANK, SANTA CLARA  
L/C AMOUNT: \_\_\_\_\_

GENTLEMEN:

FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY HEREBY IRREVOCABLY TRANSFERS TO:

\_\_\_\_\_  
(NAME OF TRANSFEREE)

\_\_\_\_\_  
(ADDRESS)

ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY TO DRAW UNDER THE ABOVE LETTER OF CREDIT UP TO ITS AVAILABLE AMOUNT AS SHOWN ABOVE AS OF THE DATE OF THIS TRANSFER.

BY THIS TRANSFER, ALL RIGHTS OF THE UNDERSIGNED BENEFICIARY IN SUCH LETTER OF CREDIT ARE TRANSFERRED TO THE TRANSFEREE. TRANSFEREE SHALL HAVE THE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING SOLE RIGHTS RELATING TO ANY AMENDMENTS, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS, AND WHETHER NOW EXISTING OR HEREAFTER MADE. ALL AMENDMENTS ARE TO BE ADVISED DIRECTLY TO THE TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO THE UNDERSIGNED BENEFICIARY.

THE ORIGINAL OF SUCH LETTER OF CREDIT IS RETURNED HERewith, AND WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF, AND FORWARD IT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER.

### SIGNATURE AUTHENTICATED

The names(s), title(s), and signature(s) conform to that/those on file with us for the company and the signature(s) is/are authorized to execute this instrument.

\_\_\_\_\_  
(Name of Bank)

\_\_\_\_\_  
(Address of Bank)

\_\_\_\_\_  
(City, State, Zip Code)

\_\_\_\_\_  
(Print Authorized Name and Title)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Telephone Number)

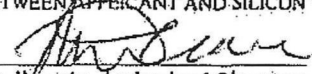
\_\_\_\_\_  
(BENEFICIARY'S NAME)

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

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

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

ALL THE DETAILS SET FORTH HEREIN IN THIS LETTER OF CREDIT DRAFT IS APPROVED BY APPLICANT. IF THERE IS ANY DISCREPANCY BETWEEN THE DETAILS OF THIS LETTER OF CREDIT DRAFT AND THE LETTER OF CREDIT APPLICATION, BETWEEN APPLICANT AND SILICON VALLEY BANK, THE DETAILS HEREOF SHALL PREVAIL.

  
Applicant's Authorized Signature

12/8/2016  
DATE



## **FIRST AMENDMENT TO OFFICE LEASE**

This FIRST AMENDMENT TO OFFICE LEASE ("**First Amendment**") is made and entered into as of February 9, 2018, by and between HWA 555 OWNERS, LLC, a Delaware limited liability company ("**Landlord**"), and RIPPLE LABS INC., a Delaware corporation ("**Tenant**").

### **R E C I T A L S :**

A. Landlord and Tenant are parties to the Office Lease dated December 6, 2016 (the "**Lease**"), pursuant to which Tenant leases approximately 28,566 rentable square feet consisting of (i) approximately 15,177 rentable square feet of space comprising the entire second (2<sup>nd</sup>) floor of the building (the "**Building**") located at 315 Montgomery Street, San Francisco, California, and commonly known as Suite 200, and (ii) approximately 13,389 rentable square feet of space comprising the entire third (3<sup>rd</sup>) floor of the Building and commonly known as Suite 300 (the "**Existing Premises**").

B. Tenant desires to (i) extend the Lease Term of the Lease, (ii) expand the Existing Premises to include that certain space consisting of approximately 14,135 rentable square feet of space commonly known as Suite 800 and consisting of the entire eighth (8<sup>th</sup>) floor of the Building (the "**Expansion Premises**"), as delineated on Exhibit A attached hereto and made a part hereof, and (iii) make other modifications to the Lease, and in connection therewith, Landlord and Tenant desire to amend the Lease as hereinafter provided.

### **A G R E E M E N T :**

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Capitalized Terms.** All capitalized terms when used herein shall have the same meaning as is given such terms in the Lease unless expressly superseded by the terms of this First Amendment.

2. **Modification of Premises.** Effective as of the date (the "**Expansion Commencement Date**") which is the earlier to occur of (i) the date upon which Tenant first commences to conduct business in the Expansion Premises, and (ii) June 28, 2018 (which date set forth in the foregoing sub-item (ii) shall be subject to extension as expressly provided in this Section 2, below), Tenant shall lease from Landlord and Landlord shall lease to Tenant the Expansion Premises on the terms and conditions of the Lease (as amended by this First Amendment). Consequently, effective upon the Expansion Commencement Date, the Existing Premises shall be increased to include the Expansion Premises. Landlord and Tenant hereby acknowledge that such addition of the Expansion Premises to the Existing Premises shall, effective as of the Expansion Commencement Date, increase the size of the Premises to approximately 42,701 rentable square feet. The Existing Premises and the Expansion Premises may hereinafter

collectively be referred to as the "**Premises.**" Notwithstanding anything set forth in this First Amendment to the contrary, if the Expansion Premises are not "Ready for Occupancy," as that term is defined in the Tenant Work Letter attached hereto as **Exhibit B** (the "**Tenant Work Letter**") on or before the date that occurs nineteen (19) weeks after the date Tenant delivers to Landlord the "Space Plan," as that term is defined in Section 2 of the Tenant Work Letter (the "**Anticipated Ready for Occupancy Date**"), and such failure is not the result of a "Tenant Delay," as that term is defined in Section 5.2 of the Tenant Work Letter, then the date set forth in sub-item (ii), above, shall be extended for one (1) day for every day that occurs after the Anticipated Ready for Occupancy Date and before the date the Expansion Premises are Ready for Occupancy.

2.1. **Delivery of the Expansion Premises.** The actual date on which Landlord delivers the Expansion Premises to Tenant in a Ready for Occupancy condition is referred to herein as the "**Delivery Date**". Landlord shall use its commercially reasonable efforts to cause the Delivery Date to occur on or the Anticipated Ready for Occupancy Date. Notwithstanding the foregoing, but subject to the remaining terms of this Section 2.1 and the terms of Section 2.2, below (as possibly modified by the terms of Section 2.3, below), Landlord shall have no liability to Tenant for any damages resulting from any delay in delivering possession of the Expansion Premises to Tenant on any particular delivery date designated by Landlord or designated in this Lease; provided, however, that if Landlord does not deliver the Expansion Premises to Tenant in a Ready for Occupancy condition on or before the date that occurs three (3) months after the Anticipated Ready for Occupancy Date (the "**Outside Delivery Date**" (as the same may be extended pursuant to the terms of Section 2.3, below)), then in addition to the natural postponement of the Expansion Commencement Date which occurs pursuant to the terms of Section 2, above, and in addition to the abatement of Base Rent applicable to the Expansion Premises pursuant to Section 4.3 below, Tenant shall receive one (1) day of Base Rent abatement for each day which shall occur after the Outside Delivery Date through and including the Delivery Date.

2.2. **Outside Delivery Termination Date.** If Landlord does not cause the Delivery Date to occur on or before the date that occurs six (6) months after the Anticipated Ready for Occupancy Date (the "**Outside Delivery Termination Date**"), then the sole remedy of Tenant for such failure shall be the right to deliver a notice to Landlord (a "**Termination Notice**") electing to terminate the Lease with respect to the Expansion Premises only effective upon the date occurring five (5) business days following receipt by Landlord of the Termination Notice (the "**Effective Date**"). The Termination Notice must be delivered by Tenant to Landlord, if at all, not earlier than the Outside Delivery Termination Date (as the same may be extended pursuant to the terms of Section 2.3, below) nor later than five (5) business days after the Outside Delivery Termination Date. Upon any termination of the Lease with respect to the Expansion Premises as set forth in this Section 2.2, Landlord and Tenant shall be relieved from any and all liability to each other resulting under the Lease with respect to the Expansion Premises, and Landlord shall reasonably cooperate with Tenant in order to cause the L-C Amount to be reduced back to the original amount required under the terms of the Lease prior to the increase in the L-C Amount pursuant to Section 9, below. Tenant's rights to terminate this Lease with respect to the Expansion Premises, as set forth in this Section 2.2, shall be Tenant's sole and exclusive remedy at law or in equity for the failure of the Delivery Date to occur as set forth above.

2.3. **Other Terms.** The Outside Delivery Date, Outside Delivery Termination Date and the Effective Date shall each be extended to the extent (i) of any delays beyond the

reasonable control of Landlord, including any delay or delays caused by "Force Majeure," as that term is defined in Section 29.16 of the Lease, (ii) of any "Tenant Delays," as that term is defined in Section 5.2 of the Tenant Work Letter, and (iii) of any delays due to changes in the "Space Plan," as that term is defined in Section 2 of the Tenant Work Letter, after the date Tenant delivers the Space Plan to Landlord.

3. **Expansion Term.** Landlord and Tenant acknowledge that Tenant's lease of the Existing Premises is scheduled to expire on September 30, 2024, pursuant to the terms of the Lease. Notwithstanding anything to the contrary in the Lease, the term of Tenant's lease of the Existing Premises is hereby extended and shall expire coterminously with the term of Tenant's lease of the Expansion Premises on "New Lease Expiration Date," as that term is defined below, unless sooner terminated as provided in the Lease, as hereby amended. The period of time commencing on the Expansion Commencement Date and terminating on the New Lease Expiration Date, shall be referred to herein as the "Expansion Term." At any time during the Expansion Term, Landlord may deliver to Tenant a notice substantially in the form as set forth in **Exhibit C** attached to the Lease, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within ten (10) business days of receipt thereof. As used in this First Amendment, the "New Lease Expiration Date" shall mean, if the Expansion Commencement Date shall be the first day of a calendar month, then the day immediately preceding the eight (8) year six (6) month anniversary of the Expansion Commencement Date; or, if the Expansion Commencement Date shall be other than the first day of a calendar month, then the last day of the month in which the eight (8) year six (6) month anniversary of the Expansion Commencement Date occurs. The terms of Section 2.2 of the Lease (regarding Tenant's right to renew the Lease Term) shall apply to the Premises in its entirety (i.e., the Existing Premises and the Expansion Premises) at the end of the Expansion Term.

4. **Base Rent.**

4.1. **Existing Premises.** Notwithstanding anything to the contrary in the Lease as hereby amended, prior to October 1, 2024, Tenant shall continue to pay Base Rent for the Existing Premises in accordance with the terms of **Article 3** of the Lease. Commencing on October 1, 2024, and continuing throughout the Expansion Term, Tenant shall pay to Landlord monthly installments of Base Rent for the Existing Premises at the same rate per rentable square foot, and shall thereafter be escalated in the same manner, as the then current Base Rent for the Expansion Premises, as such Base Rent is adjusted and escalated pursuant to the terms of this First Amendment

4.2. **Expansion Premises.** Commencing on the Expansion Commencement Date and continuing throughout the Expansion Term, Tenant shall pay to Landlord monthly installments of Base Rent for the Expansion Premises as follows:

<u>Period During</u> <u>Expansion Term</u>	<u>Annual Base Rent</u>	<u>Monthly</u> <u>Installment</u> <u>of Base Rent</u>	<u>Annual Base</u> <u>Rent per</u> <u>Rentable Square</u> <u>Foot</u>
---	-------------------------	---	--

Expansion Commencement Date – the day preceding the first anniversary of the Expansion Commencement Date	\$1,074,260.04	\$89,521.67	\$76.00
First anniversary of the Expansion Commencement Date - the day preceding the second anniversary of the Expansion Commencement Date	\$1,106,487.84	\$92,207.32	\$78.28
Second anniversary of the Expansion Commencement Date - the day preceding the third anniversary of the Expansion Commencement Date	\$1,139,682.48	\$94,973.54	\$80.63
Third anniversary of the Expansion Commencement Date - the day preceding the fourth anniversary of the Expansion Commencement Date	\$1,173,872.88	\$97,822.74	\$83.05
Fourth anniversary of the Expansion Commencement Date - the day preceding the fifth anniversary of the Expansion Commencement Date	\$1,209,089.04	\$100,757.42	\$85.54
Fifth anniversary of the Expansion Commencement Date - the day preceding the sixth anniversary of the Expansion Commencement Date	\$1,245,361.80	\$103,780.15	\$88.10
Sixth anniversary of the Expansion Commencement Date - the day preceding the seventh anniversary of the Expansion Commencement Date	\$1,282,722.60	\$106,893.55	\$90.75
Seventh anniversary of the Expansion Commencement Date - the day preceding the eighth anniversary of the Expansion Commencement Date	\$1,321,204.32	\$110,100.36	\$93.47
Eighth anniversary of the Expansion Commencement Date - the New Lease Date	\$1,360,840.44	\$113,403.37	\$96.27

4.3. **Abated Base Rent.** Provided that no Event of Default is occurring during the initial two (2) full calendar months of the Expansion Term (collectively, the "**Expansion Base Rent Abatement Period**"), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Expansion Premises during such Expansion Base Rent Abatement Period (the



**"Expansion Base Rent Abatement").** The total amount of the Expansion Base Rent Abatement shall not exceed \$179,043.34. Tenant acknowledges and agrees that during such Expansion Base Rent Abatement Period, such abatement of Base Rent for the Expansion Premises shall have no effect on the calculation of any future increases in Base Rent or Direct Expenses payable by Tenant pursuant to the terms of the Lease, as amended, which increases shall be calculated without regard to such Expansion Base Rent Abatement. Additionally, Tenant shall be obligated to pay all Additional Rent during the Expansion Base Rent Abatement Period. Tenant acknowledges and agrees that the foregoing Expansion Base Rent Abatement has been granted to Tenant as additional consideration for entering into this First Amendment, and for agreeing to pay the Base Rent and perform the terms and conditions otherwise required under the Lease, as amended. If an Event of Default shall occur prior to the expiration of the Expansion Base Rent Abatement Period, or if the Lease is terminated for any reason other than Landlord's breach of the Lease or an event of casualty or condemnation, then the dollar amount of the unapplied portion of the Expansion Base Rent Abatement as of the date of such Event of Default or termination, as the case may be, shall be converted to a credit to be applied to the Base Rent applicable at the end of the Lease Term (as extended by this First Amendment) and Tenant shall immediately be obligated to begin paying Base Rent for the Expansion Premises in full; provided, however, if Tenant cures such Event of Default and the Lease remains in full force and effect, then such credit shall then be applied commencing on the cure of such Event of Default.

## **5. Tenant's Share of Building Direct Expenses.**

5.1. **Existing Premises.** Tenant shall continue to pay Tenant's Share of Direct Expenses arising or accruing prior to October 1, 2024, in connection with the Existing Premises in accordance with the terms of the Lease. Except as specifically set forth in this Section 5.1, commencing on the October 1, 2024, and in connection with Direct Expenses arising or accruing thereafter, Tenant shall pay Tenant's Share of Direct Expenses in connection with the Existing Premises in accordance with the terms of Article 4 of the Lease, provided that with respect to the calculation of Tenant's Share of Direct Expenses in connection with the Existing Premises the Base Year shall be the calendar year 2018, provided further for the purposes of determining the amount of Tax Expenses applicable to the Base Year, the Tax Expenses for fiscal year 2017-2018 and fiscal year 2018- 2019 shall be added together and then divided by two (2).

5.2. **Expansion Premises.** Except as specifically set forth in this Section 5.2, commencing on the Expansion Commencement Date, Tenant shall pay Tenant's Share of Direct Expenses in connection with the Expansion Premises in accordance with the terms of Article 4 of the Lease, provided that with respect to the calculation of Tenant's Share of Direct Expenses in connection with the Expansion Premises, the following shall apply:

5.2.1 Tenant's Share shall equal 6.0843%; and

5.2.2 the Base Year shall be the calendar year 2018, provided further for the purposes of determining the amount of Tax Expenses applicable to the Base Year, the Tax Expenses for fiscal year 2017-2018 and fiscal year 2018- 2019 shall be added together and then divided by two (2).

6. **Expansion Improvements.** Except as specifically set forth herein, Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Expansion Premises, and Tenant shall accept the Expansion Premises in its presently existing, "as-is" condition. Landlord shall construct the improvements in the Expansion Premises pursuant to the terms of the Tenant Work Letter.

7. **Broker.** Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this First Amendment other than CBRE, Inc. (the "**Broker**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this First Amendment. Each party agrees to indemnify and defend the other party against and hold the other party harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent, other than the Broker, occurring by, through, or under the indemnifying party. The terms of this Section 7 shall survive the expiration or earlier termination of the term of the Lease, as hereby amended.

8. **Parking.** In addition to the parking passes set forth in the Lease, subject to availability, Tenant may rent, on a month-to-month basis, non-transferable parking passes for unreserved parking spaces in the Project parking facility. Except as set forth in this Section 8, Tenant shall lease the additional parking passes in accordance with the provisions of Article 28 of the Lease.

9. **Letter of Credit.** Notwithstanding anything in the Lease to the contrary, the L-C Amount pursuant to the Lease, as amended hereby, shall equal Three Million Four Hundred Seventy-Nine Thousand Eight Hundred Sixty-Two and 72/100 Dollars (\$3,479,862.72). Landlord and Tenant acknowledge that, in accordance with Article 21 of the Lease, Tenant has previously delivered an L-C to Landlord in the L-C Amount of Two Million Four Hundred Fifty-Nine Thousand Two Hundred Eighty and 38/100 Dollars (\$2,459,280.38) (the "**Existing L-C**") as security for the faithful performance by Tenant of the terms, covenants and conditions of the Lease. Concurrently with Tenant's execution of this First Amendment, Tenant shall deliver to Landlord a certificate of amendment to the existing L-C, conforming in all respects to the requirements of Article 21 of the Lease, increasing the L-C Amount by an amount equal to One Million Twenty Thousand Five Hundred Eighty-Two and 34/100 Dollars (\$1,020,582.34) to be held by Landlord as a part of the L-C (causing the L-C Amount to equal a total of \$3,479,862.72). The L-C in the increased L-C Amount shall continue to be governed by the terms of Article 21 of the Lease. provided that the L-C Amount reduction schedule set forth in Section 21.9 of the Lease shall be amended and restated in its entirety with the following L-C Amount reduction schedule.

Reduction Date	L-C Amount After Reduction
The fourth (4 <sup>th</sup> ) anniversary of the Expansion Commencement Date	\$2,669,054.71.

The fifth (5 <sup>th</sup> ) anniversary of the Expansion Commencement Date	\$1,854,766.83
The sixth (6 <sup>th</sup> ) anniversary of the Expansion Commencement Date	\$1,043,958.82

The terms of Section 21.9 of the Lease shall continue to apply to any reduction of the L-C Amount.

10. **Statutory Disclosure and Related Terms.** For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Expansion Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject Expansion Premises and determine whether the subject Expansion 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 Expansion Premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject Expansion 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 Expansion Premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp designated by Landlord, subject to Landlord's reasonable rules and requirements (the "**Tenant CASp Inspection**"); (b) to the extent not arising out of the Landlord Work under the Tenant Work Letter, Tenant, at its sole cost and expense, shall be responsible for making any improvements or repairs within the Expansion Premises to correct violations of construction-related accessibility standards arising out of the Tenant CASp Inspection; and (c) if the Tenant CASp Inspection shall require any improvements or repairs to the Building or Project (outside the Expansion Premises) to correct violations of construction-related accessibility standards, then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such improvements or repairs.

11. **Deletion.** Section 1.3 of the Lease (including all sub-sections) is hereby deleted in its entirety and of no further force or effect.

12. **No Further Modification.** Except as set forth in this First Amendment, all of the terms and provisions of the Lease shall apply with respect to the Expansion Premises and shall remain unmodified and in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

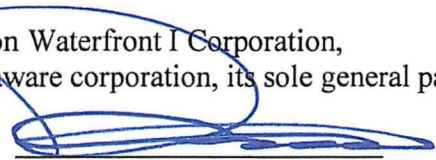
IN WITNESS WHEREOF, this First Amendment has been executed as of the day and year first above written.

**"LANDLORD"**

HWA 555 OWNERS, LLC,  
a Delaware limited liability company

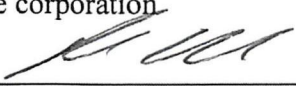
By: Hudson Waterfront Associates I, L.P.,  
a Delaware limited partnership, its sole member

By: Hudson Waterfront I Corporation,  
a Delaware corporation, its sole general partner

By:   
David R. Greenbaum  
President

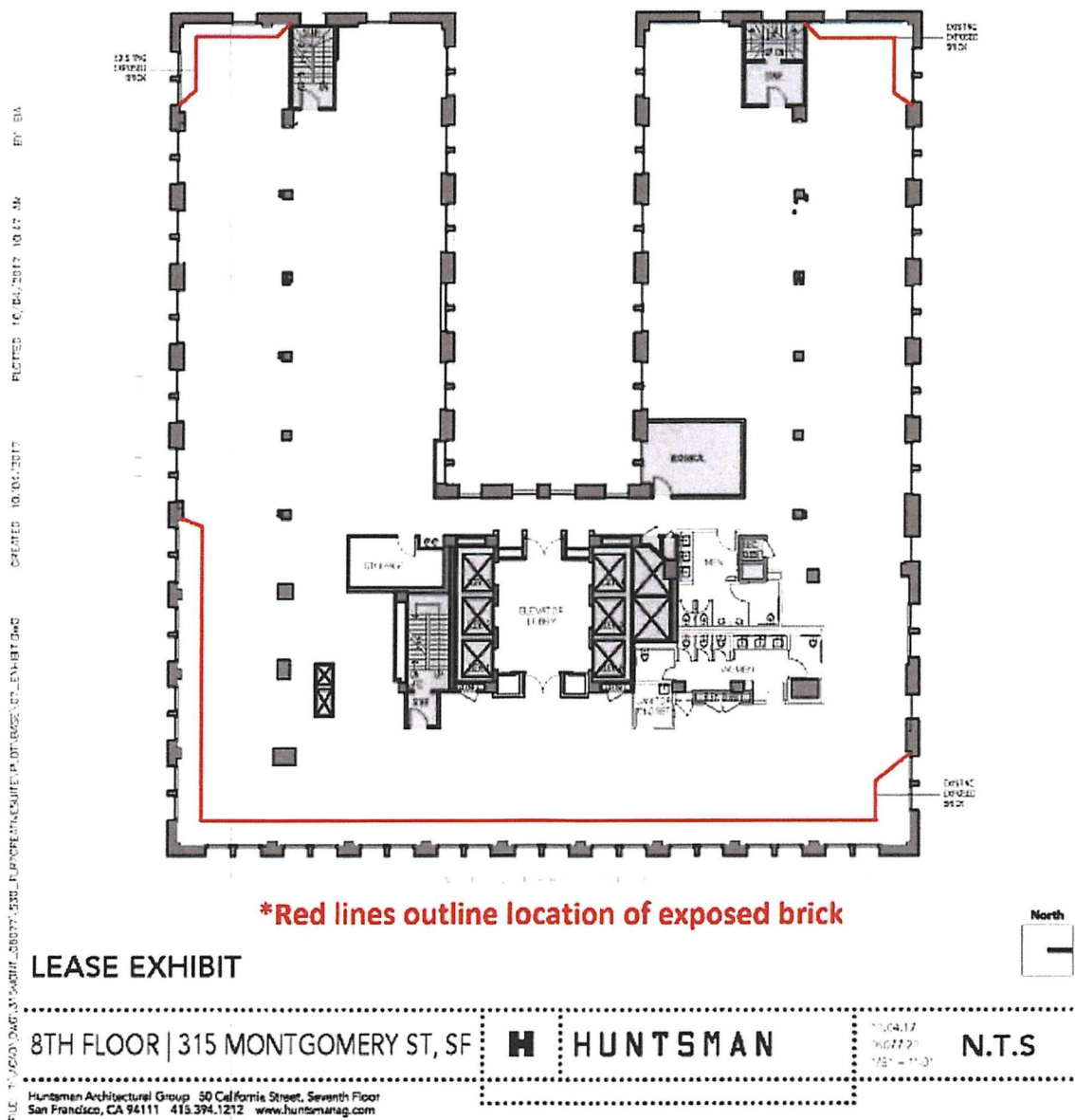
**"TENANT"**

RIPPLE LABS INC.,  
a Delaware corporation

By:   
Name: RON WILL  
Its: CFO

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_





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315 MONTGOMERY  
[First Amendment]  
[Ripple Labs]

## **EXHIBIT B**

### **TENANT WORK LETTER**

This Tenant Work Letter shall set forth the terms and conditions relating to the construction of the tenant improvements in the Expansion Premises. This Tenant Work Letter is essentially organized chronologically and addresses the issues of the construction of the Expansion Premises, in sequence, as such issues will arise during the actual construction of the Expansion Premises. All references in this Tenant Work Letter to "the First Amendment" shall mean the relevant portion of the First Amendment 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 Articles or Sections of "the Lease" shall mean the relevant portion of Articles 1 through 29 of the "Lease," as that term is defined in this First Amendment, and all references in this Tenant Work Letter to Sections of "this Tenant Work Letter" shall mean the relevant portion of Sections 1 through 6 of this Tenant Work Letter.

### **SECTION 1**

#### **DELIVERY CONDITION**

Notwithstanding anything to the contrary set forth in this Tenant Work Letter, using Building standard methods, materials and finishes, Landlord shall, at Landlord's sole cost and expense, perform the following work (collectively, the "**Landlord Work**"). The Landlord Work shall be performed prior to Landlord's delivery of the Expansion Premises to Tenant. Tenant may not change or alter the Landlord Work.

1.2.1 Primary HVAC will be stubbed to the floor. HVAC distribution to Tenant's layout will be part of the Tenant Improvements.

1.2.2 Provide a commercially reasonable level slab, including all infill around column bases. Final slab preparation for Tenant's floor covering will be part of the Tenant Improvements.

1.2.3 Existing primary sprinkler loop will remain in place, provided that Landlord shall perform any work required to cause the loop to comply with Code applicable to shell delivery condition. Modifications of Landlord's sprinkler pipe layout to accommodate Tenant's layout will be a Tenant Improvement.

1.2.4 Provide a primary connection to the Building Standard life safety panel. The installation of life-safety devices, tie-ins and connections to the primary Building life safety panel will be part of the Tenant Improvements.

1.2.5 Provide a Building standard electrical panel.

1.2.6 Provide Building standard mecho window coverings on the exterior perimeter window line of the Expansion Premises.

1.2.7 Upgrade the finishes in the common area restrooms located on the eighth (8<sup>th</sup>) floor of the Building to current Building standards consistent with the finishes in the common

area restrooms located on the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) floors of the Building, as existing as of the date of this First Amendment.

1.2.8 Demolish the existing improvements in the Expansion Premises to a normal and customary shell delivery condition with the brick exposed in the locations shown on Exhibit A to the First Amendment.

## SECTION 2

### TENANT IMPROVEMENTS FOR THE EXPANSION PREMISES

Tenant shall deliver to Landlord a space plan for the Expansion Premises prepared and approved by Landlord's architect, Huntsman Architectural Group ("**Landlord's Architect**"), on or before February 14, 2018 (the "**Space Plan**"). Following Landlord's receipt of the Space Plan, Landlord shall cause Landlord's Architect to prepare the final architectural working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits and in a manner consistent with, and which are a logical extension of, the Space Plan (collectively, the "**Approved Working Drawings**"). Landlord shall construct the improvements in the Expansion Premises (the "**Tenant Improvements**") pursuant to the Approved Working Drawings and otherwise reasonably consistent with the finishes in the improvements located on the eleventh (11<sup>th</sup>) floor of the Building. Tenant shall make no changes or modifications to (i) the Space Plan or (ii) once completed, the Approved Working Drawings, without the prior written consent of Landlord, which consent shall not be unreasonably withheld (provided it shall be deemed reasonable for Landlord to withhold its consent to any change or modification that may affect the Base Building or that may be seen from the exterior of the Expansion Premises) provided that it shall be a Tenant Delay subject to the terms of Section 5.2, below, if such change or modification would directly or indirectly delay the "Substantial Completion," as that term is defined in Section 5.1 of this Tenant Work Letter, of the Expansion Premises, and Tenant shall be responsible for any net increase in the "Final Costs" (as that term is defined in Section 3, below) of the Tenant Improvements.

## SECTION 3

### OVER-ALLOWANCE AMOUNT

Landlord has allocated an amount (the "**Expansion Improvement Allowance**") not to exceed One Million Five Hundred Fifty-Four Thousand Eight Hundred Fifty and No/100 Dollars (\$1,554,850.00) (*i.e.* \$110.00 per rentable square foot of the Expansion Premises times 14,135 rentable square feet) for the costs of designing and constructing the Tenant Improvements (including, without limitation, all costs incurred in connection with the construction, of the Tenant Improvements, all architectural and engineering fees, consulting fees, plan check, permit and license fees, sales and use taxes and Title 24 fees, the "Coordination Fee," as that term is defined in Section 6.8, below, and all other costs to be expended by Landlord in connection with the construction of the Tenant Improvements). If the total cost paid by Landlord of designing and constructing the Tenant Improvements (including, without limitation, the Coordination Fee set forth in Section 6.8 of this Tenant Work Letter) (the "**Final Costs**") exceeds the Expansion Improvement Allowance, or if the total "Soft Costs," as that term is defined below, will exceed \$5.00 per rentable square foot of the Expansion Premises (any such overage amount, the "**Over-**



**Allowance Amount"**), then Tenant shall pay a percentage of each amount disbursed by Landlord to the Contractor or otherwise disbursed under this Tenant Work Letter, which percentage shall be equal to the Over-Allowance Amount divided by the amount of the Final Costs. In the event that, after the Final Costs have been delivered by Tenant to Landlord, any revisions, changes or substitutions shall be made to the Approved Working Drawings or the Tenant Improvements, or the Final Costs shall change for any reason, the above amounts shall be adjusted as equitable to reflect any additional or reduced costs which arise in connection therewith. Such payments by Tenant shall be a condition to Landlord's obligation to pay any amounts of Expansion Improvement Allowance. As used herein, "**Soft Costs**" shall mean all architectural and engineering fees, consulting fees, plan check, permit and license fees, and any sales and use taxes and Title 24 fees.

#### SECTION 4

#### CONTRACTOR

A union contractor designated by Landlord ("**Contractor**") shall construct the Tenant Improvements; provided, however, the Contractor shall be required to bid each of the major subcontractors (as reasonably determined by Landlord) with at least two (2) qualified subcontractors, and Landlord shall, unless otherwise directed by Tenant, select the lowest cost bid which is conforming and consistent with the bid assumptions and directions. Landlord's contract with the Contractor shall provide a warranty from the Contractor to correct all defects at no cost to Tenant for at least one (1) year following the completion of the Tenant Improvements, provided that nothing contained herein shall limit or reduce Landlord's obligation to perform the Landlord's Work and Tenant Improvements in full compliance with all Applicable Laws (to the extent required in order to obtain or maintain a certificate of occupancy for the Expansion Premises, or if failure to comply would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees, or would otherwise materially and adversely affect Tenant's use of or access to the Premises) and to correct (or have corrected) any and all defects in the performance of the Landlord's Work and Tenant Improvements.

#### SECTION 5

#### COMPLETION OF THE TENANT IMPROVEMENTS; EXPANSION COMMENCEMENT DATE

5.1 Ready for Occupancy. The Expansion Premises shall be deemed "**Ready for Occupancy**" upon the Substantial Completion of the Expansion Premises. For purposes of this First Amendment, "**Substantial Completion**" of the Expansion Premises shall occur upon the completion of the Landlord's Work and completion of construction of the Tenant Improvements in the Expansion Premises pursuant to the Approved Working Drawings, with the exception of (i) any punch list items which do not materially interfere with Tenant's use and occupancy of the Expansion Premises (and which punch list items shall be completed by Landlord as soon as reasonably practicable following Substantial Completion), (ii) any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant or on behalf of Tenant, and (iii) the installation of any bullet proof glass in the Premises if requested by Tenant (provided the

installation of such bullet proof glass shall be completed by Landlord as soon as reasonably practicable following Substantial Completion).

5.2 Delay of the Substantial Completion of the Expansion Premises. Except as provided in this Section 5.2, the Expansion Commencement Date shall occur as set forth in the First Amendment and Section 5.1, above. If there shall be a delay or there are delays in the Substantial Completion of the Expansion Premises or in the occurrence of any of the other conditions precedent to the Expansion Commencement Date, as set forth in of the First Amendment, as a direct, indirect, partial, or total result of:

5.2.1 Tenant's failure to timely provide the information required pursuant to Section 2 of this Tenant Work Letter or to otherwise timely approve any matter requiring Tenant's approval;

5.2.2 An Event of Default by Tenant of the terms of this Tenant Work Letter or the Lease, as amended by the First Amendment;

5.2.3 Tenant's request for changes in the Approved Working Drawings;

5.2.4 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the anticipated date of Substantial Completion of the Expansion Premises, or which are different from, or not included in, Landlord's standard improvement package items for the Building, which requirement is not rescinded or modified by Tenant within two (2) business days following notice thereof from Landlord;

5.2.5 Tenant's failure to deliver to Landlord the Over-Allowance Amount pursuant to the terms of Section 3 of the Tenant Work Letter; or

5.2.6 Any other acts or omissions of Tenant, or its agents, or employees, which act or omission is not corrected by Tenant within two (2) business days following notice thereof from Landlord;

(each, a "Tenant Delay") then, notwithstanding anything to the contrary set forth in the First Amendment or this Tenant Work Letter and regardless of the actual date of the Substantial Completion of the Expansion Premises, the date of Substantial Completion of the Expansion Premises shall be deemed to be the date the Substantial Completion of the Expansion Premises would have occurred if no Tenant Delay or Tenant Delays, as set forth above, had occurred.

## SECTION 6

### MISCELLANEOUS

6.1 Tenant's Entry Into the Expansion Premises Prior to Substantial Completion. Provided that Tenant and its agents do not interfere with Contractor's work in the Building and the Expansion Premises, Contractor shall allow Tenant access to the Expansion Premises at least fourteen (14) days prior to the Substantial Completion of the Expansion Premises for the purpose of Tenant installing equipment or fixtures (including Tenant's data and telephone equipment) in the Expansion Premises. Prior to Tenant's entry into the Expansion Premises as permitted by the

terms of this Section 6.1, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any loss or damage to the Building or Expansion Premises and against injury to any persons caused by Tenant's actions pursuant to this Section 6.1.

6.2 Freight Elevators. Landlord shall, consistent with its obligations to other tenants of the Building, make the freight elevator reasonably available to Tenant in connection with initial decorating, furnishing and moving into the Expansion Premises.

6.3 Tenant's Representative. Tenant has designated Alison Hendrickx as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

6.4 Landlord's Representative. Landlord has designated Diana Rosenblatt as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

6.5 Tenant's Agents. All contractors, subcontractors, laborers, materialmen, and suppliers shall be union labor in compliance with the then existing master labor agreements.

6.6 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period and such failure continues for three (3) business days following notice to Tenant of such failure, at Landlord's sole option, at the end of such period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

6.7 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in this First Amendment, if an Event of Default by Tenant as described in the Lease, as amended by this First Amendment, or under this Tenant Work Letter, has occurred at any time on or before the Substantial Completion of the Expansion Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to cause Contractor to cease the construction of the Expansion Premises (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Expansion Premises caused by such work stoppage as set forth in Section 4 of this Tenant Work Letter), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease.

6.8 Tenant shall pay a construction coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to five percent (5%) of the Final Costs, which Coordination Fee shall be for services relating to the coordination of the construction of the Tenant Improvements and for Landlord's review and development of the Approved Working Drawings, and for freight elevator usage during Building Hours. Landlord shall receive the Coordination Fee as a deduction from

the Expansion Improvement Allowance. Tenant shall not be required to pay any other fee or charge to Landlord in connection with any services provided by Landlord or its property manager, agent or other third party in connection with performance of the Landlord Work of the Tenant Improvements.



EXHIBIT C

SUBLEASE COMMENCEMENT DATE CERTIFICATE

To: Ripple Labs Inc.

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

Re: Sublease Commencement Date Certificate with respect to that certain Sublease dated as of \_\_\_\_\_, 2025 (the "**Sublease**"; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Sublease), by and between Ripple Labs Inc., a Delaware corporation ("**Sublandlord**"), and the City and County of San Francisco, a municipal corporation ("**Subtenant**"), concerning certain premises located on the 8<sup>th</sup> Floor of the Building located at 315 Montgomery St., San Francisco, CA (as more particularly described in the Sublease, the "**Sublease Premises**").

Ladies and Gentlemen:

In accordance with the terms and conditions of the Sublease, Subtenant accepts possession and agrees:

1. The Sublease Commencement Date is \_\_\_\_\_;
2. The Expiration Date is \_\_\_\_\_; and
3. **[IF NECESSARY]** The schedule of Base Rent payable under the Sublease is as follows: **[TO BE COMPLETED]**

Please acknowledge your acceptance of possession and agreement to the terms set forth above by signing this Sublease Commencement Date Certificate in the space provided and returning a fully executed counterpart (a scanned signature sent in PDF or similar format will suffice) to my attention.

Sincerely,

"**SUBLANDLORD**":

**Ripple Labs Inc., a Delaware corporation**

By: **[EXHIBIT - - DO NOT SIGN]**

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

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

"**SUBTENANT**":

**City and County of San Francisco, a municipal corporation**

By: **[EXHIBIT - - DO NOT SIGN]**

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

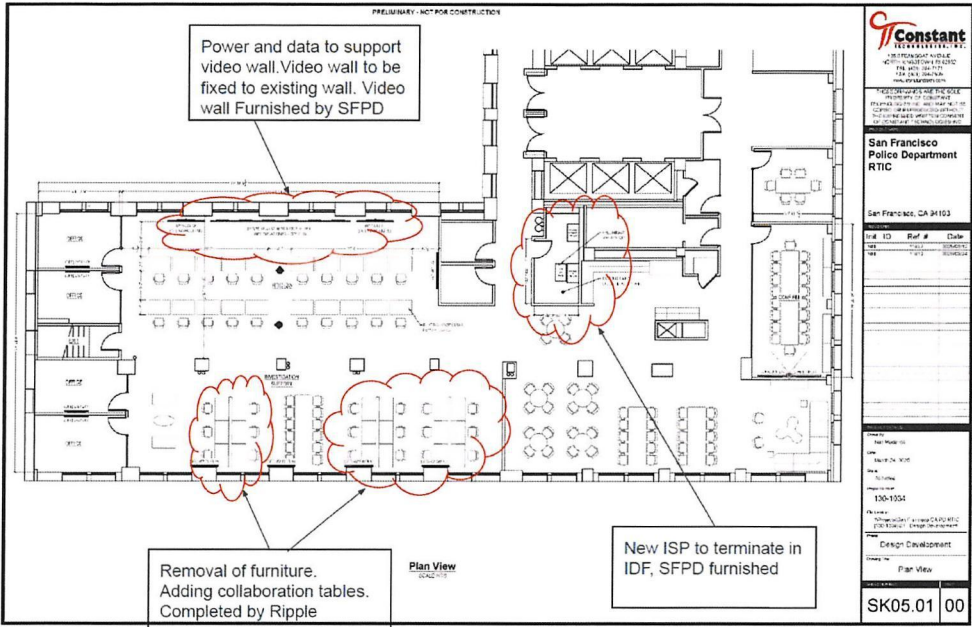
Title: \_\_\_\_\_

By: **[EXHIBIT - - DO NOT SIGN]**

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

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

EXHIBIT D



- Notes:
1. Adding furniture system lockers in a conference room. Location TBD. Ripple provided
  2. Adding blackout shades to floor for privacy. Ripple provided
  3. Adding furniture system whiteboards throughout the space. Ripple provided
  4. Site survey to be completed to extend radio signal (potential for rooftop antenna, SFPD provided)

“**Sublandlord Improvements**” shall mean the following improvements to be performed by Sublandlord, at its sole cost and expense: (1) removal of furniture and addition of collaboration tables as shown on the plan referenced above; (2) adding furniture and systems lockers in a conference room mutually agreed upon by Sublandlord and Subtenant; (3) adding blackout shades to the floor; and (4) adding furniture system whiteboards throughout the Premises

“**Subtenant Improvements**” shall mean the following improvements to be performed by Subtenant, at its sole cost and expense: (1) installation of power and data to support video wall; (2) installation of video wall on existing wall; (3) installation of new ISP to terminate in IDF; and (4) site survey to extend radio signal.

## **CONSENT TO SUBLEASE AGREEMENT**

THIS CONSENT TO SUBLEASE AGREEMENT (this “**Agreement**”) is made as of May 22, 2025 (the “**Effective Date**”), by and among HWA 555 OWNERS, LLC, a Delaware limited liability company (“**Landlord**”), RIPPLE LABS INC., a Delaware corporation (“**Tenant**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**Subtenant**”).

### **RECITALS :**

A. Reference is hereby made to the Office Lease, dated December 6, 2016, between Landlord and Tenant (the “**Original Lease**”), as amended by that certain First Amendment to Office Lease, dated February 9, 2018 (the “**First Amendment**”, and together with the Original Lease, the “**Lease**”), for space on the second (2<sup>nd</sup>), third (3<sup>rd</sup>) and eighth (8<sup>th</sup>) floors, commonly known as Suites 200, 300 and 800 (collectively, the “**Premises**”) in that certain building located at 315 Montgomery Street, San Francisco, California (the “**Building**”).

B. Tenant has requested Landlord’s consent to that certain Sublease, dated April 29, 2025, between Tenant and Subtenant (the “**Sublease**”), with respect to a subletting by Subtenant of a portion of the Premises, as more particularly described in the Sublease (the “**Sublet Premises**”). A copy of the Sublease is attached hereto as **Exhibit A**. Landlord is willing to consent to the Sublease on the terms and conditions contained herein.

C. All defined terms not otherwise expressly defined herein shall have the respective meanings given in the Lease.

### **AGREEMENT :**

1. **Tenant Estoppel**. Tenant represents and warrants that, as of the Effective Date, to Tenant’s actual knowledge, (a) the Lease is in full force and effect; (b) the Lease has not been assigned, encumbered, modified, extended or supplemented, except as described in the Recitals above, and except as has been consented to in writing by Landlord; (c) Tenant knows of no defense or counterclaim to the enforcement of the Lease; (d) Tenant is not entitled to any reduction, offset or abatement of the Rent payable under the Lease except as expressly provided for therein; (e) a true and complete copy of the Sublease is attached hereto, and the Sublease constitutes the complete agreement between Tenant and Subtenant with respect to the subject matter thereof, (f) Landlord has completed all work to be performed by Landlord under the Lease prior to the Effective Date, except for any ongoing maintenance and repair obligations of Landlord set forth in the Lease and Landlord has paid all contributions and other sums due to Tenant under the Lease prior to the Effective Date; and (g) neither Landlord nor Tenant is in default of any of their respective obligations or covenants, and neither has breached any of their respective representations or warranties, under the Lease. For purposes of this Agreement, “**Tenant’s actual knowledge**” shall mean the present and actual knowledge of the undersigned representative of Tenant without independent verification.

2. **Landlord's Consent.** Landlord hereby consents to the Sublease; provided however, notwithstanding anything contained in the Sublease to the contrary, such consent is granted by Landlord only upon the terms and conditions set forth in this Agreement. The Sublease is subject and subordinate to the Lease. Landlord shall not be bound or estopped by any of the terms, covenants, conditions, provisions or agreements of the Sublease, except as may be expressly set forth in this Agreement. Accordingly, notwithstanding any provision contained in the Sublease to the contrary, Landlord's consent pursuant to the terms hereof shall not be deemed to be Landlord's consent to Subtenant's uses of the Premises or Sublet Premises, any alteration of the Premises or the Sublet Premises nor entitle Subtenant to any signage under the Sublease, except as expressly provided herein. Nothing contained herein shall be construed as a consent to, approval of, or ratification by Landlord of, any of the particular provisions of the Sublease or any plan or drawing referred to or contained therein (except as may be expressly provided herein). Except as expressly set forth in this Agreement, Landlord has not reviewed or approved any provision of the Sublease, including without limitation the terms of Article 21 (and all subsections thereunder) of the Sublease. In furtherance of the foregoing, the parties acknowledge and agree that Subtenant is not being granted any rights that are personal to Tenant under the Lease, including, without limitation, any options to renew or extend the term of the Lease. The waiver of subrogation contained in Section 10.5 of the Original Lease shall apply as between Landlord and Subtenant as if Subtenant were the Tenant.

2.1 **Subtenant's Use of the Sublet Premises.** Notwithstanding the terms of Section 2, above, but subject to the terms of this Agreement, Landlord hereby acknowledges and consents to Subtenant's use of the Sublet Premises in accordance with Sections 1.9 and 5.2 of the Sublease, and the right of Subtenant's employees and agents to bring into the Sublet Premises government issued guns customarily used by Subtenant's employees and agents in the operation of the San Francisco Police Department. Except in the event of an emergency circumstance, Subtenant's officers (i) must follow the instructions of Landlord's management and security personnel, and (ii) shall not unholster or otherwise display their guns or other weapons when in any portion of the Project. Notwithstanding anything set forth in the Lease or the Sublease to the contrary, Landlord shall in no case be liable for personal injury or property damage for any error with regard to the admission to or exclusion from the Building or Project of any person, including without limitation Subtenant's police officers.

2.2 **Insurance.** Tenant and Subtenant each here agree that during the Sublease Term (as defined in the Sublease), (1) Subtenant's commercial general liability insurance required to be carried by Tenant under the Lease, and Subtenant under the Sublease (subject to Subtenant's right to self-insure pursuant to the terms of the Sublease), shall be expressly modified to cover the presence of armed police officers at the Project and to name Landlord and the Landlord Parties (as defined in the Original Lease), and such additional persons as Landlord may designate, as additional insureds (the "**Landlord Additional Insured Parties**") with respect to such coverage (or self-insurance, as applicable); provided, however, so long as Subtenant self-insures it shall not be required to name any additional insureds, (2) Tenant and Subtenant shall each carry (subject to Subtenant's right to self-insure pursuant to the terms of the Sublease) commercial general liability insurance having a limit on liability of not less than \$10,000,000.00 each occurrence (which limit may be achieved through the use of an Umbrella/Excess Policy, or, with respect to Subtenant, a self-insurance program reasonably acceptable to Landlord) covering Subtenant's acts, omissions and negligence and naming each of the Landlord Additional Insured Parties as additional insureds

with respect to such coverage; provided, however, so long as Subtenant self-insures it shall not be required to name any additional insureds, and (3) Tenant has provided to Landlord evidence of both Tenant's and Subtenant's insurance coverage (or Subtenant's letter of self-insurance as required by Section 7.1 of the Sublease) in a form satisfactory to Landlord, a copy of which is attached hereto as **Exhibit D**. For clarification purposes, Tenant's commercial general liability insurance shall not be modified to cover the presence of armed police officers at the Project. In addition, if Subtenant provides written notice to Tenant indicating the expected number of uniformed officers, and the duration of time that, the Uniform Limit will be exceeded pursuant to Section 5.2 of the Sublease, Subtenant shall concurrently provide a copy of such notice to Landlord.

2.3 **Subtenant's Agents.** All contractors, subcontractors, laborers, materialmen, and suppliers used by Subtenant at the Project (such contractors, subcontractors, laborers, materialmen, and suppliers to be known collectively as "**Subtenant's Agents**"), including without limitation any contractor or subcontractor retained to perform janitorial service for the Sublease Premises, must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed; provided, however, Landlord may nevertheless designate and require the use of particular mechanical, engineering, plumbing, fire life-safety and other Base Building (as defined in the Original Lease) contractors and/or subcontractors. All of Subtenant's Agents shall all be union labor in compliance with the then existing master labor agreements.

2.4 **Alterations.** All Alterations (as defined in the Sublease) shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld or delayed. In addition, all fixtures, furnishing, window covering and decorations (including without limitation black-out shades) that can be seen from the exterior of the Sublet Premises, shall be subject to Landlord's prior approval in Landlord's sole discretion.

2.5 **Sidewalk Repairs.** Concurrent with Tenant's execution of this Agreement, Tenant shall reimburse Landlord for the Sidewalk Traffic Coating Repairs, as set forth in **Exhibit C**, attached hereto, in the amount of \$68,795.00.

3. **Tenant or Subtenant Default.** If Tenant or Subtenant violates any of the terms of this Agreement, or if any representation by Tenant or Subtenant in this Agreement is untrue in any material respect, or if Subtenant takes any action which would constitute a default under the Lease, then Landlord may declare the Lease to be in default and, following any notice and any applicable cure periods required under the Lease, may avail itself of all remedies provided at law or in equity or under the Lease with respect to Events of Default. Except as may be expressly provided herein, Landlord's rights and remedies under this Agreement shall be in addition to every other right or remedy available to it under the Lease, at law, in equity or otherwise and Landlord shall be able to assert its rights and remedies at the same time as, before, or after its assertion of any other right or remedy to which it is entitled without in any way diminishing such other rights or remedies.

4. **Non-Release of Tenant; Further Transfers.** Neither the Sublease nor this consent thereto shall release or discharge Tenant from any liability, whether past, present or future, under the Lease or alter the primary liability of Tenant to pay the rent and perform and comply with all of the obligations of Tenant to be performed under the Lease (including the payment of all bills rendered by Landlord for charges incurred by Subtenant for services and materials supplied



to the Sublet Premises). Neither the Sublease nor this consent thereto shall be construed as a waiver of Landlord's right to consent to any further subletting either by Tenant or by Subtenant or to any assignment by Tenant of the Lease or assignment by Subtenant of the Sublease, or as a consent to any portion of the Sublet Premises being used or occupied by any other party. Landlord may consent to subsequent sublettings and assignments of the Lease or the Sublease or any amendments or modifications thereto without notifying Tenant, Subtenant nor anyone else liable under the Lease and without obtaining their consent. No such action by Landlord shall relieve such persons from any liability to Landlord or otherwise with regard to the Sublet Premises.

5. **Relationship With Landlord.** Tenant hereby assigns and transfers to Landlord Tenant's interest in the Sublease and all rentals and income arising therefrom, subject to the terms of this Section 5. Landlord, by consenting to the Sublease agrees that until a default beyond any applicable notice and cure period set forth in the Lease shall occur in the performance of Tenant's obligations under the Lease, Tenant may receive, collect and enjoy the rents accruing under the Sublease. In the event Tenant shall default beyond any applicable notice and cure period set forth in the Lease in the performance of its obligations to Landlord under Section 19.1 of the Original Lease, and Landlord does not elect to terminate the Lease, Landlord may, at its option by notice to Tenant, elect to receive and collect, directly from Subtenant, all rent and any other sums owing and to be owed under the Sublease, as further set forth in Section 5.1, below. If the Lease or Tenant's right to possession thereunder terminates for any reason prior to expiration of the Sublease, whether pursuant to Tenant's default beyond any applicable notice and cure period set forth in the Lease in the performance of its obligations to Landlord under Section 19.1 of the Original Lease, pursuant to the voluntary surrender of the Lease by Tenant and the acceptance thereof by Landlord, the Sublease and all rights of Subtenant in the Sublet Premises shall terminate upon the date of termination of the Lease or Tenant's right to possession thereunder. It is all parties' expressed intent that, should the Lease terminate for any reason whatsoever, including the voluntary surrender of same by Tenant and the acceptance thereof by Landlord, then the Sublease shall terminate and neither Landlord nor Tenant shall have any liability to Subtenant arising out of such early termination of the Sublease. This provision is entered into with full knowledge of the case of *Buttner v. Kasser* (1912) 19 Cal.App. 755, and it is the parties' express intent that the holding of *Buttner* and similar cases shall not apply to the Sublease. The terms of this Section 5 supersede any contrary provisions in the Sublease.

5.1 **Landlord's Election to Receive Rents.** Landlord shall not, by reason of the Sublease, nor by reason of the collection of rents or any other sums from Subtenant pursuant to Section 5, above, be deemed liable to Subtenant for any failure of Tenant to perform and comply with any obligation of Tenant, and Tenant hereby irrevocably authorizes and directs Subtenant, upon receipt of any written notice from Landlord stating that a default beyond any applicable notice and cure period set forth in the Lease exists in the performance of Tenant's obligations under the Lease, to pay to Landlord the rents and any other sums due and to become due under the Sublease. Tenant agrees that Subtenant shall have the right to rely upon any such statement and request from Landlord, and that Subtenant shall pay any such rents and any other sums to Landlord without any obligation or right to inquire as to whether such default beyond any applicable notice and cure period set forth in the Lease exists and notwithstanding any notice from or claim from Tenant to the contrary. Tenant shall not have any right or claim against Subtenant for any such rents or any other sums so paid by Subtenant to Landlord. Landlord shall credit Tenant with any rent received by Landlord under such assignment against rent due from Tenant under the Lease,

but the acceptance of any payment on account of rent from Subtenant as the result of any such default shall in no manner whatsoever be deemed an attornment by Landlord to Subtenant or by Subtenant to Landlord, be deemed a waiver by Landlord of any provision of the Lease or serve to release Tenant from any liability under the terms, covenants, conditions, provisions or agreements under the Lease. Notwithstanding the foregoing, any other payment of rent from Subtenant directly to Landlord, regardless of the circumstances or reasons therefor, shall in no manner whatsoever be deemed an attornment by Subtenant to Landlord in the absence of a specific written agreement signed by Landlord to such an effect.

## 5.2 **Intentionally Omitted.**

5.3 **Landlord Exculpation.** The liability of Landlord or the "Landlord Parties", as that term is defined in the Lease, to Subtenant for any default by Landlord under this Agreement or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Building, the Premises or the Sublet Premises shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Building (including any sales or insurance proceeds thereafter receivable or theretofore received and then held by landlord or Landlord Parties in connection with the Project, Building or Premises). Neither Landlord nor any of the Landlord Parties shall have any personal liability therefor, and Subtenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Subtenant. The limitations of liability contained in this Section 5.3 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Agreement. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Subtenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

6. **Certified Access Specialist.** For purposes of Section 1938 of the California Civil Code, Landlord hereby discloses to Tenant and Subtenant, and Tenant and Subtenant hereby acknowledge, that the Premises has not undergone inspection by a Certified Access Specialists (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, and notwithstanding anything set forth in the Lease or Sublease to the contrary, Landlord, Tenant, and Subtenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be

conducted, at Tenant's sole cost and expense, by a CASp designated by Landlord, subject to Landlord's reasonable rules and requirements and any CASp inspection requested by Subtenant shall be conducted, at Subtenant's sole cost and expense, by a CASp designated by Landlord, subject to Landlord's reasonable rules and requirements; (b) Tenant, at its sole cost and expense (provided that, as between Tenant and Subtenant, the terms of the Sublease shall prevail), shall be responsible for making any improvements or repairs within the Premises to correct violations of construction-related accessibility standards identified by such CASp inspection; and (c) if anything done by or for Tenant or Subtenant in their use or occupancy of the Premises shall require any improvements or repairs to the Building or Project (outside the Premises) to correct violations of construction-related accessibility standards, then Tenant (provided that, as between Tenant and Subtenant, the terms of the Sublease shall prevail) shall reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such improvements or repairs.

7. **Asbestos Disclosures.** Landlord has advised Tenant and Subtenant that there is asbestos-containing material ("ACM") in the Building. Attached hereto as **Exhibit B** is a copy of the disclosure notice delivered annually to all tenants of the Building regarding ACM in the Building. Tenant acknowledges that such notice complies with the requirements of Section 25915 *et. seq.* and Section 25359.7 of the California Health and Safety Code.

## 8. **General Provisions.**

8.1 **Consideration for Sublease.** Tenant and Subtenant each represents and warrants that, except as otherwise specifically provided in the Sublease, no rent or other consideration is being paid or is payable to Tenant by Subtenant for the right to use or occupy the Sublet Premises.

8.2 **Brokerage Commission.** Tenant and Subtenant, jointly and severally, indemnify Landlord against, and hold it harmless from, all costs, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of any claims for brokerage commissions, finders fees or other compensation in connection with the Sublease or procuring possession of the Sublet Premises. Tenant and Subtenant, at their sole expense, may defend any such claim with counsel reasonably acceptable to Landlord and settle any such claim at their expense, but only Landlord may approve the text of any stipulation, settlement agreement consent order, judgment or decree entered into on its behalf, which such approval shall not be unreasonably withheld, conditioned or delayed; provided that it shall be deemed reasonable for landlord to withhold its consent to any stipulation, settlement agreement consent order, judgment or decree that requires Landlord to be liable for any brokerage commissions, finders fees or other compensation in connection with the Sublease or procuring possession of the Sublet Premises. The provisions of this **Section 8.2** shall survive the expiration or sooner termination of the Lease or Sublease.

8.3 **Recapture.** This consent shall in no manner be construed as limiting Landlord's ability to exercise its rights to recapture any portion of the Premises, as and to the extent set forth in the Lease, in the event of a proposed future sublease or assignment of such portion of the Premises.

8.4 **Controlling Law.** The terms and provisions of this Agreement shall be construed in accordance with and governed by the laws of the State of California.

8.5 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns. As used herein, the singular number includes the plural and the masculine gender includes the feminine and neuter.

8.6 **Captions.** The paragraph captions utilized herein are in no way intended to interpret or limit the terms and conditions hereof; rather, they are intended for purposes of convenience only.

8.7 **Partial Invalidity.** If any term, provision or condition contained in this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable shall not be affected thereby, and each and every other term, provision and condition of this Agreement shall be valid and enforceable to the fullest extent possible permitted by law.

8.8 **Attorneys' Fees.** If any party commences litigation against the other(s) for the specific performance of this Agreement, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the parties hereto agree to and hereby do waive any right to a trial by jury and, in the event of any such commencement of litigation, the prevailing party shall be entitled to recover from the other party(ies) such costs and reasonable attorneys' fees as may have been incurred.

8.9 **General Indemnity.** In addition to the indemnities set forth in Section 16.4 of the Sublease, Tenant and Subtenant, jointly and severally, indemnify Landlord against, and hold it harmless from any and all losses, costs, expenses, claims and liabilities (collectively, "**Liabilities**") including, but not limited to, reasonable attorneys' fees, caused directly by the use, occupancy, conduct or management of the Sublet Premises by Subtenant, or its agents, employees, contractors, representatives, invitees, or visitors, or Subtenant's activities therein (including, without limitation the presence of guns and other weapons in the Sublet Premises and the Project), except to the extent that any of such Liabilities are otherwise delegated between Landlord and Tenant under the Lease. If any proceeding is brought against Landlord by reason of any such claim, Tenant and Subtenant, jointly and severally, shall be responsible for Landlord's costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith. If any action or proceeding is brought against Landlord by reason of any such claim, Subtenant and/or Tenant, upon written notice from Landlord, shall, at Tenant's or Subtenant's sole cost and expense, as the case may be, resist or defend such action or proceeding using counsel reasonably approved by Landlord, but may not settle any such claim without Landlord's prior written approval. The provisions of this Section 8.9 shall survive the expiration or earlier termination of the term of the Sublease or the Lease. The indemnity and any right granted to Landlord pursuant to this paragraph shall be in addition to, and not in limitation of, Landlord's rights under the Lease.

8.10 **Authorization.** Each of Tenant and Subtenant represents that the persons executing this Agreement on behalf of Tenant and Subtenant is duly authorized to execute and deliver this Agreement on behalf of Tenant and Subtenant, as the case may be, and that each of Tenant and Subtenant has full power and authority to enter into this Agreement.

8.11 **Processing Fee.** Tenant agrees to pay, within thirty (30) days following notice to Tenant accompanied by reasonable itemized documentation, Landlord's reasonable out-of-pocket fees and disbursements incurred in connection with and related to the preparation and execution of this Agreement.

8.12 **Miscellaneous.** This Agreement may not be modified or terminated except by an instrument in writing executed by the parties hereto. This Agreement may be signed in one or more counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument. Delivery via facsimile or PDF transmission of a counterpart of this Agreement executed by the party(ies) making such delivery shall constitute a valid execution and delivery of this Agreement for all purposes as if such party had delivered an original counterpart. Signatures may also be transmitted using electronic signature technology. Tenant and Subtenant acknowledge and agree that (i) as to Landlord, in the event of any conflict between the terms and conditions of the Sublease and the terms of the Lease, the terms and conditions of the Lease shall control; and (ii) as between Tenant and Subtenant, in the event of any conflict between the terms and conditions of the Sublease and the terms of the Lease, the terms and conditions of the Sublease shall control.

[signature page to follow]



IN WITNESS WHEREOF, the parties have executed this Consent to Sublease Agreement as of the day and year first above written.

**"Landlord":**

HWA 555 OWNERS, LLC,  
a Delaware limited liability company


By: Hudson Waterfront Associates I, L.P.,  
a Delaware limited partnership,  
its sole member

By: Hudson Waterfront I Corporation,  
a Delaware corporation,  
its sole general partner

By: DocuSigned by:  
  
348794211A7E4A6...  
Glen J. Weiss  
Executive Vice President  
Co-Head Real Estate

**"Tenant":**

RIPPLE LABS INC.,  
a Delaware corporation

By: Signed by:  
  
2CB5A6A0827E4BD... 5/21/2025  
Its: Vice President of Places

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

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

**"Subtenant":**

CITY AND COUNTY OF SAN FRANCISCO,  
a municipal corporation

DocuSigned by:  
By: Andrico Q. Penick 5/21/2025  
3441150C0287459...  
Name: Andrico Q. Penick  
Title: Director of Property

Pursuant to the authority granted to the Director of Property  
under San Francisco Administrative Code Section 23.26

**RECOMMENDED:**

DocuSigned by:  
By: Chief William Scott 5/20/2025  
1EEB1BBFDCEC4D0...  
Name: William Scott  
Title: Chief of Police, San Francisco Police

**APPROVED AS TO FORM:**

DAVID CHIU, City Attorney

Signed by:  
By: Vicente P. Reyes 5/20/2025  
3351343894A9495...  
Vicente Reyes  
Deputy City Attorney

**EXHIBIT A**

**THE SUBLEASE**

That certain Sublease dated April 29, 2025 and executed via DocuSign by Sublandlord on April 30, 2025 and by Subtenant on April 30, 2025 as Docusign Envelope ID: 837561AC-6D04-4BA8-96AE-F0F38EB8EE74.

**EXHIBIT B**  
**315 MONTGOMERY STREET**  
**CALIFORNIA ASBESTOS NOTICE**

[Tenant]  
315 Montgomery St  
[Building Address]  
[City, State, Zip]

[Date]

Re: Notice of Known or Presumed Asbestos-Containing Materials at 315 Montgomery, San Francisco, CA (Building)

Dear Tenant:

Management is sending you this letter to make you aware of certain information about known or presumed asbestos-containing materials in the Building. As you may know, asbestos-containing materials (ACMs) were historically and commonly used in the construction of commercial buildings across the country. ACMs were widely used because of their beneficial qualities such as fire-resistance and noise and temperature insulating properties.

Some common types of ACMs include surfacing materials (such as spray-on fireproofing, stucco, plaster and textured paint), flooring materials (such as vinyl floor tile and vinyl floor sheeting) and their associated mastics, carpet mastic, thermal system insulation (such as pipe or duct wrap, boiler wrap and cooling tower insulation), roofing materials, drywall joint compound, acoustic ceiling tiles, transite board, base cove and associated mastic, caulking, window glazing and fire doors. Certain materials are presumed to contain ACM ("PACM"). PACM consists of thermal system insulation such as pipe, duct and boiler insulation and surfacing material such as fireproofing in buildings constructed prior to 1981, and asphalt or vinyl flooring installed prior to 1981. Intact ACM in good condition is not required under law to be removed from any commercial building except prior to demolition and renovation projects where those materials would be impacted. Moreover, ACMs generally are not thought to present a threat to human health unless there is a substantial and prolonged release into the air, which does not typically occur unless:

- (1) the ACMs are in a deteriorated condition, or
- (2) the ACMs have been significantly disturbed (such as through abrasive cleaning, maintenance or renovation activities that occur without proper engineering controls).

The health risks generally associated with asbestos result from the inhalation of asbestos fibers. The inhalation of asbestos fibers has been associated with serious lung diseases including asbestosis, lung cancer and mesothelioma. Asbestos is known to the State of California to cause cancer.

**All existing building materials should be considered asbestos containing unless records have proven otherwise. To inquire which records already exist, tenants are to schedule a meeting with the Building Office.**

The surveys indicate that ACM and PACM were all observed in good condition. Additionally, random air sampling conducted in December 2013 and January 2014 (see attached letter from RGA Environmental) revealed no findings above the regulatory limits.

For further information about the location of known ACM, suspected ACM ("SACM") or PACM in the Building, please consult the "Asbestos and Hazardous Material Operations & Maintenance Plan, HWA 555 Owners, LLC (Landlord) as managed by SO Hudson 555 Management, Inc. (Management)" ("Asbestos O&M Manual"), a copy of which is available at the Building manager's office during normal business hours. The Asbestos O&M Manual includes, but is not limited to, a description of the program and how it will be overseen, the administrative controls that are in place, an overview of the applicable regulations, the responsibilities of various parties, a description of the periodic surveillance that is to be conducted, a description of the emergency response actions, a description of work procedures, air monitoring plans, waste management programs, fireproofing respray specifications and training program details.

**In the event that you encounter any suspect ACM or PACM that has not been identified in the Asbestos O&M Manual, or encounter any ACM or PACM that is damaged or in poor condition, please do not disturb the ACM and immediately notify the Building Manager at (415) 392-1697 or the Building Construction Manager at (415) 392-1697.**

For further information about the specific types and locations of these identified ACMs, please consult the Asbestos and Hazardous Materials Operations & Maintenance Plan ("the O&M Plan"), which is maintained in our Building Management Office. If you would like to review a copy of the written O&M Plan, it will be made available for you upon request to review during regular business hours by contacting Diana Rosenblatt, Property Manager or Construction Manager at 415-392-1697. The Building Management Office maintains the O&M Plan as well as all records of the Building's asbestos information including any Building asbestos surveys, sampling and abatement reports.

The O&M Plan is designed to minimize the potential of any harmful asbestos exposure to any person in the Building. The O&M Plan includes a schedule of actions to be taken in order to (1) maintain any Building ACMs in good condition, and (2) to prevent any significant disturbance of such ACMs. The O&M Plan also includes, but is not limited to, a description of the program and how it will be overseen, the administrative controls that are in place, an overview of the applicable regulations, the responsibilities of various parties, a description of the periodic surveillance that is to be conducted, a description of the emergency response actions, a description of work procedures, air monitoring plans, waste management programs, fireproofing re-spray specifications and training program details. The O&M Plan describes the risks associated with asbestos exposure and how to prevent such exposure. The O&M Plan also describes a number of activities which should be avoided in order to prevent a release of asbestos fibers. In particular, you should be aware that some of the activities which may present a health risk (because those



activities may cause an airborne release of asbestos fibers) include moving, drilling, boring or otherwise disturbing ACMs. Consequently, such activities should not be attempted by any person not qualified to handle ACMs, and you must obtain the approval of Building management prior to engaging in any such activities. Please contact Diana Rosenblatt, Property Manager at 415-392-1697 for more information in this regard.

Because of the presence of ACM in the Building, we are also providing you with the following warning, which is commonly known as a California Proposition 65 warning:

**WARNING: This Building contains asbestos, a chemical known to the State of California to cause cancer.**

Building management is committed to maintaining a safe and pleasant physical working environment for all employees and tenants. Please contact Diana Rosenblatt if you have any questions regarding the contents of this letter.

Respectfully,

**SO Hudson 555 Management Inc.**

**EXHIBIT C**

**SIDEWALK TRAFFIC COATING REPAIRS**

[ATTACHED]



April 29, 2025

Chris Nori  
Chief Engineer  
315 Montgomery Street  
San Francisco Ca 94104

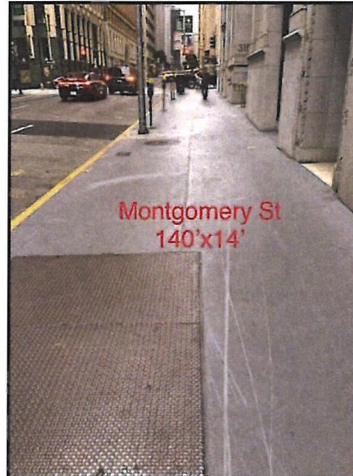
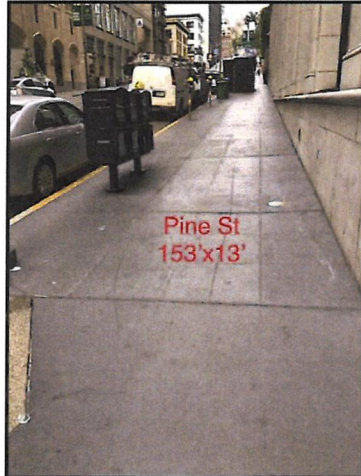
**Project:** 315 Montgomery Sidewalk Repair

**Proposal/Contract Type**

☒ Lump-Sum      ☐ Time and Materials      ☐ Budget      ☐ Other

**Rainbow Waterproofing & Restoration Co. (Contractor)** submits the following proposal to **Chris Nori (Customer)**, to perform services and to provide materials described under "Scope of Work" below at the following location: 315 Montgomery Street, San Francisco CA (**Project**).

**Work Area (Shown below)**



600 Treat Avenue, San Francisco CA 94110 | Phone: (415) 641-1578 | Web: rainbow415.com | License 148753

**Scope of Work & Price**

Item	Amount
<b>Sidewalk Traffic Coating Repair</b>  Scope of work: 1. Pressure wash the entire sidewalk to remove dirt/debris. 2. Prepare and patch damaged sections of the coating where the concrete substrate is exposed. At these locations, install a complete Gaco coating system. 3. Apply the final GacoFlex U-64 top coat over the entire area.  **Performed in <u>two phases</u> to allow the sidewalk to remain open.	          \$ 68,795.00

**Qualifications**

**A. Standard Qualifications.**

- Rainbow will provide a site specific COVID-19 Safety Plan as outlined in the City & County of San Francisco / Department of Public Health – Order of the Health Officer C19-07b. All costs associated with implementing this order are included.
- All work will be performed during regular business hours. Regular business hours are Monday through Friday between the hours of 6:00 am to 5:00 pm.
- The work will be performed as part of one continuous project. If the schedule is broken up and multiple mobilizations are necessary, additional costs may be incurred and added to the contract total.
- Water and power to be provided by the Customer at no cost to the Contractor.
- The Customer will provide a secure staging area near the Work Area for the storage of Rainbow's materials and equipment.
- Rainbow excludes costs associated with handling or disposing of any hazardous materials unless specifically stated within the Scope of Work.
- The Contractor will provide no temporary facilities. The Customer will provide restrooms at the Project unless portable toilets are included within the Scope of Work.
- Insurance requirements beyond Rainbow's standard insurance policies may increase the cost of the work.
- Contractor excludes permits and costs associated with permits unless included in the Scope of Work above.
- Includes Union labor.
- **Guarantee:** Contractor warrants and guarantees that its work will be performed in compliance with all federal, state and/or local regulations and, at the time of Customer's acceptance inspection, will meet the specifications in the Contract Documents specifically relating to Contractor's work Contractor's obligation to repair or replace defective work will expire one year from the completion of Contractor's work this warranty is in lieu of any warranties provided in the bid documents and in lieu of all other warranties, express or implied, including any warranties of merchantability or fitness for a particular purpose

This proposal is subject to change and will be withdrawn if not accepted within 30 days of the date of the proposal; it is subject to and includes all terms and conditions.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives, as follows:

**Contractor:**

Rainbow Waterproofing & Restoration Co.

By: *Ryan Browne*

Name: Ryan Browne

Title: Project Manager

Date: April 29, 2025

**Customer:**

Chris Nori

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

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

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

Date: \_\_\_\_\_



#### TERMS AND CONDITIONS

**The Work:** CONTRACTOR will supply and perform only that work specifically described herein (the "Work"), notwithstanding anything to the contrary contained in any bid documents presented by the Customer (the "Bid Documents"). It is specifically understood that the scope of work described herein shall supersede anything to the contrary provided in the bid documents. Any work to be done beyond that described herein shall require that a change order be executed. Customer shall notify CONTRACTOR if CONTRACTOR's work is to be stopped upon reaching any aggregate contract sum.

**Schedule:** CONTRACTOR will supply and perform the Work in accordance with the schedule (the "Schedule") described herein or in the absence thereof, in accordance with the Bid Documents. CONTRACTOR's obligation hereunder is based upon the Schedule, both as to duration and sequence. In the event of any significant change in the Schedule, the contract price and the Schedule shall be equitably adjusted. In the event CONTRACTOR is delayed in its Work or is otherwise required to accelerate or re-sequence its work for reasons other than the fault of CONTRACTOR or others under CONTRACTOR's control, then CONTRACTOR shall be entitled to additional compensation.

**Work Week:** Customer will cooperate with CONTRACTOR in scheduling all Work, including disconnections, reconnections, interruption of services and utilities, and similar matters. In the event that Customer requires CONTRACTOR to work outside of normal daytime business hours, CONTRACTOR shall be entitled to additional compensation for such overtime.

**Guarantee:** CONTRACTOR warrants and guarantees that its Work will be performed in compliance with all Federal, State and/or Local regulations and, at the time of Customer's acceptance inspection, will meet the specifications in the Contract Documents specifically relating to CONTRACTOR's Work. CONTRACTOR's obligation to repair or replace defective Work will expire one year from the completion of CONTRACTOR's Work. THIS WARRANTY IS IN LIEU OF ANY WARRANTIES PROVIDED IN THE BID DOCUMENTS AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**Insurance:** CONTRACTOR shall supply workers compensation insurance in the form and amount required by law. CONTRACTOR shall supply general liability insurance, evidenced by its standard certificate of insurance, the price of which shall be included in the bid price unless otherwise specified herein. In the event Customer requires Contractor to endorse primary wording and/or endorse a waiver of subrogation clause on any policy, Customer agrees to pay all additional premiums, fees, and taxes associated with these endorsements.

**Protection of Work:** CONTRACTOR shall be responsible for protecting the Work, or portions thereof, during the time the Work or portions of it are under its control; provided, however, that during such time, CONTRACTOR shall not be responsible for loss or damage caused by others, nor for any damages whatsoever while CONTRACTOR is not on site.

**Storage and Facilities:** Customer will provide at its expense sufficient storage space to CONTRACTOR, which is fully protective of materials and equipment furnished for the Work at the place of performance of the Work. Customer will provide at its expense all light, heat, power, and water which is required by CONTRACTOR for performance of the Work in the custom and practice of CONTRACTOR's trade.

**Taxes:** Customer will pay for any and all taxes which are now or may be imposed on the Work by any Federal, State or Local taxing authority, law, ordinance, rule or regulation, unless otherwise specified herein.

**Bonds:** Upon the request and at the expense of Customer, CONTRACTOR will furnish performance and payment bonds written by a corporate surety. The cost of any such bonds are not included in the bid price and shall be paid for by Customer.

**Indemnity:** CONTRACTOR will indemnify and hold harmless Customer from all or such portion of such loss or damage to persons or property to the extent arising directly from CONTRACTOR's performance of the Work and which is caused solely by the willful misconduct or negligent acts of CONTRACTOR, its employees, or anyone under its control. Customer will indemnify and hold harmless CONTRACTOR from all or such portion of such loss or damage to persons or property to the extent arising directly from the willful misconduct or negligent acts of Customer, its employees or anyone under its control, including other contractors.

**Payments:** For Work commenced and completed in anyone calendar month, Customer will pay the full contract price in full upon the completion and acceptance of the Work. Otherwise, all progress payments for the value of the Work completed plus the amount of materials and equipment suitably stored on or off site, and final payment, shall be paid by the Customer to CONTRACTOR within thirty (30) days after the Customer's receipt of Contractor's payment application form.

**Inspection and Acceptance:** Contractor's Work shall be considered complete when CONTRACTOR notifies Customer that the Work has been completed in accordance with the specifications. The Customer's inspection of the Work shall take place within twenty-four (24) hours from receipt of notice from CONTRACTOR. Customer's acknowledgement on the Acceptance Form shall constitute acceptance of the Work.

**Retention:** For Work completed, ninety-five percent (95%) of the contract value of Work performed during each payment period will be payable as provided above up to a maximum retention of \$50,000.00. In any event, the full balance of the contract price shall be payable in full upon completion and acceptance of the Work.

**Late Payments:** All sums not paid to CONTRACTOR when due, whether progress payment, final payment or retention, shall bear an interest rate of one and one-half percent (1.2%) per month or the maximum legal rate permitted by law, whichever is less, and all costs of collection, including a reasonable attorney's fee, shall be paid by Customer.

**Changes:** CONTRACTOR may only be ordered in writing by the Customer to make changes in the Work within the general scope of the Work consisting of additions, deletions, changes to the Schedule in duration or sequence, or other revisions, and the contract price and the Schedule shall be adjusted accordingly. Before starting the changed Work, CONTRACTOR will submit to the Customer a request for adjustment to the contract price and/or the schedule. CONTRACTOR will not commence any such changed or revised work until receipt of a written change order from the Customer incorporating an adjustment to the contract price and/or schedule in accordance with the above.

**Force of Nature:** CONTRACTOR shall not be responsible for delays or defaults where occasioned by any causes of any kind and extent beyond its control, including but not limited to delays caused by the Owner, Customer, other subcontractors, architect and/or engineers, delays in transportation, shortages of raw materials, civil disorders, acts of the government, either in its sovereign or contractual capacity, labor difficulties or shortages, vendor allocations, freight embargoes, fires, floods, epidemics, quarantine restrictions, accidents, unusually severe weather, and acts of God. CONTRACTOR shall be entitled to an equitable adjustment in the Schedule and Contract Sum for such delays as described above.

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**Customer Supplied Property:** If the Work described herein requires Customer to supply materials, equipment, or other property, then Customer warrants that such items shall be fit for the use for which they were intended. If such items do not conform, CONTRACTOR shall notify Customer within a reasonable time after CONTRACTOR's notice of the nonconformance and CONTRACTOR may request additional compensation by change order CONTRACTOR Supplied Property. Whenever the Customer, its employees, contractors and subcontractors (other than CONTRACTOR) use ladders, scaffolding, tools, vehicles, equipment or property of any kind, either owned or rented by CONTRACTOR, Customer shall indemnify and hold CONTRACTOR harmless from any and all claims, demands, damages, causes of action and suits of whatsoever nature and kind, arising out of or connected with the use of such, except when caused by the sole active negligence of CONTRACTOR.

**Differing Site Conditions:** If CONTRACTOR encounters conditions at the site differing materially from those indicated in the Bid Documents, or unknown physical conditions at the site of unusual nature differing materially from those ordinarily encountered by CONTRACTOR's trade, then CONTRACTOR shall promptly notify the Customer, stop its Work and await instructions from Customer. If such conditions cause a change in the cost of, or the time required for, performance of any portion of the Work, an equitable price adjustment shall be made and the Schedule modified accordingly.

**Notices:** Any notice or written claim required to be submitted to the Customer on account of charges, extras, delays, acceleration, or otherwise, shall be furnished within a reasonable time period, and in a manner to permit the Customer to satisfy the requirements of the Contract, notwithstanding any shorter time period otherwise provided therein.

**Liens:** Nothing shall serve to void CONTRACTOR's right to file a lien or claim on its behalf in the event that any payment to CONTRACTOR is not timely made.

**Damages:** Notwithstanding anything to the contrary in the Bid or Contract Documents, CONTRACTOR will in no event be liable for consequential, incidental or special damages of any kind for any reason whatsoever, whether arising in contract, tort or equity. This release includes but is not limited to claims of negligence.

**Preparation of Work Areas:** The Customer shall prepare all Work areas so as to be acceptable for mobilization by CONTRACTOR. CONTRACTOR will not be called upon to start Work until sufficient areas are ready to ensure continued Work until job completion. CONTRACTOR shall not be responsible for damage to any property (a) which is to be replaced by Customer, or (b) which is damaged as a result of removal by CONTRACTOR prior to performance of the Work in order to perform Work despite CONTRACTOR exercising reasonable care to prevent damage.

**Termination and Suspension:** If the Customer does not pay CONTRACTOR in a timely manner within seven (7) days from the time payment should be made as provided herein (except where such nonpayment is due to defective Work by CONTRACTOR or other material breach by CONTRACTOR), then CONTRACTOR may, without prejudice to any other remedy it may have, upon two (2) additional days' written notice to the Customer, stop its Work until payment of the amount owing has been received. In the event CONTRACTOR resumes its Work, the Schedule shall be equitably adjusted, and CONTRACTOR shall incur no liability for such termination. Further, the contract price shall, by appropriate adjustment, be increased by the amount of Contractor's reasonable costs of shutdown, delay and startup. Further, if Contractor's Work is terminated or suspended for the convenience of the Customer or any other party, then CONTRACTOR shall be paid for all Work performed to-date, for equipment and materials already ordered, and for Contractor's costs of early termination, or in the case of suspension, Contractor's costs of shutdown, delay and startup. Notwithstanding anything herein to the contrary, CONTRACTOR shall not be liable for any damage while CONTRACTOR is not on site.

**Waiver:** CONTRACTOR's waiver of any term herein shall not be construed as a waiver of such terms at any subsequent time.

**Cooperation and Safety:** CONTRACTOR's Work shall be performed in accordance with all applicable requirements of the Environmental Protection Agency, OSHA and other Federal, State and Local regulations. Customer will cooperate with CONTRACTOR in all respects and take all necessary actions to enable CONTRACTOR to meet all such requirements with respect to the Work and the Project. Customer will cooperate with CONTRACTOR to assure that all areas where the Work is being performed are closed to access by unauthorized persons. Customer shall provide adequate security, including security personnel, to prevent unauthorized entry into CONTRACTOR's Work areas. The Customer will ensure that its employees, representatives, agents and tenants will abide by all safety procedures applied by CONTRACTOR on the Project. CONTRACTOR shall provide for its Work all safety signs, direction signs and warning signs for the Project in accordance with statutory requirements. All visitors to the Work areas shall be required to comply with CONTRACTOR's safety requirements. Customer agrees that CONTRACTOR's insurers' representatives shall have the right to inspect CONTRACTOR's Work and Project without hindrance.


**Legal Effect:** This proposal offers to the Customer the terms and conditions upon which CONTRACTOR will perform the Work described herein and is made without regard to any of the provisions in the Bid Documents not expressly incorporated herein by reference or otherwise agreed to in writing signed by CONTRACTOR. Acceptance of the proposal is expressly limited to the terms stated herein. Additional or inconsistent terms of Customer's form or other documents are objected to and rejected and shall be deemed a material alteration thereof. Upon acceptance, this proposal will represent the entire agreement of the parties with regard to performance and payment for the Work. The proposal may be changed or withdrawn at any time prior to acceptance by notice to the Customer and will be deemed withdrawn if not accepted by the Customer within thirty (30) days from the date hereof.

600 Treat Avenue, San Francisco CA 94110 | Phone: (415) 641-1578 | Web: rainbow415.com | License 148753

EXHIBIT D

EVIDENCE OF INSURANCE

TENANT



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
05/07/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Newfront Insurance Services, LLC  
777 Mariners Island Blvd  
Suite 250  
San Mateo  
CA 94404

INSURED

Ripple Labs, Inc.  
  
600 Battery Street  
San Francisco  
CA 94111

CONTACT NAME: Certificate Department

PHONE (A/C No. Ext): (415) 754-3635

FAX (A/C No):

E-MAIL ADDRESS: techcertrequest@newfront.com

INSURER(S) AFFORDING COVERAGE

INSURER A : Zurich American Insurance Company

INSURER B : American Guarantee and Liability Insurance Company

INSURER C :

INSURER D :

INSURER E :

INSURER F :

NAIC #  
16535  
26247

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			CPO 8657783 - 02	08/31/2024	08/31/2025	EACH OCCURRENCE
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						\$ 1,000,000
			URRAGE TO RENTED PREMISES (Ea occurrence)				\$ 1,000,000
			MED EXP (Any one person)				\$ 15,000
			PERSONAL & ADV INJURY				\$ 1,000,000
		GENERAL AGGREGATE	\$ 2,000,000				
		PRODUCTS - COMP/OP AGG	\$ 2,000,000				
		OTHER:					\$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)
	<input type="checkbox"/> ANY AUTO						\$
	<input type="checkbox"/> OWNED AUTOS ONLY	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per person)
	<input type="checkbox"/> HIRED AUTOS ONLY	<input type="checkbox"/> NON-OWNED AUTOS ONLY					\$
			BODILY INJURY (Per accident)				\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			AUC 8626921 - 02	08/31/2024	08/31/2025	EACH OCCURRENCE
	<input type="checkbox"/> EXCESS LIAB	<input checked="" type="checkbox"/> OCCUR					\$ 12,000,000
	<input type="checkbox"/> RETENTION \$	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE
							\$ 12,000,000
			DED				\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					PER STATUTE
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A			OTH-ER
		If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. EACH ACCIDENT
							\$
							E.L. DISEASE - EA EMPLOYEE
							\$
							E.L. DISEASE - POLICY LIMIT
							\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER

CANCELLATION

Evidence of Insurance only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

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## SUBTENANT

City & County of San Francisco  
Daniel Lurie, Mayor



Office of the City Administrator  
Carmen Chu, City Administrator  
Matt Hansen, Director Risk Management

May 15, 2025

Ripple Labs Inc.  
600 Battery Street  
San Francisco, CA 94111  
Attn: General Counsel

**RE: City & County of San Francisco Self-Insurance for Sublease of 315 Montgomery St.,  
8<sup>th</sup> Fl., San Francisco, CA**

This letter certifies that the City and County of San Francisco is self-insured and self-funded for the following insurance coverages, which cover the City and County of San Francisco, its officers and employees.

Comprehensive General Liability insurance in the amount of \$10,000,000 per occurrence and \$10,000,000 general aggregate for bodily injury, property damage, and personal injury to third parties for liability arising out of the City's negligence in performance of this agreement.

Workers' Compensation in statutory amounts with Employer's Liability of \$1,000,000 per accident, injury or illness.

The City and County of San Francisco's self-insurance program is not commercial insurance and has no legal capacity to name another entity as additional insured.

Do not hesitate to contact this office should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Matt Hansen".

Matt Hansen  
Director

CC: Andrico Q. Penick, Director of Real Estate, CCSF  
Johnny Wong, Facilities & Fleet General Manager, SFPD

[sf.gov/city-administrator](https://sf.gov/city-administrator)